

458

SENATE FILE
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1207)

Passed Senate, Date 5/1/03
Vote: Ayes _____ Nays _____

Passed House, Date 5
Vote: Ayes _____ Nays _____

Approved _____

Motion to reconsider filed 5/1/03: Lambert

A BILL FOR

1 An Act relating to public expenditure and regulatory matters,
2 compensating public employees, making and reducing
3 appropriations, providing for related matters, making
4 penalties applicable, and providing effective dates.

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

6

7

SENATE FILE 458

8

S-3345

9

1 Amend Senate File 458 as follows:

10

2 1. Page 3, line 1, by striking the word "fifty-
3 six" and inserting the following: "sixty-six".

11

By MIKE CONNOLLY

JACK HATCH

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JOHN P. KIBBIE

AMANDA RAGAN

13

ROBERT E. DVORSKY

THOMAS G. COURTNEY

14

ROGER STEWART

WILLIAM A. DOTZLER

15

DARYL BEALL

JACK HOLVECK

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KEITH A. KREIMAN

HERMAN C. QUIRMBACH

17

STEVEN H. WARNSTADT

DENNIS H. BLACK

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S-3345 FILED APRIL 30, 2003

Lost 5/1/03

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DIVISION I

MH/MR/DD ALLOWED GROWTH

Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS -- FISCAL YEAR 2004-2005.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... \$ 23,738,749

2. The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2004-2005, and is allocated as follows:

a. For distribution as provided by law:

..... \$ 21,738,749

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

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

DIVISION II

STANDING APPROPRIATIONS -- REDUCTIONS

Sec. 2. GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2003, and ending June 30, 2004, are reduced by the following amount:

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

Sec. 3. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding section 8.56, subsection 4, there is appropriated from the

1 cash reserve fund to the rebuild Iowa infrastructure fund
2 created in section 8.57 for the fiscal year beginning July 1,
3 2002, and ending June 30, 2003, the following amount:
4 \$ 2,150,000

5 Sec. 4. ENVIRONMENT FIRST FUND. Notwithstanding the
6 amount of the standing appropriation from the rebuild Iowa
7 infrastructure fund under section 8.57A, subsection 4, there
8 is appropriated from the rebuild Iowa infrastructure fund to
9 the environment first fund, in lieu of the appropriation made
10 in section 8.57A, for the fiscal year beginning July 1, 2002,
11 and ending June 30, 2003, the following amount:

12 \$ 18,445,000

13 Sec. 5. AT-RISK CHILDREN PROGRAMS. Notwithstanding the
14 standing appropriation in section 279.51, subsection 1, the
15 amount appropriated from the general fund of the state under
16 section 279.51, subsection 1, to the department of education
17 for the fiscal year beginning July 1, 2003, and ending June
18 30, 2004, is reduced by the following amount:

19 \$ 1,000,000

20 The amount of the reduction in this section shall be
21 prorated among the programs specified in section 279.51,
22 subsection 1, paragraphs "a", "b", and "c".

23 Sec. 6. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
24 Notwithstanding section 312.2, subsection 14, the amount
25 appropriated from the general fund of the state under section
26 312.2, subsection 14, to the state department of
27 transportation for public transit assistance under chapter
28 324A for the fiscal year beginning July 1, 2003, and ending
29 June 30, 2004, is reduced by the following amount:

30 \$ 1,298,675

31 Sec. 7. Section 294A.25, subsection 1, Code 2003, is
32 amended to read as follows:

33 1. For the fiscal year beginning July 1, ~~2000~~ 2003, and
34 for each succeeding year, there is appropriated from the
35 general fund of the state to the department of education the

1 amount of eighty fifty-six million eight hundred ninety-one
2 thousand three hundred thirty-six dollars to be used to
3 improve teacher salaries. The moneys shall be distributed as
4 provided in this section.

5 Sec. 8. EFFECTIVE DATE. The sections of this division of
6 this Act relating to the appropriations made to the rebuild
7 Iowa infrastructure fund and environment first fund for the
8 fiscal year beginning July 1, 2002, being deemed of immediate
9 importance, take effect upon enactment.

10 DIVISION III

11 STANDING APPROPRIATIONS -- LIMITATIONS

12 Sec. 9. Notwithstanding the standing appropriations in the
13 following designated sections for the fiscal year beginning
14 July 1, 2003, and ending June 30, 2004, the amounts
15 appropriated from the general fund of the state pursuant to
16 those sections for the following designated purposes shall not
17 exceed the following amounts:

18 1. For compensation of officers and enlisted persons and
19 their expenses while on state active duty as authorized in
20 section 29A.27:

21 \$ 432,450

22 2. For payment for nonpublic school transportation under
23 section 285.2:

24 \$ 7,799,550

25 If total approved claims for reimbursement for nonpublic
26 school pupil transportation claims exceed the amount
27 appropriated in this section, the department of education
28 shall prorate the amount of each claim.

29 3. For printing cigarette tax stamps under section 453A.7:

30 \$ 110,055

31 4. For the state's share of the cost of the peace
32 officers' retirement benefits under section 411.20:

33 \$ 2,816,189

34 5. For payment of livestock production credit refunds
35 under section 422.121:

1 amount shall instead be deposited in the general fund of the
2 state:

3 \$ 20,000,000

4 Sec. 15. JUNIOR OLYMPICS. There is appropriated from the
5 general fund of the state to the department of economic
6 development for the fiscal year beginning July 1, 2003, and
7 ending June 30, 2004, the following amount, or so much thereof
8 as is necessary, to be used for the purpose designated:

9 For providing assistance to a city or nonprofit
10 organization hosting the national junior olympics:
11 \$ 50,000

12 Sec. 16. Section 8.55, subsection 2, paragraph c, Code
13 2003, is amended to read as follows:

14 c. Notwithstanding paragraph "a", any moneys in excess of
15 the maximum balance in the economic emergency fund after the
16 distribution of the surplus in the general fund of the state
17 at the conclusion of each fiscal year and after the
18 appropriate amount has been transferred pursuant to paragraph
19 "b", shall not be transferred to the general fund of the state
20 but shall be transferred to the senior living trust fund. The
21 total amount transferred, in the aggregate, under this
22 paragraph for all fiscal years shall not exceed fifty-one one
23 hundred eighteen million five-hundred-thousand dollars.

24 Sec. 17. Section 8.57, subsection 1, paragraph a,
25 unnumbered paragraph 1, Code Supplement 2001, as enacted by
26 2002 Iowa Acts, Second Extraordinary Session, chapter 1001,
27 section 28, is amended to read as follows:

28 The "cash reserve goal percentage" for fiscal years
29 beginning on or after July 1, ~~2003~~ 2004, is seven and one-half
30 percent of the adjusted revenue estimate. For each fiscal
31 year ~~beginning-on-or-after-July-17-2003~~, in which the
32 appropriation of the surplus existing in the general fund of
33 the state at the conclusion of the prior fiscal year pursuant
34 to paragraph "b" was not sufficient for the cash reserve fund
35 to reach the cash reserve goal percentage for the current

1 fiscal year, there is appropriated from the general fund of
2 the state an amount to be determined as follows:

3 Sec. 18. Section 260G.4B, subsection 1, Code 2003, is
4 amended to read as follows:

5 1. The total amount of program job credits from all
6 employers which shall be allocated for all accelerated career
7 education programs in the state in any one fiscal year shall
8 not exceed the sum of three million dollars in the fiscal year
9 beginning July 1, 2000, three million dollars in the fiscal
10 year beginning July 1, 2001, three million dollars in the
11 fiscal year beginning July 1, 2002, four million dollars in
12 the fiscal year beginning July 1, 2003, and six million
13 dollars in the fiscal year beginning July 1, ~~2003~~ 2004, and
14 every fiscal year thereafter. Any increase in program job
15 credits above the six-million-dollar limitation per fiscal
16 year shall be developed, based on recommendations in a study
17 which shall be conducted by the department of economic
18 development of the needs and performance of approved programs
19 in the fiscal years beginning July 1, 2000, and July 1, 2001.
20 The study's findings and recommendations shall be submitted to
21 the general assembly by the department by December 31, 2002.
22 The study shall include but not be limited to an examination
23 of the quality of the programs, the number of program
24 participant placements, the wages and benefits in program
25 jobs, the level of employer contributions, the size of
26 participating employers, and employer locations. A community
27 college shall file a copy of each agreement with the
28 department of economic development. The department shall
29 maintain an annual record of the proposed program job credits
30 under each agreement for each fiscal year. Upon receiving a
31 copy of an agreement, the department shall allocate any
32 available amount of program job credits to the community
33 college according to the agreement sufficient for the fiscal
34 year and for the term of the agreement. When the total
35 available program job credits are allocated for a fiscal year,

1 the department shall notify all community colleges that the
2 maximum amount has been allocated and that further program job
3 credits will not be available for the remainder of the fiscal
4 year. Once program job credits have been allocated to a
5 community college, the full allocation shall be received by
6 the community college throughout the fiscal year and for the
7 term of the agreement even if the statewide program job credit
8 maximum amount is subsequently allocated and used.

9 Sec. 19. 2001 Iowa Acts, chapter 174, section 1,
10 subsection 2, as amended by 2002 Iowa Acts, chapter 1174,
11 section 8, is amended to read as follows:

12 2. There is appropriated from the general fund of the
13 state to the endowment for Iowa's health account of the
14 tobacco settlement trust fund created in section 12E.12, for
15 the designated fiscal years, the following amounts, to be used
16 for the purposes specified in section 12E.12 for the endowment
17 for Iowa's health account:

18	FY 2001-2002	\$ 7,248,000
19	FY 2003-2004	\$ 28,251,700
20		<u>0</u>
21	FY 2004-2005	\$ 29,785,000
22	FY 2005-2006	\$ 29,562,000
23	FY 2006-2007	\$ 17,773,000

24 Sec. 20. 2002 Iowa Acts, Second Extraordinary Session,
25 chapter 1001, section 33, is amended to read as follows:

26 SEC. 33. EFFECTIVE DATE -- APPLICABILITY. The amendments
27 to the following designated Code provisions in this division
28 of this Act take effect July 1, ~~2003~~ 2004:

- 29 1. Section 8.55, subsection 2, paragraph "a".
- 30 2. Section 8.56, subsection 4, paragraph "b".
- 31 3. Section 8.57, subsection 1, paragraph "a".

32 RACING AND GAMING COMMISSION

33 Sec. 21. 2002 Iowa Acts, Second Extraordinary Session,
34 chapter 1003, section 9, subsection 1, is amended to read as
35 follows:

1 1. RACETRACK REGULATION

2 There is appropriated from the general fund of the state to
3 the racing and gaming commission of the department of
4 inspections and appeals for the fiscal year beginning July 1,
5 2002, and ending June 30, 2003, the following amount, or so
6 much thereof as is necessary, to be used for the purposes
7 designated:

8	For salaries, support, maintenance, and miscellaneous	
9	purposes for the regulation of pari-mutuel racetracks, and for	
10	not more than the following full-time equivalent positions:	
11	.....	\$ 2,083,762
12		<u>2,163,762</u>
13	..... FTEs	24.78

14 Of the funds appropriated in this subsection, \$85,576 shall
15 be used to conduct an extended harness racing season.

16 Sec. 22. EFFECTIVE DATE. The following provisions of this
17 division of this Act, being deemed of immediate importance,
18 take effect upon enactment:

19 1. The section appropriating moneys from the keep Iowa
20 beautiful fund.

21 2. The section amending 2002 Iowa Acts, Second
22 Extraordinary Session, chapter 1003, section 9, relating to
23 racetrack regulation.

24 DIVISION V

25 COMPENSATION AND BENEFITS

26 Sec. 23. COLLECTIVE BARGAINING AGREEMENTS FUNDED --
27 GENERAL FUND. There is appropriated from the general fund of
28 the state to the salary adjustment fund for distribution by
29 the department of management to the various state departments,
30 boards, commissions, councils, and agencies, and to the state
31 board of regents for those persons employed at the state
32 school for the deaf and the Iowa braille and sight saving
33 school, for the fiscal year beginning July 1, 2003, and ending
34 June 30, 2004, the amount of \$25,000,000, or so much thereof
35 as may be necessary, to fully fund annual pay adjustments,

1 expense reimbursements, and related benefits implemented
2 pursuant to the following:

3 1. The collective bargaining agreement negotiated pursuant
4 to chapter 20 for employees in the blue collar bargaining
5 unit.

6 2. The collective bargaining agreement negotiated pursuant
7 to chapter 20 for employees in the public safety bargaining
8 unit.

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

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

13 5. The collective bargaining agreement negotiated pursuant
14 to chapter 20 for employees in the professional fiscal and
15 staff bargaining unit.

16 6. The collective bargaining agreement negotiated pursuant
17 to chapter 20 for employees in the clerical bargaining unit.

18 7. The collective bargaining agreement negotiated pursuant
19 to chapter 20 for employees in the professional social
20 services bargaining unit.

21 8. The collective bargaining agreement negotiated pursuant
22 to chapter 20 for employees in the community-based corrections
23 bargaining unit.

24 9. The collective bargaining agreements negotiated
25 pursuant to chapter 20 for employees in the judicial branch of
26 government bargaining units.

27 10. The annual pay adjustments, related benefits, and
28 expense reimbursements referred to in the sections of this
29 division of this Act for employees not covered by a collective
30 bargaining agreement.

31 Sec. 24. NONCONTRACT STATE EMPLOYEES -- GENERAL.

32 1. a. For the fiscal year beginning July 1, 2003, the
33 maximum salary levels of all pay plans provided for in section
34 19A.9, subsection 2, as they exist for the fiscal year ending
35 June 30, 2003, shall be increased by 2 percent for the pay

1 period beginning June 20, 2003, and any additional changes in
2 the pay plans shall be approved by the governor.

3 b. For the fiscal year beginning July 1, 2003, employees
4 may receive a step increase or the equivalent of a step
5 increase.

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

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

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

25 5. The policies for implementation of this section shall
26 be approved by the governor.

27 Sec. 25. STATE EMPLOYEES -- STATE BOARD OF REGENTS.

28 1. Funds from the appropriation made in this division of
29 this Act from the general fund of the state to the salary
30 adjustment fund shall be allocated by the department of
31 management to the state board of regents for the purposes of
32 providing increases for state board of regents employees at
33 the state school for the deaf and the Iowa braille and sight
34 saving school who are addressed by that appropriation and
35 employees of the schools who are not covered by a collective

1 bargaining agreement.

2 2. The state board of regents office and the state
3 university of Iowa, Iowa state university of science and
4 technology, and the university of northern Iowa shall provide
5 from available sources pay adjustments, expense
6 reimbursements, and related benefits to fully fund the
7 following:

8 a. The collective bargaining agreement negotiated pursuant
9 to chapter 20 for employees in the university of northern Iowa
10 faculty bargaining unit.

11 b. The collective bargaining agreement negotiated pursuant
12 to chapter 20 for employees in the patient care bargaining
13 unit.

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

16 d. The collective bargaining agreement negotiated pursuant
17 to chapter 20 for employees in the state university of Iowa
18 graduate student bargaining unit.

19 e. The collective bargaining agreement negotiated pursuant
20 to chapter 20 for employees in the state university of Iowa
21 hospital and clinics tertiary health care bargaining unit.

22 f. The collective bargaining agreement negotiated pursuant
23 to chapter 20 for employees in the blue collar bargaining
24 unit.

25 g. The collective bargaining agreement negotiated pursuant
26 to chapter 20 for employees in the public safety bargaining
27 unit.

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

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

32 j. The collective bargaining agreement negotiated pursuant
33 to chapter 20 for employees in the professional fiscal and
34 staff bargaining unit.

35 k. The collective bargaining agreement negotiated pursuant

1 to chapter 20 for employees in the clerical bargaining unit.

2 1. The annual pay adjustments, related benefits, and
3 expense reimbursements referred to in the sections of this
4 division of this Act for employees not covered by a collective
5 bargaining agreement.

6 Sec. 26. APPROPRIATIONS FROM ROAD FUNDS.

7 1. There is appropriated from the road use tax fund to the
8 salary adjustment fund for the fiscal year beginning July 1,
9 2003, and ending June 30, 2004, the following amount, or so
10 much thereof as may be necessary, to be used for the purpose
11 designated:

12 To supplement other funds appropriated by the general
13 assembly:

14 \$ 3,000,000

15 2. There is appropriated from the primary road fund to the
16 salary adjustment fund, for the fiscal year beginning July 1,
17 2003, and ending June 30, 2004, the following amount, or so
18 much thereof as may be necessary, to be used for the purpose
19 designated:

20 To supplement other funds appropriated by the general
21 assembly:

22 \$ 12,000,000

23 3. Except as otherwise provided in this division of this
24 Act, the amounts appropriated in subsections 1 and 2 shall be
25 used to fund the annual pay adjustments, expense
26 reimbursements, and related benefits for public employees as
27 provided in this division of this Act.

28 Sec. 27. SPECIAL FUNDS -- AUTHORIZATION. To departmental
29 revolving, trust, or special funds, except for the primary
30 road fund or the road use tax fund, for which the general
31 assembly has established an operating budget, a supplemental
32 expenditure authorization is provided, unless otherwise
33 provided, in an amount necessary to fund salary adjustments as
34 otherwise provided in this division of this Act.

35 Sec. 28. GENERAL FUND SALARY MONEYS. Funds appropriated

1 from the general fund of the state in this division of this
2 Act relate only to salaries supported from general fund
3 appropriations of the state except for employees of the state
4 board of regents at the state school for the deaf and the Iowa
5 braille and sight saving school. The funds appropriated from
6 the general fund of the state for employees at the state
7 school for the deaf and the Iowa braille and sight saving
8 school of the state board of regents shall exclude general
9 university indirect costs and general university federal
10 funds.

11 Sec. 29. FEDERAL FUNDS APPROPRIATED. All federal grants
12 to and the federal receipts of the agencies affected by this
13 division of this Act which are received and may be expended
14 for purposes of this division of this Act are appropriated for
15 those purposes and as set forth in the federal grants or
16 receipts.

17 Sec. 30. STATE TROOPER MEAL ALLOWANCE. The sworn peace
18 officers in the department of public safety who are not
19 covered by a collective bargaining agreement negotiated
20 pursuant to chapter 20 shall receive the same per diem meal
21 allowance as the sworn peace officers in the department of
22 public safety who are covered by a collective bargaining
23 agreement negotiated pursuant to chapter 20.

24 Sec. 31. SALARY MODEL COORDINATOR. Of the funds
25 appropriated in this division of this Act from the general
26 fund of the state, \$126,767 for the fiscal year beginning July
27 1, 2003, is allocated to the department of management for
28 salary and support of the salary model coordinator who shall
29 work in conjunction with the legislative fiscal bureau to
30 maintain the state's salary model used for analyzing,
31 comparing, and projecting state employee salary and benefit
32 information, including information relating to employees of
33 the state board of regents. The department of revenue and
34 finance, the department of personnel, the five institutions
35 under the jurisdiction of the state board of regents, the

1 eight judicial district departments of correctional services,
2 and the state department of transportation shall provide
3 salary data to the department of management and the
4 legislative fiscal bureau to operate the state's salary model.
5 The format and frequency of provision of the salary data shall
6 be determined by the department of management and the
7 legislative fiscal bureau. The information shall be used in
8 collective bargaining processes under chapter 20 and in
9 calculating the funding needs contained within the annual
10 salary adjustment legislation. A state employee organization
11 as defined in section 20.3, subsection 4, may request
12 information produced by the model, but the information
13 provided shall not contain information attributable to
14 individual employees.

15 DIVISION VI

16 CORRECTIVE PROVISIONS

17 Sec. 32. Section 8A.202, subsection 2, paragraph e, if
18 enacted by 2003 Iowa Acts, House File 534, is amended by
19 striking the paragraph and inserting in lieu thereof the
20 following:

21 e. Developing and maintaining an electronic repository for
22 public access to reference copies of agency mandated reports,
23 newsletters, and publications in conformity with section
24 304B.10, subsection 1, paragraph "h". The department shall
25 develop technical standards for an electronic repository in
26 consultation with the state librarian and the state archivist.

27 Sec. 33. Section 99E.9, subsection 2, Code 2003, as
28 amended by 2003 Iowa Acts, House File 171, section 31, is
29 amended to read as follows:

30 2. Subject to the approval of the board, the commissioner
31 may enter into contracts for the operation and marketing of
32 the lottery, except that the board may by rule designate
33 classes of contracts other than major procurements which do
34 not require prior approval by the board. A major procurement
35 shall be as the result of competitive bidding with the

1 contract being awarded to the responsible vendor submitting
2 the lowest and best proposal. However, before a contract for
3 a major procurement is awarded, the division of criminal
4 investigation of the department of public safety shall conduct
5 a thorough background investigation of the vendor to whom the
6 contract is to be awarded. The commissioner and board shall
7 consult with the division of criminal investigation and shall
8 provide, by rule, for the scope of the thorough background
9 investigations and due diligence with regard to the background
10 investigations to be conducted in connection with major
11 procurements. The vendor shall submit to the division of
12 criminal investigation appropriate investigation
13 authorizations to facilitate this investigation. The
14 background investigation by the division of criminal
15 investigation may include a national criminal history record
16 check through the federal bureau of investigation. The
17 screening of vendors or their employees through the federal
18 bureau of investigation shall be conducted by submission of
19 fingerprints through the state criminal history repository to
20 the federal bureau of investigation. As used in this
21 subsection, "major procurement" means consulting agreements
22 and the major procurement contract with a business
23 organization for the printing of tickets, or for purchase or
24 lease of equipment or services essential to the operation of a
25 lottery game.

26 Sec. 34. Section 135.150, subsection 3, as enacted by 2003
27 Iowa Acts, House File 396, section 1, is amended to read as
28 follows:

29 3. "Director" means the director ~~or the director's~~
30 designee of public health or the director's designee.

31 Sec. 35. Section 135.154, subsection 7, as enacted by 2003
32 Iowa Acts, House File 396, section 5, is amended to read as
33 follows:

34 7. Treat or order that individuals exposed to or infected
35 with disease receive treatment or prophylaxis. Treatment or

1 prophylaxis shall be administered by any qualified person
2 authorized to do so by the department. Treatment or
3 prophylaxis shall not be provided or ordered if the treatment
4 or prophylaxis is reasonably likely to lead to serious harm to
5 the affected individual. To prevent the spread of
6 communicable or potentially communicable disease, the
7 department may isolate or quarantine, pursuant to chapter 139A
8 and the rules implementing chapter 139A and this division of
9 this chapter, any individual who is unable or unwilling to
10 undergo treatment or prophylaxis pursuant to this section.

11 Sec. 36. Section 170.6, subsection 1, paragraph b, if
12 enacted by 2003 Iowa Acts, House File 624, is amended to read
13 as follows:

14 b. Failed to provide notice or access to the department of
15 natural resources and the department of agriculture and land
16 stewardship as required by section 170.5.

17 Sec. 37. Section 232.71B, subsection 7A, if enacted by
18 2003 Iowa Acts, House File 558, section 1, is amended to read
19 as follows:

20 7A. PROTECTIVE DISCLOSURE. If the department determines
21 that disclosure is necessary for the protection of a child,
22 the department may disclose to a subject of a child abuse
23 report referred to in section 235A.15, subsection 2, paragraph
24 "a", that an individual is listed in the child or dependent
25 adult abuse registry or is required to register with the sex
26 offender registry in accordance with chapter 692A.

27 Sec. 38. Section 235B.3, subsection 6A, if enacted by 2003
28 Iowa Acts, House File 558, section 2, is amended to read as
29 follows:

30 6A. If the department determines that disclosure is
31 necessary for the protection of a dependent adult, the
32 department may disclose to a subject of a dependent adult
33 abuse report referred to in section 235B.6, subsection 2,
34 paragraph "a", that an individual is listed in the child or
35 dependent adult abuse registry or is required to register with

1 the sex offender registry in accordance with chapter 692A.

2 Sec. 39. Section 304B.3, subsections 4, 8, and 9, if
3 enacted by 2003 Iowa Acts, House File 648, section 6, are
4 amended to read as follows:

5 4. The director of revenue ~~and-finance~~.

6 8. The director of the department of ~~general~~
7 administrative services.

8 ~~9.---The-director-of-the-information-technology-department.~~

9 Sec. 40. Section 356.7, subsection 1, as amended by 2003
10 Iowa Acts, House File 650, section 1, if enacted, is amended
11 to read as follows:

12 1. The county sheriff, or a municipality operating a
13 temporary municipal holding facility or jail, may charge a
14 prisoner who is eighteen years of age or older and who has
15 been convicted of a criminal offense or sentenced for contempt
16 of court for violation of a domestic abuse order for the
17 actual administrative costs relating to the arrest and booking
18 of that prisoner, and for room and board provided to the
19 prisoner while in the custody of the county sheriff or
20 municipality. Moneys collected by the sheriff or municipality
21 under this section shall be credited ~~respectfully~~ respectively
22 to the county general fund or the city general fund and
23 distributed as provided in this section. If a prisoner who
24 has been convicted of a criminal offense or sentenced for
25 contempt of court for violation of a domestic abuse order
26 fails to pay for the administrative costs and the room and
27 board, the sheriff or municipality may file a room and board
28 reimbursement claim with the district court as provided in
29 subsection 2. The county attorney may file the reimbursement
30 claim on behalf of the sheriff and the county or the
31 municipality. The attorney for the municipality may also file
32 a reimbursement claim on behalf of the municipality. This
33 section does not apply to prisoners who are paying for their
34 room and board by court order pursuant to sections 356.26
35 through 356.35.

1 Sec. 41. Section 459.401, subsection 2, paragraph a,
2 subparagraph (3A), if enacted by 2003 Iowa Acts, House File
3 644, section 18, is amended to read as follows:

4 (3A) A commercial manure service license fee as provided
5 in section ~~359-316~~ 459.316.

6 Sec. 42. Section 505A.1, article V, section 2, paragraph
7 a, subparagraph (3), if enacted by 2003 Iowa Acts, House File
8 647, section 54, is amended to read as follows:

9 (3) Four members from those compacting states with less
10 than two percent of the market, based on the premium volume
11 described in subparagraph (1), with one selected from each of
12 the four zone regions of the national association of insurance
13 commissioners as provided in the bylaws.

14 Sec. 43. Section 508.31A, subsection 2, paragraph b, Code
15 2003, as amended by 2003 Iowa Acts, House File 647, section 7,
16 if enacted, is amended to read as follows:

17 b. A funding agreement issued pursuant to paragraph "a",
18 subparagraph (1), (2), or (3), shall be for a total amount of
19 not less than one million dollars.

20 Sec. 44. Section 692A.13, subsection 9, if enacted by 2003
21 Iowa Acts, House File 558, section 3, is amended to read as
22 follows:

23 9. If the department of human services determines that
24 disclosure is necessary for the protection of a child or a
25 dependent adult, the department may disclose to a subject of a
26 child abuse report referred to in section 235A.15, subsection
27 2, paragraph "a", or to a subject of a dependent adult abuse
28 report referred to in section 235B.6, subsection 2, paragraph
29 "a", that an individual is listed in the child or dependent
30 adult abuse registry or is required to register under this
31 chapter.

32 Sec. 45. Section 901.5, subsection 7A, paragraph d, as
33 enacted by 2003 Iowa Acts, House File 404, section 1, is
34 amended to read as follows:

35 d. Violation of a no-contact order issued under this

1 section is punishable by summary contempt proceedings. A
2 hearing in a contempt proceeding brought pursuant to this
3 subsection shall be held not less than five days and not more
4 than fifteen days after the issuance of a rule to show cause,
5 as set by the court, unless the defendant is already in
6 custody at the time of the alleged violation in which case the
7 hearing shall be held not less than five days and not more
8 than forty-five days after the issuance of the rule to show
9 cause.

10 Sec. 46. 2003 Iowa Acts, Senate File 155, section 26, is
11 repealed.

12 Sec. 47. 2003 Iowa Acts, Senate File 155, section 56, is
13 repealed.

14 Sec. 48. 2003 Iowa Acts, House File 601, section 2, is
15 amended by striking the section and inserting in lieu thereof
16 the following:

17 SEC. 2. Section 56.5, subsection 2, paragraph d, Code
18 2003, is amended by striking the paragraph.

19 Sec. 49. 2003 Iowa Acts, House File 624, section 22, if
20 enacted, is amended to read as follows:

21 SEC. 22. HUNTING PRESERVES AND GAME BREEDERS -- AUTOMATIC
22 CERTIFICATION. Any A fence enclosing farm deer kept on land
23 which is owned by a person licensed pursuant to section 484B.5
24 or 481A.61 ~~and which is enclosed with a fence~~ on the effective
25 date of this Act shall be deemed to comply with construction
26 requirements of section 170.4 and shall be automatically
27 certified by the department of agriculture and land
28 stewardship without ~~submitting~~ submission of an application.
29 The landowner is not required to notify the department of
30 natural resources concerning removal of whitetail as otherwise
31 required pursuant to section 170.5.

32 Sec. 50. 2003 Iowa Acts, House File 648, section 1, if
33 enacted, is repealed.

34 Sec. 51. CONTINGENT EFFECTIVE DATES.

35 1. The section of this division of this Act amending

1 section 8A.202, subsection 2, if enacted by 2003 Iowa Acts,
2 House File 534, takes effect if House File 648, relating to
3 the management of state archives and records, is enacted by
4 the Eightieth General Assembly, 2003 Regular Session.

5 2. The sections of this division of this Act amending
6 section 304B.3, if enacted by 2003 Iowa Acts, House File 648,
7 and repealing 2003 Iowa Acts, House File 648, section 1, if
8 enacted, take effect if House File 534, establishing a
9 department of administrative services, is enacted by the
10 Eightieth General Assembly, 2003 Regular Session.

11 3. The section of this division of this Act repealing 2003
12 Iowa Acts, Senate File 155, section 26, takes effect if 2003
13 Iowa Acts, House File 614, relating to elections, is enacted
14 by the Eightieth General Assembly, 2003 Regular Session.

15 DIVISION VII

16 MISCELLANEOUS PROVISIONS

17 Sec. 52. Section 12B.10, subsection 6, paragraph d,
18 subparagraph (4), Code 2003, is amended to read as follows:

19 (4) For investments of short-term operating funds, the
20 funds shall not be invested in investments having effective
21 maturities exceeding sixty-three months.

22 Sec. 53. Section 12B.10A, subsection 6, paragraph d,
23 subparagraph (4), Code 2003, is amended to read as follows:

24 (4) For investments of short-term operating funds, the
25 funds shall not be invested in investments having effective
26 maturities exceeding sixty-three months.

27 Sec. 54. Section 12E.12, subsection 8, Code 2003, is
28 amended to read as follows:

29 8. With respect to the payment of certain debt service,
30 the debt service to be paid shall be those installments of
31 debt service on bonds selected by the treasurer of state and
32 identified in the authority's tax certificate delivered at the
33 time of the issuance of the bonds issued pursuant to this
34 chapter, or as otherwise selected by the treasurer of state.
35 Once the bonds and the installments of debt service thereon

1 are so selected, that debt service and bonds shall not be
2 paid, or provided to be paid, from any other source including
3 the state or any of its departments or agencies. Provided,
4 however, that if funds are not appropriated to pay debt
5 service on such bonds when due, the issuing agency shall pay
6 such the debt service from any available source as provided in
7 the bond covenants ~~for such bonds~~. To the extent that this
8 section does not allow proceeds of previously issued refunding
9 bonds to be applied for the purpose of the refunding, the
10 issuing agency may expend such proceeds to improve, remodel,
11 or repair buildings or other infrastructure upon authorization
12 of the issuing agency's authority.

13 Sec. 55. Section 15E.193B, subsection 4, Code 2003, is
14 amended to read as follows:

15 4. The eligible housing business shall complete its
16 building or rehabilitation within two years from the time the

1 following:

2 (1) A local governing board recognized by the city,
3 county, council of governments, or regional officials as the
4 board responsible for coordinating local housing programs.

5 (2) A housing assistance plan approved by the authority.

6 (3) Sufficient administrative capacity in regard to
7 housing programs.

8 (4) A local match requirement approved by the authority.

9 b. An award from the local housing trust fund program
10 shall not exceed ten percent of the balance in the program at
11 the beginning of the fiscal year plus ten percent of any
12 deposits made during the fiscal year.

13 c. By December 31 of each year, a local housing trust fund
14 receiving moneys from the local housing trust fund program
15 shall submit a report to the authority itemizing expenditures
16 of the awarded moneys.

17 3. In an area where no local housing trust fund exists, a

1 and preservation of affordable housing for low-income people
2 in the state. Payment of interest, recaptures of awards, or
3 other repayments to the housing trust fund shall be deposited
4 in the fund. Notwithstanding section 12C.7, interest or
5 earnings on moneys in the housing trust fund or appropriated
6 to the fund shall be credited to the fund. Notwithstanding
7 section 8.33, unencumbered and unobligated moneys remaining in
8 the fund at the close of each fiscal year shall not revert but
9 shall remain available for expenditure for the same purposes
10 in the succeeding fiscal year.

11 b. Assets in the housing trust fund shall consist of all
12 of the following:

13 (1) Any assets received by the authority from the Iowa
14 housing corporation.

15 (2) Any assets transferred by the authority for deposit in
16 the housing trust fund.

17 (3) Any other moneys appropriated by the general assembly
18 and any other moneys available to and obtained or accepted by
19 the authority for placement in the housing trust fund.

20 c. The authority shall create the following programs
21 within the housing trust fund:

22 (1) Local housing trust fund program. Sixty percent of
23 available moneys in the housing trust fund shall be allocated
24 for the local housing trust fund program. Any moneys
25 remaining in the local housing trust fund program on April 1
26 of each fiscal year which have not been awarded to a local
27 housing trust fund may be transferred to the project-based
28 housing program at any time prior to the end of the fiscal
29 year.

30 (2) Project-based housing program. Forty percent of the
31 available moneys in the housing trust fund shall be allocated
32 to the project-based housing program.

33 2. a. In order to be eligible to apply for funding from
34 the local housing trust fund program, a local housing trust
35 fund must be approved by the authority and have all of the

1 are so selected, that debt service and bonds shall not be
2 paid, or provided to be paid, from any other source including
3 the state or any of its departments or agencies. Provided,
4 however, that if funds are not appropriated to pay debt
5 service on such bonds when due, the issuing agency shall pay
6 such the debt service from any available source as provided in
7 the bond covenants for-such-bonds. To the extent that this
8 section does not allow proceeds of previously issued refunding
9 bonds to be applied for the purpose of the refunding, the
10 issuing agency may expend such proceeds to improve, remodel,
11 or repair buildings or other infrastructure upon authorization
12 of the issuing agency's authority.

13 Sec. 55. Section 15E.193B, subsection 4, Code 2003, is
14 amended to read as follows:

15 4. The eligible housing business shall complete its
16 building or rehabilitation within two years from the time the
17 business begins construction on the single-family homes and
18 dwelling units. The failure to complete construction or
19 rehabilitation within two years shall result in the eligible
20 housing business becoming ineligible and subject to the
21 repayment requirements and penalties enumerated in subsection
22 7. The department may extend the prescribed two-year
23 completion period for any project which has not been completed
24 if the department determines that completion within the two-
25 year period is impossible or impractical as a result of a
26 substantial loss caused by flood, fire, earthquake, storm, or
27 other catastrophe. For purposes of this subsection,
28 "substantial loss" means damage or destruction in an amount in
29 excess of thirty percent of the project's expected eligible
30 basis as set forth in the eligible housing business's
31 application.

32 Sec. 56. NEW SECTION. 16.181 HOUSING TRUST FUND.

33 1. a. A housing trust fund is created within the
34 authority. The moneys in the housing trust fund are annually
35 appropriated to the authority to be used for the development

1 and preservation of affordable housing for low-income people
2 in the state. Payment of interest, recaptures of awards, or
3 other repayments to the housing trust fund shall be deposited
4 in the fund. Notwithstanding section 12C.7, interest or
5 earnings on moneys in the housing trust fund or appropriated
6 to the fund shall be credited to the fund. Notwithstanding
7 section 8.33, unencumbered and unobligated moneys remaining in
8 the fund at the close of each fiscal year shall not revert but
9 shall remain available for expenditure for the same purposes
10 in the succeeding fiscal year.

11 b. Assets in the housing trust fund shall consist of all
12 of the following:

13 (1) Any assets received by the authority from the Iowa
14 housing corporation.

15 (2) Any assets transferred by the authority for deposit in
16 the housing trust fund.

17 (3) Any other moneys appropriated by the general assembly
18 and any other moneys available to and obtained or accepted by
19 the authority for placement in the housing trust fund.

20 c. The authority shall create the following programs
21 within the housing trust fund:

22 (1) Local housing trust fund program. Sixty percent of
23 available moneys in the housing trust fund shall be allocated
24 for the local housing trust fund program. Any moneys
25 remaining in the local housing trust fund program on April 1
26 of each fiscal year which have not been awarded to a local
27 housing trust fund may be transferred to the project-based
28 housing program at any time prior to the end of the fiscal
29 year.

30 (2) Project-based housing program. Forty percent of the
31 available moneys in the housing trust fund shall be allocated
32 to the project-based housing program.

33 2. a. In order to be eligible to apply for funding from
34 the local housing trust fund program, a local housing trust
35 fund must be approved by the authority and have all of the

1 following:

2 (1) A local governing board recognized by the city,
3 county, council of governments, or regional officials as the
4 board responsible for coordinating local housing programs.

5 (2) A housing assistance plan approved by the authority.

6 (3) Sufficient administrative capacity in regard to
7 housing programs.

8 (4) A local match requirement approved by the authority.

9 b. An award from the local housing trust fund program
10 shall not exceed ten percent of the balance in the program at
11 the beginning of the fiscal year plus ten percent of any
12 deposits made during the fiscal year.

13 c. By December 31 of each year, a local housing trust fund
14 receiving moneys from the local housing trust fund program
15 shall submit a report to the authority itemizing expenditures
16 of the awarded moneys.

17 3. In an area where no local housing trust fund exists, a
18 person may apply for moneys from the project-based housing
19 program.

20 4. The authority shall adopt rules pursuant to chapter 17A
21 necessary to administer this section.

22 Sec. 57. Section 25.1, Code 2003, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 4. Notwithstanding subsections 1 and 2,
25 and section 25.2, the state appeal board shall not consider
26 claims for refund of the unused portion of vehicle
27 registration fees collected under section 321.105.

28 Sec. 58. Section 28.9, subsection 2, Code 2003, is amended
29 to read as follows:

30 2. a. A school ready children grants account is created
31 in the Iowa empowerment fund under the authority of the
32 director of the department of education. Moneys credited to
33 the account shall be distributed by the department of
34 education in the form of grants to community empowerment areas
35 pursuant to criteria established by the Iowa board in

1 accordance with law.

2 b. The distribution formula utilized by the Iowa board for
3 school ready children grants in the fiscal year beginning July
4 1, 2004, and for each succeeding fiscal year, shall
5 specifically incorporate the following components:

6 (1) A minimum statewide performance baseline shall be
7 established for the core indicators of performance identified
8 pursuant to section 28.8, subsection 1, paragraph "a".

9 (2) A community empowerment area must maintain its
10 designated status in good standing and must have received
11 continued approval of its school ready children grant plan.

12 (3) The community empowerment area must identify how the
13 core indicators of performance will be addressed by the area
14 and select two or more of the core indicators that will
15 achieve a minimum percentage of improvement identified by the
16 area, subject to approval by the Iowa board. The community
17 empowerment area's data for the calendar year preceding the
18 year in which the area initially received a school ready
19 children grant shall be used as the area's baseline year.

20 (4) If an area achieves the identified percentage level of
21 improvement in the preceding calendar year, the area's minimum
22 grant amount shall be the annualized grant amount received in
23 the area's initial year of funding. The Iowa board may
24 implement provisions for averaging the performance levels over
25 two or more years and other approaches to apply the
26 requirements of this paragraph "b" in an equitable manner.

27 (5) If an area does not achieve the identified percentage
28 level of improvement in the preceding calendar year, the area
29 shall receive a reduction from the area's minimum grant
30 amount. If the identified percentage level of improvement is
31 achieved in the next succeeding calendar year, the area's
32 minimum grant amount shall be restored.

33 Sec. 59. Section 29C.8, subsection 3, Code 2003, is
34 amended by adding the following new paragraphs:

35 NEW PARAGRAPH. f. (1) Approve and support the

1 development and ongoing operations of an urban search and
2 rescue team to be deployed as a resource to supplement and
3 enhance emergency and disaster operations.

4 (2) A member of an urban search and rescue team acting
5 under the authority of the administrator or pursuant to a
6 governor's disaster proclamation as provided in section 29C.6
7 shall be considered an employee of the state under chapter 669
8 and shall be afforded protection as an employee of the state
9 under section 669.21. Disability, workers' compensation, and
10 death benefits for team members working under the authority of
11 the administrator or pursuant to the provisions of section
12 29C.6 shall be paid by the state in a manner consistent with
13 the provisions of chapter 85, 410, or 411 as appropriate,
14 depending on the status of the member.

15 NEW PARAGRAPH. g. Develop, implement, and support a
16 uniform incident command system to be used by state agencies
17 to facilitate efficient and effective assistance to those
18 affected by emergencies and disasters. This system shall be
19 consistent with the requirements of the United States
20 occupational safety and health administration and a national
21 incident management system.

22 Sec. 60. Section 29C.20, subsection 1, Code 2003, is
23 amended to read as follows:

24 1. a. A contingent fund is created in the state treasury
25 for the use of the executive council which may be expended for
26 the ~~purpose of paying~~ following purposes:

27 (1) Paying the expenses of suppressing an insurrection or
28 riot, actual or threatened, when state aid has been rendered
29 by order of the governor ~~and for repairing.~~

30 (2) Repairing, rebuilding, or restoring state property
31 injured, destroyed, or lost by fire, storm, theft, or
32 unavoidable cause ~~and for repairing.~~

33 (3) Repairing, rebuilding, or restoring state property
34 which that is fiberoptic cable and which that is injured or
35 destroyed by a wild animal ~~and for aid to.~~

1 (4) Paying the expenses incurred by and claims of an urban
2 search and rescue team when acting under the authority of the
3 administrator and the provisions of section 29C.6.

4 (5) (a) Aiding any governmental subdivision in an area
5 declared by the governor to be a disaster area due to natural
6 disasters or to expenditures necessitated by the governmental
7 subdivision toward averting or lessening the impact of the
8 potential disaster, where the effect of the disaster or action
9 on the governmental subdivision is the immediate financial
10 inability to meet the continuing requirements of local
11 government.

12 (b) Upon application by a governmental subdivision in such
13 an area, accompanied by a showing of obligations and
14 expenditures necessitated by an actual or potential disaster
15 in a form and with further information the executive council
16 requires, the aid may be made in the discretion of the
17 executive council and, if made, shall be in the nature of a
18 loan up to a limit of seventy-five percent of the showing of
19 obligations and expenditures. The loan, without interest,
20 shall be repaid by the maximum annual emergency levy
21 authorized by section 24.6, or by the appropriate levy
22 authorized for a governmental subdivision not covered by
23 section 24.6. The aggregate total of loans shall not exceed
24 one million dollars during a fiscal year. A loan shall not be
25 for an obligation or expenditure occurring more than two years
26 previous to the application.

27 b. When a state department or agency requests that moneys
28 from the contingent fund be expended to repair, rebuild, or
29 restore state property injured, destroyed, or lost by fire,
30 storm, theft, or unavoidable cause, or to repair, rebuild, or
31 restore state property which that is fiberoptic cable and
32 which that is injured or destroyed by a wild animal, or for
33 payment of the expenses incurred by and claims of an urban
34 search and rescue team when acting under the authority of the
35 administrator and the provisions of section 29C.6, the

1 executive council shall consider the original source of the
2 funds for acquisition of the property before authorizing the
3 expenditure. If the original source was other than the
4 general fund of the state, the department or agency shall be
5 directed to utilize moneys from the original source if
6 possible. The executive council shall not authorize the
7 repairing, rebuilding, or restoring of the property from the
8 disaster aid contingent fund if it determines that moneys from
9 the original source are available to finance the project.

10 Sec. 61. Section 99G.40, subsection 1, paragraph a, if
11 enacted by 2003 Iowa Acts, Senate File 453, is amended to read
12 as follows:

13 a. Submit quarterly and annual reports to the governor,
14 state auditor, and the general assembly disclosing the total
15 lottery revenues, prize disbursements, and other expenses of
16 the authority during the reporting period. The fourth quarter
17 report shall be included in the annual report made pursuant to
18 this section. The annual report shall include a complete
19 statement of lottery revenues, prize disbursements, and other
20 expenses, and recommendations for changes in the law that the
21 chief executive officer deems necessary or desirable. The
22 annual report shall be submitted within one hundred twenty
23 days after the close of the fiscal year. The chief executive
24 officer shall report immediately to the governor, the
25 treasurer of state, and the general assembly any matters that
26 require immediate changes in the law in order to prevent
27 abuses or evasions of this chapter or rules adopted or to
28 rectify undesirable conditions in connection with the
29 administration or operation of the lottery. The auditor of
30 state and the auditor's legally authorized representatives may
31 periodically examine the accounts and books of the authority,
32 including its revenues, disbursements, contracts, leases,
33 investments, and other records and papers relating to its
34 financial standing.

35 Sec. 62. Section 260C.14, Code 2003, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 20. Adopt a policy to offer not less than
3 the following options to a student who is a member of the Iowa
4 national guard or reserve forces of the United States and who
5 is ordered to active state service or federal service or duty:
6 a. Withdraw from the student's entire registration and
7 receive a full refund of tuition and mandatory fees.

8 b. Make arrangements with the student's instructors for
9 course grades, or for incompletes that shall be completed by
10 the student at a later date. If such arrangements are made,
11 the student's registration shall remain intact and tuition and
12 mandatory fees shall be assessed for the courses in full.

13 c. Make arrangements with only some of the student's
14 instructors for course grades, or for incompletes that shall
15 be completed by the student at a later date. If such
16 arrangements are made, the registration for those courses
17 shall remain intact and tuition and mandatory fees shall be
18 assessed for those courses. Any course for which arrangements
19 cannot be made for grades or incompletes shall be considered
20 dropped and the tuition and mandatory fees for the course
21 refunded.

22 Sec. 63. Section 261.9, subsection 1, unnumbered paragraph
23 1, Code 2003, is amended to read as follows:

24 "Accredited private institution" means an institution of
25 higher learning located in Iowa which is operated privately
26 and not controlled or administered by any state agency or any
27 subdivision of the state, except for county hospitals as
28 provided in paragraph "c" of this subsection, and which meets
29 at least one of the criteria in paragraphs "a" through "c" and
30 all of the criteria in paragraphs "d" through "~~f~~" "g":

31 Sec. 64. Section 261.9, subsection 1, Code 2003, is
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. g. Adopts a policy to offer not less than
34 the following options to a student who is a member of the Iowa
35 national guard or reserve forces of the United States and who

1 is ordered to active state service or federal service or duty:

2 (1) Withdraw from the student's entire registration and
3 receive a full refund of tuition and mandatory fees.

4 (2) Make arrangements with the student's instructors for
5 course grades, or for incompletes that shall be completed by
6 the student at a later date. If such arrangements are made,
7 the student's registration shall remain intact and tuition and
8 mandatory fees shall be assessed for the courses in full.

9 (3) Make arrangements with only some of the student's
10 instructors for grades, or for incompletes that shall be
11 completed by the student at a later date. If such
12 arrangements are made, the registration for those courses
13 shall remain intact and tuition and mandatory fees shall be
14 assessed for those courses. Any course for which arrangements
15 cannot be made for grades or incompletes shall be considered
16 dropped and the tuition and mandatory fees for the course
17 refunded.

18 Sec. 65. Section 262.9, Code 2003, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 29. Direct the institutions of higher
21 education under its control to adopt a policy to offer not
22 less than the following options to a student who is a member
23 of the Iowa national guard or reserve forces of the United
24 States and who is ordered to active state service or federal
25 service or duty:

26 a. Withdraw from the student's entire registration and
27 receive a full refund of tuition and mandatory fees.

28 b. Make arrangements with the student's instructors for
29 course grades, or for incompletes that shall be completed by
30 the student at a later date. If such arrangements are made,
31 the student's registration shall remain intact and tuition and
32 mandatory fees shall be assessed for the courses in full.

33 c. Make arrangements with only some of the student's
34 instructors for grades, or for incompletes that shall be
35 completed by the student at a later date. If such

1 arrangements are made, the registration for those courses
2 shall remain intact and tuition and mandatory fees shall be
3 assessed for those courses. Any course for which arrangements
4 cannot be made for grades or incompletes shall be considered
5 dropped and the tuition and mandatory fees for the course
6 refunded.

7 Sec. 66. Section 284.13, subsection 1, paragraph a, Code
8 2003, is amended to read as follows:

9 a. For each fiscal year in the fiscal year period
10 beginning July 1, ~~2001~~ 2003, and ending June 30, ~~2002~~ 2005,
11 the department shall reserve up to ~~one-million~~ five hundred
12 thousand dollars of any moneys appropriated for purposes of
13 this chapter. For each fiscal year in which moneys are
14 appropriated by the general assembly for purposes of team-
15 based variable pay pursuant to section 284.11, the amount of
16 moneys allocated to school districts shall be in the
17 proportion that the basic enrollment of a school district
18 bears to the sum of the basic enrollments of all participating
19 school districts for the budget year. However, the per pupil
20 amount distributed to a school district under the pilot
21 program shall not exceed one hundred dollars.

22 Sec. 67. Section 294A.25, subsections 6 and 10, Code 2003,
23 are amended by striking the subsections.

24 Sec. 68. Section 294A.25, subsections 7, 8, and 9, Code
25 2003, are amended to read as follows:

26 7. ~~For~~ Except as otherwise provided in this section, for
27 the fiscal year beginning July 1, ~~1990~~ 2003, and succeeding
28 fiscal years, the remainder of moneys appropriated in
29 subsection 1 to the department of education shall be deposited
30 in the educational excellence fund to be allocated in an
31 amount to meet the ~~minimum-salary~~ requirements of this chapter
32 for phase I ~~7-in-an-amount-to-meet-the-requirements-for~~ and
33 phase II ~~7-and-the-remainder-of-the-appropriation-for-phase~~
34 ~~III~~.

35 8. Commencing with the fiscal year beginning July 1, ~~1997~~

1 2003, the amount of two hundred thirty thousand dollars for a
2 kindergarten to grade twelve management information system
3 ~~from additional funds transferred from phase I to phase III.~~

4 9. For the fiscal year beginning July 1, ~~2000~~ 2003, and
5 for each succeeding fiscal year, the amount of one hundred
6 seventy thousand dollars to the state board of regents for
7 distribution in the amount of sixty-eight thousand dollars to
8 the Iowa braille and sight saving school and in the amount of
9 one hundred two thousand dollars to the Iowa state school for
10 the deaf ~~from phase III moneys.~~

11 Sec. 69. Section 321J.2, subsection 2, paragraph a,
12 subparagraph (3), subparagraph subdivisions (a) and (b), as
13 enacted by 2003 Iowa Acts, House File 65, section 2, are
14 amended to read as follows:

15 (a) A defendant whose alcohol concentration is .08 or more
16 but not more than .10 shall not be eligible for any temporary
17 restricted license for at least thirty days if a test was
18 obtained and an accident resulting in personal injury or
19 property damage occurred. The defendant shall be ordered to
20 install an ignition interlock device of a type approved by the
21 commissioner of public safety on all vehicles owned or
22 operated by the defendant if the defendant seeks a temporary
23 restricted license. There shall be no such period of
24 ineligibility if no such accident occurred, and the defendant
25 shall not be ordered to install an ignition interlock device.

26 (b) A defendant whose alcohol concentration is more than
27 .10 shall not be eligible for any temporary restricted license
28 for at least thirty days if a test was obtained, and an
29 accident resulting in personal injury or property damage
30 occurred or the defendant's alcohol concentration exceeded
31 .15. There shall be no such period of ineligibility if no
32 such accident occurred and the defendant's alcohol
33 concentration did not exceed .15. In either case, where a
34 defendant's alcohol concentration is more than .10, the
35 defendant shall be ordered to install an ignition interlock

1 device of a type approved by the commissioner of public safety
2 on all vehicles owned or operated by the defendant if the
3 defendant seeks a temporary restricted license.

4 Sec. 70. Section 321J.4, subsection 1, paragraphs a and b,
5 as enacted by 2003 Iowa Acts, House File 65, section 3, are
6 amended to read as follows:

7 a. A defendant whose alcohol concentration is .08 or more
8 but not more than .10 shall not be eligible for any temporary
9 restricted license for at least thirty days if a test was
10 obtained and an accident resulting in personal injury or
11 property damage occurred. The defendant shall be ordered to
12 install an ignition interlock device of a type approved by the
13 commissioner of public safety on all vehicles owned or
14 operated by the defendant if the defendant seeks a temporary
15 restricted license. There shall be no such period of
16 ineligibility if no such accident occurred, and the defendant
17 shall not be ordered to install an ignition interlock device.

18 b. A defendant whose alcohol concentration is more than
19 .10 shall not be eligible for any temporary restricted license
20 for at least thirty days if a test was obtained, and an
21 accident resulting in personal injury or property damage
22 occurred or the defendant's alcohol concentration exceeded
23 .15. There shall be no such period of ineligibility if no
24 such accident occurred and the defendant's alcohol
25 concentration did not exceed .15. In either case, where a
26 defendant's alcohol concentration is more than .10, the
27 defendant shall be ordered to install an ignition interlock
28 device of a type approved by the commissioner of public safety
29 on all vehicles owned or operated by the defendant if the
30 defendant seeks a temporary restricted license.

31 Sec. 71. Section 321J.4, subsection 3, paragraphs a and b,
32 as enacted by 2003 Iowa Acts, House File 65, section 3, are
33 amended to read as follows:

34 a. A defendant whose alcohol concentration is .08 or more
35 but not more than .10 shall not be eligible for any temporary

1 restricted license for at least thirty days if a test was
2 obtained and an accident resulting in personal injury or
3 property damage occurred. The defendant shall be ordered to
4 install an ignition interlock device of a type approved by the
5 commissioner of public safety on all vehicles owned or
6 operated by the defendant if the defendant seeks a temporary
7 restricted license. There shall be no such period of
8 ineligibility if no such accident occurred, and the defendant
9 shall not be ordered to install an ignition interlock device.

10 b. A defendant whose alcohol concentration is more than
11 .10 shall not be eligible for any temporary restricted license
12 for at least thirty days if a test was obtained, and an
13 accident resulting in personal injury or property damage
14 occurred or the defendant's alcohol concentration exceeded
15 .15. There shall be no such period of ineligibility if no
16 such accident occurred and the defendant's alcohol
17 concentration did not exceed .15. In either case, where a
18 defendant's alcohol concentration is more than .10, the
19 defendant shall be ordered to install an ignition interlock
20 device of a type approved by the commissioner of public safety
21 on all vehicles owned or operated by the defendant if the
22 defendant seeks a temporary restricted license.

23 Sec. 72. Section 321J.12, subsection 2, paragraphs a and
24 b, as enacted by 2003 Iowa Acts, House File 65, section 5, are
25 amended to read as follows:

26 a. A person whose driver's license or nonresident
27 operating privileges have been revoked under subsection 1,
28 paragraph "a", whose alcohol concentration is .08 or more but
29 not more than .10 shall not be eligible for any temporary
30 restricted license for at least thirty days after the
31 effective date of the revocation if a test was obtained and an
32 accident resulting in personal injury or property damage
33 occurred. The defendant shall be ordered to install an
34 ignition interlock device of a type approved by the
35 commissioner of public safety on all vehicles owned or

1 operated by the defendant if the defendant seeks a temporary
2 license. There shall be no such period of ineligibility if no
3 such accident occurred, and the defendant shall not be ordered
4 to install an ignition interlock device.

5 b. A defendant whose alcohol concentration is more than
6 .10 shall not be eligible for any temporary restricted license
7 for at least thirty days if a test was obtained, and an
8 accident resulting in personal injury or property damage
9 occurred or the defendant's alcohol concentration exceeded
10 .15. There shall be no such period of ineligibility if no
11 such accident occurred and the defendant's alcohol
12 concentration did not exceed .15. In either case, where a
13 defendant's alcohol concentration is more than .10, the
14 defendant shall be ordered to install an ignition interlock
15 device of a type approved by the commissioner of public safety
16 on all vehicles owned or operated by the defendant if the
17 defendant seeks a temporary restricted license.

18 Sec. 73. Section 331.605C, subsection 4, if enacted by
19 2003 Iowa Acts, Senate File 453, is amended to read as
20 follows:

21 4. The ~~state~~ local electronic government ~~electronic~~
22 transaction fund is established in the office of the treasurer
23 of state under the control of the treasurer of state. Moneys
24 deposited into the fund are not subject to section 8.33.
25 Notwithstanding section 12C.7, interest or earnings on moneys
26 in the ~~state~~ local electronic government ~~electronic~~
27 transaction fund shall be credited to the fund. Moneys in the
28 ~~state~~ local electronic government ~~electronic~~ transaction fund
29 are not subject to transfer, appropriation, or reversion to
30 any other fund, or any other use except as provided in this
31 subsection. The treasurer of state shall enter into a
32 contract with the Iowa state association of counties affiliate
33 representing county recorders to develop, implement, and
34 maintain a statewide internet website for purposes of
35 providing electronic access to records and information

1 recorded or filed by county recorders. On a monthly basis,
2 the county treasurer shall pay one dollar of each fee
3 collected pursuant to subsection 1 to the treasurer of state
4 for deposit into the state local electronic government
5 electronic transaction fund. Moneys credited to the state
6 local electronic government electronic transaction fund are
7 appropriated to the treasurer of state to be used for contract
8 costs. This subsection is repealed June 30, 2004.

9 Sec. 74. Section 422.45, Code 2003, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 64. The gross receipts from noncustomer
12 point of sale or noncustomer automated teller machine access
13 or service charges assessed by a financial institution. For
14 purposes of this subsection, "financial institution" means the
15 same as defined in section 527.2.

16 Sec. 75. Section 435.26A, subsections 2 and 5, as enacted
17 by 2003 Iowa Acts, Senate File 134, section 7, are amended to
18 read as follows:

19 2. Upon receipt of a certificate of title from a
20 manufactured home owner, a county treasurer shall notify the
21 department of transportation that the certificate of title has
22 been surrendered, remove the registration of title from the
23 county treasurer's records, and destroy the certificate of
24 title.

25 The manufactured home owner or the owner's representative
26 shall provide to the county recorder the identifying data of
27 the manufactured home, including the owner's name, the name of
28 the manufacturer, the model name, the year of manufacture, and
29 the serial number of the home, along with the legal
30 description of the real estate on which the manufactured home
31 is located. In addition, evidence shall be provided of the
32 surrender of the certificate of title. After the surrender of
33 the certificate of title of a manufactured home under this
34 section, conveyance of an interest in the manufactured home
35 shall not require transfer of title so long as the

1 manufactured home remains on the same real estate site.

2 5. An owner of a manufactured home who has surrendered a
3 certificate of title under this section and requires another
4 certificate of title for the manufactured home is required to
5 apply for a bonded certificate of title under chapter 321. If
6 supporting documents for the reissuance of a title are not
7 available or sufficient, the procedure for the reissuance of a
8 title specified in the rules of the department of
9 transportation shall be used.

10 Sec. 76. Section 453A.2, Code 2003, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 5B. A tobacco compliance employee
13 training fund is created in the office of the treasurer of
14 state. The fund shall consist of civil penalties assessed by
15 the Iowa department of public health under section 453A.22,
16 for violations of this section. Moneys in the fund are
17 appropriated to the alcoholic beverages division of the
18 department of commerce and shall be used to develop and
19 administer the tobacco compliance employee training program
20 under section 453A.2A. Moneys deposited in the fund shall not
21 be transferred, used, obligated, appropriated, or otherwise
22 encumbered except as provided in this subsection.

23 Sec. 77. Section 453C.1, subsection 10, Code 2003, is
24 amended to read as follows:

25 10. "Units sold" means the number of individual cigarettes
26 sold in the state by the applicable tobacco product
27 manufacturer, whether directly or through a distributor,
28 retailer, or similar intermediary or intermediaries, during
29 the year in question, as measured by excise taxes collected by
30 the state on packs or roll-your-own tobacco containers ~~bearing~~
31 ~~the-excise-tax-stamp-of-the-state~~. The department of revenue
32 and finance shall adopt rules as are necessary to ascertain
33 the amount of state excise tax paid on the cigarettes of such
34 tobacco product manufacturer for each year.

35 Sec. 78. Section 453C.2, subsection 2, paragraph b,

1 subparagraph (2), Code 2003, is amended to read as follows:

2 (2) To the extent that a tobacco product manufacturer
3 establishes that the amount the manufacturer was required to
4 place into escrow on account of units sold in the state in a
5 particular year was greater than the state's allocable share
6 of the total payments that such manufacturer would have been
7 required to make in that year under the master settlement
8 agreement the master settlement agreement payments, as
9 determined pursuant to section IX(i) of that agreement
10 including after final determination of all adjustments, that
11 such manufacturer would have been required to make on account
12 of such units sold had such manufacturer been a participating
13 manufacturer, as such payments are determined pursuant to
14 section IX(i)(2) of the master settlement agreement and before
15 any of the adjustments or offsets described in section
16 IX(i)(3) of that agreement other than the inflation
17 adjustment, the excess shall be released from escrow and
18 revert back to such tobacco product manufacturer.

19 Sec. 79. Section 455D.9, Code 2003, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 1A. Yard waste may be accepted by a
22 sanitary landfill for land disposal if the sanitary landfill
23 operates an active methane collection system for the purpose
24 of producing electricity. For purposes of calculating the
25 waste stream and determining the attainment of the waste
26 stream reductions under section 455D.3 for a year in which
27 yard waste has been accepted for land disposal pursuant to
28 this subsection, the planning area shall estimate the amount
29 of tonnage attributable to yard waste and the estimated amount
30 shall be subtracted from the tonnage accepted by the planning
31 area during that year.

32 Sec. 80. Section 476.33, Code 2003, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 5. a. The board shall adopt rules that
35 require the board, in a rate regulatory proceeding under

1 sections 476.3 and 476.6, to consider both of the following
2 for inclusion in rates:

3 (1) Capital infrastructure investments that will not
4 produce significant additional revenues and will be in service
5 in Iowa within nine months after the conclusion of the test
6 year.

7 (2) Cost of capital changes that will occur within nine
8 months after the conclusion of the test year that are
9 associated with a new generating plant that has been the
10 subject of a ratemaking principles proceeding pursuant to
11 section 476.53.

12 b. This subsection is repealed effective July 1, 2007.
13 However, any utilities board proceeding that is pending on
14 July 1, 2007, that is being conducted pursuant to section
15 476.3 or 476.6 shall be completed as if this section had not
16 been repealed. Upon repeal, the board may still consider the
17 adjustments addressed in this subsection, but shall not be
18 required to consider them.

19 Sec. 81. 2003 Iowa Acts, Senate File 453, section 49,
20 subsection 1, unnumbered paragraph 1, if enacted, is amended
21 to read as follows:

22 The department of human services shall establish a work
23 group in cooperation with representatives of the insurance
24 industry and members of the medical assistance advisory
25 council to develop a plan for the redesign of the medical
26 assistance program. In developing the redesign plan, the work
27 group shall consider all of the following:

28 Sec. 82. Sections 266.8, 266.24, 266.25, and 266.26, Code
29 2003, are repealed.

30 Sec. 83. REPORT ON FEDERAL ELECTION LAW IMPLEMENTATION.
31 The state committee, if formed, shall develop a plan for
32 compliance with the federal Help America Vote Act, Pub. L. No.
33 107-252, and the state committee, in conjunction with the
34 state commissioner of elections, shall provide quarterly
35 updates to the Senate and House of Representatives standing

1 committees on government oversight on the status of the
2 implementation of Pub. L. No. 107-252.

3 Sec. 84. SALE OF DEPARTMENT OF CORRECTIONS' REAL PROPERTY.

4 1. Immediately after the effective date of this section,
5 the department of corrections shall develop a plan to sell, at
6 market value, the twenty-acre tract of undeveloped land
7 adjacent to the Iowa correctional institution for women to any
8 municipality with a population of less than twenty thousand
9 persons. The plan shall include the sale of the tract of land
10 within a commercially reasonable time. The sale shall be
11 negotiated by the department and shall be handled in a manner
12 that is financially beneficial to the department. The
13 department shall as a condition of the sale to the
14 municipality require that the land not be sold by the
15 municipality for a period of ninety-nine years unless the land
16 is resold back to the state. Appraisals conducted by the
17 department of the value of the land shall be made available to
18 the public immediately following the sale of the tract of
19 land. If the department is unable to negotiate a financially
20 beneficial sale, the tract of land shall not be sold, and the
21 department shall provide the legislative fiscal bureau with
22 the reasons the sale did not occur.

23 2. The proceeds from the sale of the property as provided
24 in subsection 1 shall be retained by the department of
25 corrections to be used for correctional facilities. The costs
26 incident to the sale of the tract of land including, but not
27 limited to, appraisals, invitations for offers, abstracts, and
28 other necessary costs, may be paid from the proceeds of the
29 sale or from moneys appropriated for support and maintenance
30 to the institution at which the real estate is located.

31 3. The provisions of section 904.317 shall not apply to
32 the sale of the tract of land sold in accordance with this
33 section.

34 Sec. 85. SALES AND USE TAX REFUND.

35 1. Notwithstanding the one-year application period

1 provided for in section 422.45, subsection 7, paragraph "b",
2 an application by a city with a population between 550 and 625
3 located entirely in a county with a population between 39,750
4 and 41,750 for a refund of sales, services, or use tax paid
5 upon any goods, wares, or merchandise, or services rendered,
6 furnished, or performed and used in the performance of
7 contracts involving a street construction project and a sewer
8 project is considered timely filed under section 422.45,
9 subsection 7, if the application for refund is filed with the
10 department of revenue and finance on or before August 1, 2003.

11 2. Notwithstanding the amount applied for under subsection
12 1, the amount of a refund paid under this section shall not
13 exceed \$15,000.

14 Sec. 86. SCHOOL DISTRICT REIMBURSEMENT CLAIM.

15 1. Any school district located in a county with a
16 population between 11,550 and 12,000 is authorized to refile a
17 claim for state reimbursement of the costs of providing
18 vocational education programs at the secondary level in its
19 district notwithstanding the denial of its previously filed
20 claim with the state appeal board if the claim is filed by
21 October 1, 2003. Such claim shall be considered timely filed
22 notwithstanding any provision of law.

23 2. If the claim filed pursuant to subsection 1 is a valid
24 claim for state reimbursement, the claim shall be paid subject
25 to the following:

26 a. The amount of costs reimbursed shall not exceed 6.5
27 percent.

28 b. Any amount reimbursed pursuant to any previously filed
29 claim relating to the same costs shall not be included.

30 c. The total amount reimbursed under this section shall
31 not exceed \$6,000.

32 Sec. 87. COORDINATION OF PUBLIC TRANSPORTATION STUDY. The
33 state department of transportation shall conduct a study and
34 prepare a report pertaining to administrative efficiencies
35 that may be gained by the coordination of transit management

1 and maintenance systems in the areas of school transportation,
2 public transit, and other forms of public transportation. The
3 report shall be provided to the general assembly by December
4 31, 2003.

5 Sec. 88. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN
6 SERVICES. To the extent that, pursuant to law enacted by the
7 Eightieth General Assembly, 2003 Session, supplemental payment
8 adjustments are implemented for physician services provided to
9 medical assistance program participants at publicly owned
10 acute care hospitals, the department of human services shall
11 not, directly or indirectly, recoup the supplemental payment
12 adjustments for any reason, unless an amount equivalent to the
13 amount of adjustment funds that were transferred to the
14 department by the state university of Iowa college of medicine
15 is transferred by the department to the qualifying physicians.

16 Sec. 89. UTILITIES BOARD REVIEW. The utilities board
17 shall initiate and coordinate a review of current ratemaking
18 procedures to determine whether different procedures would be
19 cost-effective and would result in rates that more accurately
20 reflect a utility's cost of providing service to its customers
21 in Iowa. The board shall allow the consumer advocate division
22 of the department of justice, the rate-regulated utilities,
23 and other interested persons to participate in its review.
24 The board shall report the results of its review to the
25 general assembly, with recommendations as appropriate, on or
26 before January 5, 2004.

27 Sec. 90. SEVERABILITY.

28 1. If this entire Act or any portion of section 453C.2,
29 subsection 2, paragraph "b", subparagraph (2), as amended in
30 this Act, is held by a court of competent jurisdiction to be
31 unconstitutional, section 453C.2, subsection 2, paragraph "b",
32 subparagraph (2), is repealed in its entirety.

33 2. If section 453C.2, subsection 2, paragraph "b",
34 subparagraph (2), is repealed pursuant to subsection 1 and a
35 court of competent jurisdiction subsequently finds that

1 section 453C.2, subsection 2, paragraph "b", is
2 unconstitutional due to such repeal, section 453C.2,
3 subsection 2, paragraph "b", subparagraph (2), Code 2003,
4 shall be restored.

5 3. Any holding of unconstitutionality or any repeal of
6 section 453C.2, subsection 2, paragraph "b", subparagraph (2),
7 as amended in this Act, or of section 453C.2, subsection 2,
8 paragraph "b", subparagraph (2), Code 2003, shall not affect,
9 impair, or invalidate any other portion of section 453C.2 or
10 the application of that section to any other person or
11 circumstance, and the remaining portions of section 453C.2,
12 shall continue in full force and effect.

13 Sec. 91. FEDERAL HOUSING MONEYS. Any federal moneys
14 received by the department of economic development for the
15 community development block grant program that are allocated
16 for housing and any federal moneys received for the HOME
17 investment partnership program shall be coordinated with
18 projects within the housing trust fund established in section
19 16.181, if enacted.

20 Sec. 92. CODE EDITOR DIRECTIVE. The Code editor shall
21 change the name of the department of public defense, emergency
22 management division, to the department of public defense,
23 homeland security and emergency management division, in
24 chapter 29C and elsewhere throughout the Code, including
25 references to the division made in law enacted by the
26 Eightieth General Assembly, 2003 Regular Session and other
27 enactments.

28 Sec. 93. EFFECTIVE DATES. The following provisions of
29 this division of this Act, being deemed of immediate
30 importance, take effect upon enactment:

- 31 1. The amendment to section 12E.12.
- 32 2. The amendment to section 15E.193B.
- 33 3. The amendment to section 435.26A.
- 34 4. The amendment to section 453A.2, which shall only take
35 effect if 2003 Iowa Acts, Senate File 401, is enacted by the

1 Eightieth General Assembly, 2003 Regular Session.

2 5. The amendments to sections 453C.1 and 453C.2 and the
3 related severability provision.

4 6. The section directing the department of corrections to
5 develop a plan for selling certain land.

6 7. The section relating to the sales and use tax refund.

7 8. The section relating to the school district
8 reimbursement claim.

9 Section 29C.8, subsection 3, paragraph "f", as enacted in
10 this division of this Act, and the amendment to section
11 29C.20, subsection 1, as enacted in this division of this Act,
12 take effect July 1, 2004.

13 DIVISION VIII

14 MEDICAL ASSISTANCE PROGRAM

15 Sec. 94. Section 135C.31A, if enacted by 2003 Iowa Acts,
16 House File 619, section 2, is amended to read as follows:

17 135C.31A ASSESSMENT OF RESIDENTS -- PROGRAM ELIGIBILITY.

18 Beginning July 1, 2003, a health care facility receiving
19 reimbursement through the medical assistance program under
20 chapter 249A shall assist the Iowa commission of veterans
21 affairs in ~~determining, prior to the initial~~ identifying, upon
22 admission of a resident, the prospective resident's
23 eligibility for benefits through the federal department of
24 veterans affairs. The health care facility shall also assist
25 the Iowa commission of veterans affairs in determining such
26 eligibility for residents residing in the facility on July 1,
27 2003. The department of inspections and appeals, in
28 cooperation with the department of human services, shall adopt
29 rules to administer this section, including a provision that
30 ensures that if a resident is eligible for benefits through
31 the federal department of veterans affairs or other third-
32 party payor, the payor of last resort for reimbursement to the
33 health care facility is the medical assistance program. This
34 section shall not apply to the admission of an individual to a
35 state mental health institute for acute psychiatric care.

1 Sec. 95. Section 249A.20A, if enacted by 2003 Iowa Acts,
2 House File 619, section 3, is amended by adding the following
3 new subsection:

4 NEW SUBSECTION. 5A. The department shall adopt rules to
5 provide a procedure under which the department and the
6 pharmaceutical and therapeutics committee may disclose
7 information relating to the prices manufacturers or
8 wholesalers charge for pharmaceuticals. The procedures
9 established shall comply with 42 U.S.C. § 1396r-8 and with
10 chapter 550.

11 Sec. 96. Section 249A.20B, if enacted by 2003 Iowa Acts,
12 House File 619, section 4, is amended by adding the following
13 new subsection:

14 NEW SUBSECTION. 5A. The department of human services
15 shall provide a reimbursement to nursing facilities under this
16 section. The reimbursement amount shall be calculated as a
17 per patient day amount and shall be paid to nursing facilities
18 in addition to the reimbursement payment specified in 2001
19 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
20 "c".

21 Sec. 97. 2003 Iowa Acts, House File 619, section 5, if
22 enacted, is amended by striking the section and inserting in
23 lieu thereof the following:

24 SEC. 5. CASE MANAGEMENT PROGRAM FOR FRAIL ELDERS.

25 1. The general assembly finds that the existing case
26 management program for frail elders administered by the
27 department of elder affairs is an important component of the
28 long-term care system in this state. The program emphasizes
29 the independence and dignity of the individual while providing
30 services in a cost-effective manner.

31 2. The purposes of the case management program for frail
32 elders include all of the following:

33 a. To provide planning, policy development, coordination,
34 and administrative oversight.

35 b. To provide assistance in the form of assessment and

1 care coordination under circumstances in which an elder or the
2 elder's caregiver is experiencing diminished functional
3 capacity or other conditions that require the provision of
4 services by professional service providers.

5 c. To maintain a system that focuses on the delivery of
6 home and community-based services that emphasize individual
7 independence, individual needs and desires, and consumer-
8 driven quality of services.

9 3. It is the intent of the general assembly that the
10 department of elder affairs in collaboration with the
11 department of human services, area agencies on aging, advocacy
12 groups, industry representatives, and consumers submit
13 recommendations to the general assembly by October 1, 2003,
14 regarding the redesigning of the case management program for
15 the frail elderly including preadmission screening
16 methodologies, level of care determinations and ongoing
17 methodologies for the coordination, provision, and delivery of
18 home and community-based services.

19 4. It is also the intent of the general assembly that the
20 department of elder affairs and the department of human
21 services coordinate efforts to resolve issues relating to
22 level of care determinations no later than October 1, 2003.

23 Sec. 98. 2003 Iowa Acts, House File 619, section 9, if
24 enacted, is amended to read as follows:

25 SEC. 9. NURSING FACILITY REIMBURSEMENT. Notwithstanding
26 2001 Iowa Acts, chapter 192, section 4, subsection 2,
27 paragraph "c", and subsection 3, paragraph "a", subparagraph
28 (2), if projected state fund expenditures for reimbursement of
29 nursing facilities for the fiscal year beginning July 1, 2003,
30 in accordance with the reimbursement rate specified in 2001
31 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
32 "c", exceeds exceed \$147,252,856, the department shall adjust
33 the inflation factor of the reimbursement rate calculation to
34 provide reimbursement within the amount projected specified in
35 this section. The department, in consultation with nursing

1 facility representatives, shall review the projections on a
2 quarterly basis to determine if an interim adjustment is
3 necessary in order to provide reimbursement within the amount
4 specified in this section. In reviewing the projections, the
5 department shall consider the savings from the reduction in
6 bed hold payments, elimination of crossover claims, and
7 increases in Medicare part A utilization.

8 Sec. 99. 2003 Iowa Acts, House File 619, section 12,
9 subsections 2 and 3, if enacted, are amended to read as
10 follows:

11 2. The department of human services, in cooperation with
12 the department's fiscal agent and in consultation with a
13 chronic care ~~management-resource-group~~ consortium, shall
14 profile medical assistance recipients within a select number
15 of disease diagnosis categories. The assessment shall focus
16 on those diagnosis areas that present the greatest opportunity
17 for impact to improved care and cost reduction.

18 3. The department of human services, in consultation with
19 a chronic care ~~management-resource-group~~ consortium, shall
20 conduct a chronic disease management pilot project for a
21 select number of individuals who are participants in the
22 medical assistance program. The project shall focus on a
23 select number of chronic diseases which may include congestive
24 heart failure, diabetes, and asthma. The initial pilot
25 project shall be implemented by October 1, 2003.

26 Sec. 100. 2003 Iowa Acts, House File 619, section 12,
27 subsection 4, if enacted, is amended by striking the
28 subsection and inserting in lieu thereof the following:

29 4. The department of human services may procure a sole
30 source contract with a vendor to manage individuals with
31 select chronic diseases following the conclusion of the
32 profiling of medical assistance recipients. The management of
33 chronic diseases for individuals under this subsection may be
34 coordinated with the pilot project established in subsection
35 3.

1 Sec. 101. 2002 Iowa Acts, Second Extraordinary Session,
2 chapter 1003, section 110, is amended by adding the following
3 new paragraph:

4 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, up
5 to \$2,400,000 of the funds appropriated in this section that
6 remain unencumbered or unobligated at the close of the fiscal
7 year shall not revert but shall remain available in the
8 succeeding fiscal year to be used for additional field
9 operations, full-time equivalent positions and general
10 administration. Four hundred thousand dollars of this amount
11 shall be used for eight full-time equivalent positions to
12 provide a case manager in each of the judicial districts to
13 provide coordination of services for families that have a
14 history of methamphetamine abuse and \$400,000 of this amount
15 shall be used for general administration.

16 Sec. 102. VETERANS -- DIRECTIVE. The commission of
17 veterans affairs shall work with the commandant of the Iowa
18 veterans home, the department of human services, and the
19 department of inspections and appeals to identify the
20 residents of health care facilities who may be eligible for
21 benefits through the federal department of veterans affairs
22 pursuant to section 135C.31A, if enacted by 2003 Iowa Acts,
23 House File 619.

24 Sec. 103. The section of this division of this Act
25 amending 2002 Iowa Acts, Second Extraordinary Session, chapter
26 1003, section 110, relating to certain federal temporary
27 assistance for needy families block grant funding, takes
28 effect upon enactment.

29 EXPLANATION

30 This bill relates to public expenditure and regulatory
31 matters.

32 MH/MR/DD ALLOWABLE GROWTH -- This division appropriates
33 funding for county mental health, mental retardation, and
34 developmental disabilities services allowed growth for fiscal
35 year 2004-2005.

1 STANDING APPROPRIATIONS -- REDUCTIONS -- This division
2 applies reductions to standing appropriations for the general
3 assembly, at-risk children programs, public transit
4 assistance, and educational excellence program.

5 The division includes an appropriation from the cash
6 reserve fund to the rebuild Iowa infrastructure fund and law
7 is made inapplicable that would otherwise require that the
8 reason for the appropriation be stated, that the appropriation
9 be the only subject of the bill, and that the bill receive a
10 supermajority vote if the appropriation caused the fund
11 balance to drop below a certain level. This appropriation
12 takes effect upon enactment. In addition, the division
13 reduces a standing appropriation from the rebuild Iowa
14 infrastructure fund to the environment first fund for fiscal
15 year 2002-2003, and this reduction takes effect upon
16 enactment.

17 STANDING APPROPRIATIONS -- LIMITATIONS -- This division
18 applies limitations to standing appropriations for
19 compensation of military personnel, nonpublic school
20 transportation, printing of cigarette tax stamps, state share
21 of peace officers' retirement benefits, livestock production
22 credit refunds, reimbursement of homestead property tax
23 credits, reimbursement of agricultural land and family farm
24 tax credits, military service tax credits, state unemployment
25 compensation expenses, interest costs under the federal Cash
26 Management and Improvement Act, the state's deferred
27 compensation program, and elderly and disabled credits.

28 REVENUE ADJUSTMENTS -- APPROPRIATIONS -- This division
29 provides revenue adjustments and appropriations. The division
30 provides for FY 2003-2004 that the interest and earnings from
31 the Iowa economic emergency fund and the cash reserve fund
32 will be credited to the general fund of the state instead of
33 the rebuild Iowa infrastructure fund as provided in Code
34 sections 8.55 and 8.56. For FY 2003-2004, the unexpended
35 balances of state general fund operational appropriations will

1 revert to the state general fund instead of remaining with
2 agencies for use for training and technology purposes as
3 provided in Code section 8.62.

4 Moneys collected from the income tax checkoff for the keep
5 Iowa beautiful fund in FY 2002-2003 and 2003-2004 are
6 appropriated to the state department of transportation for the
7 purposes provided in Code section 314.28 of education for
8 litter prevention, improving waste management and recycling
9 efforts, and beautification projects.

10 Of the \$70 million in gambling revenues that the law
11 provides will be deposited in the endowment for Iowa's health
12 account of the tobacco settlement trust fund, the division
13 provides that \$20 million will instead be deposited in the
14 general fund of the state.

15 The division provides an appropriation to the Iowa
16 department of economic development for assistance to a city or
17 organization hosting the national junior olympics.

18 Code section 8.55, relating to the Iowa economic emergency
19 fund, includes provisions making transfers when the fund has
20 reached its maximum balance. The standing limited transfer to
21 the senior living trust fund is increased to \$118 million.

22 The division delays by one year the effective date of a
23 change in the maximum balances of the cash reserve and Iowa
24 economic emergency funds. Current law provides that effective
25 July 1, 2003, the maximum balances of the two reserve funds
26 will change from each at 5 percent of the adjusted revenue
27 estimate to the cash reserve at 7.5 percent and the Iowa
28 economic emergency fund at 2.5 percent. The bill delays this
29 change until July 1, 2004.

30 For fiscal year 2003-2004 the maximum amount of job credits
31 for the accelerated career education program under Code
32 section 260G.4B is decreased from \$6 million to \$4 million.

33 The division eliminates a standing appropriation from the
34 general fund to the endowment for Iowa's health account for
35 fiscal year 2003-2004.

1 The fiscal year 2002-2003 appropriation to the state racing
2 and gaming commission for purposes of racetrack regulation is
3 increased.

4 COMPENSATION AND BENEFITS -- This division relates to
5 compensation and benefits paid to state employees. The
6 division appropriates moneys for the fiscal year beginning
7 July 1, 2003, to fund salary adjustments for certain contract
8 and noncontract employees.

9 The state board of regents is specifically allocated
10 appropriations to fund increases to employees at the state
11 school for the deaf and the Iowa braille and sight saving
12 school and is to use other sources to fund other employee
13 increases.

14 The division also provides supplemental authorization to
15 fund salaries from trust, revolving, and special funds for
16 which the general assembly has established a budget.

17 State trooper meal allowances are provided for and a salary
18 model coordinator is funded to maintain the state's salary
19 model in conjunction with the legislative fiscal bureau.

20 CORRECTIVE PROVISIONS -- This division provides corrective
21 amendments to legislation passed in the Eightieth General
22 Assembly, 2003 Regular Session.

23 Code section 8A.202, if enacted in House File 534, which
24 relates to information technology services to be provided by
25 the newly created department of administrative services, is
26 amended to incorporate language dealing with electronic agency
27 reports which conforms to the new Code chapter on state
28 archives and records enacted in House File 648. A redundant
29 section of House File 648, which amends a Code chapter
30 repealed in House File 534, is repealed.

31 Code section 99E.9, as amended in 2003 Iowa Acts, House
32 File 171, is amended to correctly refer to national criminal
33 history checks, to conform to other references to those checks
34 in House File 171.

35 Code sections 135.150 and 135.154, enacted in House File

1 396, are amended to correct the name of the director of public
2 health and to specify the division of a Code chapter rather
3 than the division of a state agency.

4 New section 170.6(1), if enacted by House File 624, is
5 amended to provide that failure of a landowner to notify or
6 provide access to the department of agriculture and land
7 stewardship before first releasing whitetail deer on the land
8 is cause for suspension or revocation of certificate to keep
9 whitetail deer as farm deer. House File 624 in another
10 section requires notification and access to be given to the
11 department.

12 Amendments to Code sections 232.71B, 235B.3, and 692A.13,
13 if enacted by 2003 Iowa Acts, House File 558, are amended to
14 insert the word "adult" in order to correct references to the
15 dependent adult abuse registry.

16 Code section 304B.3, if enacted in House File 648, which
17 relates to the membership of the state records commission, is
18 amended to conform to the changes made in House File 534 with
19 respect to the directors of the newly created department of
20 administrative services and other state agencies.

21 Code section 356.7(1), as amended by 2003 Iowa Acts, House
22 File 650, is amended to correct a grammatical error.

23 Code section 459.401(2)(a)(3A), if enacted by House File
24 644, is amended to correct an internal reference to another
25 Code section.

26 Code section 505A.1, as enacted in 2003 Iowa Acts, House
27 File 647, is amended to insert a missing preposition before an
28 internal reference.

29 Code section 508.31A, as amended in 2003 Iowa Acts, House
30 File 647, is amended to correct an internal reference to
31 another paragraph of the Code section.

32 Code section 901.5, as amended by 2003 Iowa Acts, House
33 File 404, and relating to the scheduling of a contempt
34 proceeding for violation of a no-contact order in a criminal
35 case, is amended to make a reference to five days consistent

1 with another provision in the same legislation.

2 A corrective section of Senate File 155, the substantive
3 Code editor's bill, which amends Code section 49.71 relating
4 to the discontinuance of instructional cards for voters, is
5 repealed if 2003 Iowa Acts, House File 614, which more
6 thoroughly amends and updates Code section 49.71, is enacted.

7 2003 Iowa Acts, Senate File 155, one of the Code editor's
8 bills, is amended to repeal section 56 of that bill which
9 contains a corrective reference in Code section 237A.29 to a
10 child care provider suspension sanction. The repeal is in
11 favor of an amendment to the same Code section by 2003 Iowa
12 Acts, Senate File 351, which substantively rewrites the child
13 care provider sanctions in that Code section.

14 The amendment to Code section 56.5 in 2003 Iowa Acts, House
15 File 601, is corrected by specifying that only paragraph "d"
16 of subsection 2 is stricken.

17 House File 624, section 22, if enacted, is corrected to
18 clarify that it is the fence which encloses farm deer on the
19 effective date of House File 624 that is deemed to comply with
20 the construction requirements of the bill.

21 MISCELLANEOUS PROVISIONS -- This division provides
22 miscellaneous provisions.

23 The division amends Code sections 12B.10 and 12B.10A,
24 relating to public funds investment standards and public funds
25 investment maturity and procedural limitations, to provide
26 that the short-term investments of the state board and
27 institutions under the control of the state board of regents
28 cannot have an effective maturity in excess of 63 months.

29 The division amends Code section 12E.12(8) to allow the
30 issuing agency of refunding bonds for tobacco settlement
31 authority bonds, which cannot be used for such refunding, to
32 be used for capital infrastructure improvements at the issuing
33 agency. This provision takes effect upon enactment.

34 Code section 15E.193B(4) is amended to allow the department
35 of economic development to extend the two-year completion

1 period for tax credits for housing projects in enterprise
2 zones if completion of the project is impossible because of
3 substantial loss due to a catastrophe. "Substantial loss"
4 means at least 30 percent of the project's eligible basis.
5 This amendment takes effect upon enactment.

6 The division creates a new Code section 16.181 that
7 establishes a housing trust fund to be administered by the
8 Iowa finance authority. The fund shall be used for the
9 development and preservation of affordable housing for low-
10 income people in the state. The new Code section provides
11 that assets in the housing trust fund shall consist of all of
12 the following:

13 1. Any assets received by the authority from the Iowa
14 housing corporation.

15 2. Any moneys transferred by the authority for deposit in
16 the housing trust fund.

17 3. Any other moneys appropriated by the general assembly
18 and any other moneys available to and obtained or accepted by
19 the authority for placement in the housing trust fund.

20 The new Code section also creates a local housing trust
21 fund program and a project-based housing program within the
22 housing trust fund.

23 The new Code section provides that 60 percent of the assets
24 in the housing trust fund shall be allocated to the local
25 housing trust fund program and 40 percent of the assets are
26 allocated to the project-based housing program. Any assets
27 remaining in the local housing trust fund program on April 1
28 of each fiscal year which have not been awarded to a local
29 housing trust fund may be transferred to the project-based
30 housing program at any time prior to the end of the fiscal
31 year.

32 The division amends Code section 25.1 to provide that the
33 state appeal board shall no longer consider claims for vehicle
34 registration fee refunds. Such refunds are obtained by
35 application to the state department of transportation in

1 certain circumstances when a vehicle is sold, transferred, or
2 junked.

3 Code section 28.9, relating to the school ready children
4 grants account of the Iowa empowerment fund, is amended to
5 require the distribution formula used for the grants to
6 incorporate certain performance components.

7 The division amends Code section 29C.8 by requiring the
8 administrator of the emergency management division of the
9 department of public defense, effective July 1, 2004, to
10 approve and support the development and ongoing operations of
11 an urban search and rescue team within the state. Members of
12 the team when acting under the direction of the administrator
13 or pursuant to a governor's disaster proclamation are
14 considered employees of the state and shall be compensated for
15 disability, workers' compensation, and death benefits as
16 appropriate. The administrator of the emergency management
17 division of the department of public defense must also
18 develop, implement, and support a uniform incident command
19 system to be used by state agencies responding to emergencies
20 and disasters beginning July 1, 2003. A related change is
21 made to Code section 29C.20, pertaining to a contingent fund
22 governed by the executive council for use in responding to
23 disasters and other emergencies, to authorize payment of
24 expenses and claims from the fund beginning July 1, 2004, for
25 authorized urban search and rescue team activities.

26 The division amends section 99G.40(1), if enacted by Senate
27 File 453, to authorize the auditor of state to perform audits
28 on the records and papers of the Iowa lottery authority which
29 is created in that bill.

30 Code sections 260C.14, 261.9, and 262.9 are amended to
31 require community colleges, private colleges, or universities
32 under Iowa's tuition grant program, and the board of regents
33 universities to offer options to students who are members of
34 the national guard or military reserves and are called to
35 active state or federal duty. These options include the

1 withdrawal from registration with a full refund of tuition and
2 fees, course grades be given or incomplete grades be given to
3 be made up later for all of the courses, or course grades be
4 given or incomplete grades be given to be made up later for
5 only some of the courses.

6 Code section 284.13(1) is amended to revive the allocation
7 for the team-based variable pay program administered by the
8 department of education during the 2001-2002 fiscal year by
9 providing a \$500,000 allocation from the appropriation for the
10 student achievement and teacher quality program for each
11 fiscal year of the fiscal period beginning July 1, 2003, and
12 ending June 30, 2005.

13 Code section 294A.25(6)-(10) is amended by striking
14 references to phase III in standing Code language that
15 provides for the allocation of educational excellence moneys
16 to the department of education; striking the subsection used
17 to allocate moneys in prior years for the ambassador to
18 education program, which in FY 2003-2004 is funded from a
19 student achievement and teacher quality program allocation;
20 and striking the subsection used to allocate moneys in prior
21 years for purposes of the Iowa mathematics and science
22 coalition. The amendments provide that the allocations for
23 the kindergarten through grade 12 management information
24 system and for the Iowa braille and sight saving school and
25 the Iowa state school for the deaf will be made prior to the
26 allocations provided to meet the minimum teacher salary
27 requirements and salary improvement requirements of Code
28 chapter 294A.

29 The division amends Code sections 321J.2, 321J.4, and
30 321J.12, as amended by 2003 Iowa Acts, House File 65, to
31 provide that a defendant who has been convicted of a first
32 offense operating-while-intoxicated offense whose driver's
33 license or nonresident operating privileges have been revoked
34 and who seeks a temporary restricted license must install an
35 approved ignition interlock device on all vehicles owned or

1 operated by the defendant. This requirement also applies to a
2 defendant whose driver's license or nonresident operating
3 privileges have been revoked administratively due to chemical
4 test failure.

5 Code section 331.604C(4), if enacted by Senate File 453, is
6 amended to change the name of the fund to which locally
7 collected electronic transaction fees are deposited for
8 purposes of providing electronic access to local records from
9 the "state government electronic transaction" fund to the
10 "local electronic government transaction" fund.

11 Code section 422.45 is amended to add a new subsection 64
12 that exempts from the sales and use taxes the access or
13 service charges assessed by financial institutions on
14 noncustomer point of sale or noncustomer use of automated
15 teller machines.

16 Code section 435.26A, as enacted by 2003 Iowa Acts, Senate
17 File 134, is amended to require certain information be
18 provided when the certificate of title for a manufactured home
19 has been surrendered. The amendment also provides for the
20 procedure for the reissuance of a previously surrendered
21 certificate of title for a manufactured home. The amendments
22 are effective upon enactment.

23 Code sections 453C.1 and 453C.2 are amended to allow
24 cigarette manufacturers that are not members of the master
25 settlement agreement and that are required to place moneys
26 into escrow on account for cigarettes to be sold in the state
27 to receive a refund of any excess escrow amounts remitted
28 because of fewer cigarettes sold than anticipated. The
29 amendments take effect upon enactment.

30 Code section 476.33 is amended to require the utilities
31 board to consider for inclusion in the rates for public
32 utilities the capital infrastructure investments that will not
33 produce significant revenues and will be in service within the
34 test year and the cost of capital charges that will occur
35 within nine months following the test year which are

1 associated with a new generating plant. The utilities board
2 is also directed to initiate and coordinate a review of
3 current ratemaking procedures.

4 The division provides that if Senate File 401, relating to
5 tobacco law compliance is enacted, a tobacco compliance
6 employee training fund is created in Code section 453A.2
7 consisting of the civil penalties charged for violations of
8 the law for sales to underage purchasers. Moneys in the fund
9 are appropriated to the alcoholic beverages division of the
10 department of commerce for the tobacco compliance employee
11 training program created in Senate File 401. This provision
12 takes effect upon enactment.

13 Code section 455D.9 is amended to provide an exception to
14 the prohibition on the land disposal of yard waste if the yard
15 waste is accepted by a sanitary landfill that operates an
16 active methane collection system for the purpose of producing
17 electricity.

18 The division amends Senate File 453, section 49, if
19 enacted, which directs the department of human services to
20 create a work group for the redesign of the medical assistance
21 program. The amendment would add members of the medical
22 assistance advisory council to the work group. The medical
23 assistance advisory council participants will bring valuable
24 expertise in each specialized field or industry that would not
25 be available if the insurance industry is the only stakeholder
26 at the table.

27 The division repeals the following Code sections, involving
28 programs at Iowa state university of science and technology:
29 Code section 266.8, relating to hazardous waste technical
30 research and assistance program, and Code sections 266.24,
31 266.25, and 266.26, relating to the laboratory for the
32 manufacture and distribution of hog-cholera serum, toxins,
33 vaccines, and biological products.

34 The division directs the state committee, if one is formed,
35 to implement the federal Help America Vote Act and the

1 commissioner of elections to report quarterly to the
2 government oversight committees on the status of
3 implementation of the federal Act.

4 The division directs the department of corrections to
5 develop a plan to sell to a municipality a 20-acre tract of
6 undeveloped land located adjacent to the Iowa correctional
7 institution for women. Net proceeds of the sale are to be
8 retained by the department to be used for correctional
9 facilities. This provision takes effect upon enactment.

10 The division allows a city meeting certain population
11 criteria to make application for refund of sales or use tax
12 paid relative to street and sewer construction projects and
13 for the application to be considered to be timely filed,
14 notwithstanding the one-year application period, if it is
15 filed by August 1, 2003. Any refund paid cannot exceed
16 \$15,000. This provision takes effect upon enactment.

17 The division allows a school district located in a county
18 with a certain population to refile for state reimbursement
19 for costs for providing vocational education programs at the
20 secondary level in its district. The amount of reimbursement
21 is limited to 6.5 percent of the costs and to \$6,000 minus any
22 amount previously received from a prior claim for
23 reimbursement of those costs.

24 The division also directs the state department of
25 transportation to conduct a study pertaining to administrative
26 efficiencies to be gained in coordination of school and public
27 transportation. A report must be filed by the end of the 2003
28 calendar year.

29 The division includes language providing that if
30 supplemental payment adjustments are implemented for physician
31 services provided to medical assistance (Medicaid) program
32 recipients at publicly owned acute care teaching hospitals,
33 the department of human services cannot recoup the adjustments
34 unless an amount is transferred by the department to the
35 qualifying physicians that is equivalent to the amount

1 transferred by the state university of Iowa to the department.

2 The division provides for coordination of federal moneys
3 with the projects of the housing trust fund created in this
4 division of the bill.

5 The division requires the Iowa Code editor to change the
6 name of the emergency management division of the department of
7 public defense to the homeland security and emergency
8 management division.

9 MEDICAL ASSISTANCE PROGRAM -- This division amends House
10 File 619 to direct health care facilities to assist the Iowa
11 commission of veterans affairs in identifying residents that
12 may be eligible for rather than actually determining a
13 resident's eligibility for benefits through the federal
14 department of veterans affairs.

15 The division adds a new subsection 5A to new Code section
16 249A.20A, if enacted by House File 619, that directs the
17 department of human services to adopt rules for disclosure of
18 certain information under the medical assistance preferred
19 drug list program to be developed by the department of human
20 services.

21 The division amends Code section 249A.20B, if enacted by
22 House File 619, to provide that under the nursing facility
23 quality assurance assessment, the department of human services
24 is to provide a reimbursement to nursing facilities and is to
25 calculate the amount of the reimbursement as a per patient day
26 amount and pay this amount in addition to the existing
27 reimbursement amount under the case-mix reimbursement rate.

28 The division replaces language in House File 619 relating
29 to the case management program for the frail elderly to
30 provide that it is the intent of the general assembly that the
31 department of elder affairs in collaboration with the
32 department of human services, area agencies on aging, advocacy
33 groups, industry representatives, and consumers to submit
34 recommendations regarding the redesign of the program to the
35 general assembly by October 1, 2003. The new language also

1 provides that it is the intent of the general assembly that
2 the department of elder affairs and the department of human
3 services coordinate efforts to resolve issues relating to
4 level of care determinations no later than October 1, 2003.

5 The division amends House File 619 to provide that with
6 regard to the nursing facility reimbursement, the department
7 of human services, in consultation with nursing facility
8 representatives is to review projections of state general fund
9 expenditures for nursing facility reimbursement on a quarterly
10 basis and is to consider savings from other nursing facility
11 payment policy changes in the review.

12 The division also amends 2003 Iowa Acts, House File 619,
13 relating to chronic care management, to correct references and
14 to provide for contracting for provision of chronic disease
15 management.

16 The division provides for use of a portion of the temporary
17 assistance for needy families moneys carried forward from FY
18 2002-2003, and to direct the commission of veterans affairs to
19 work with the commandant of the Iowa veterans home, the
20 department of human services, and the department of
21 inspections and appeals to identify residents of health care
22 facilities who may be eligible for benefits through the
23 federal department of veterans affairs.

SENATE FILE 458

S-3357

1 Amend Senate File 458 as follows:

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

4 "Sec. ____ . Section 294A.25, subsection 10, Code
5 2003, is amended to read as follows:

6 10. For ~~the each~~ fiscal year ~~beginning July 1,~~
7 ~~2001, and ending June 30, 2002,~~ to the department of
8 education ~~from phase III moneys~~ the amount of forty-
9 seven thousand dollars for the Iowa mathematics and
10 science coalition."

11 2. Page 31, by striking lines 22 and 23 and
12 inserting the following:

13 "Sec. ____ . Section 294A.25, subsection 6, Code
14 2003, is amended by striking the subsection."

**By DONALD B. REDFERN
JEFF LAMBERTI**

S-3357 FILED APRIL 30, 2003

Adopted 5/1/03

SENATE FILE 458

S-3343

1 Amend Senate File 458 as follows:

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

4 "Section 1. Section 426B.5, subsection 2,
5 paragraph d, subparagraphs (1) and (6), Code 2003, are
6 amended to read as follows:

7 (1) A county must apply to the board for
8 assistance from the risk pool on or before ~~April 1~~
9 January 25 to cover an unanticipated net expenditure
10 amount in excess of the county's current fiscal year
11 budgeted net expenditure amount for the county's
12 services fund. The risk pool board shall make its
13 final decisions on or before February 25 regarding
14 acceptance or rejection of the applications for
15 assistance and the total amount accepted shall be
16 considered obligated. For purposes of applying for
17 risk pool assistance and for repaying unused risk pool
18 assistance, the current fiscal year budgeted net
19 expenditure amount shall be deemed to be the higher of
20 either the budgeted net expenditure amount in the
21 management plan approved under section 331.439 for the
22 fiscal year in which the application is made or the
23 prior fiscal year's net expenditure amount.

24 (6) The total amount of risk pool assistance shall
25 be limited to the amount available in the risk pool
26 for a fiscal year. If the total amount of eligible
27 assistance exceeds the amount available in the risk
28 pool the amount of assistance paid shall be prorated
29 among the counties eligible for assistance. Moneys
30 remaining unexpended or unobligated in the risk pool
31 ~~at the close of a fiscal year shall remain available~~
32 ~~for distribution in the succeeding fiscal year~~
33 following the risk pool board's decisions made
34 pursuant to subparagraph (1) shall be distributed to
35 the counties eligible to receive funding from the
36 allowed growth factor adjustment appropriation for the
37 fiscal year using the distribution methodology
38 applicable to that appropriation."

39 2. Page 1, by inserting after line 25 the
40 following:

41 "Sec. ____ . 2002 Iowa Acts, chapter 1175, section
42 104, subsections 4 and 5, as amended by 2003 Iowa
43 Acts, House File 667, section 41, are amended to read
44 as follows:

45 4. After applying the applicable statutory
46 distribution formulas to the amounts indicated in
47 subsection 2 for purposes to produce preliminary
48 distribution totals, the department of human services
49 shall apply a withholding factor to adjust an eligible
50 individual county's preliminary distribution total.

S-3343

1 An ending balance percentage for each county shall be
2 determined by expressing the county's ending balance
3 on a modified accrual basis under generally accepted
4 accounting principles for the fiscal year beginning
5 July 1, 2002, in the county's mental health, mental
6 retardation, and developmental disabilities services
7 fund created under section 331.424A, as a percentage
8 of the county's gross expenditures from that fund for
9 that fiscal year. The withholding factor for a county
10 shall be the following applicable percent:

11 a. For an ending balance percentage of less than
12 10 percent, a withholding factor of 0 percent. In
13 addition to the county's adjusted distribution total,
14 a county that is subject to this paragraph "a" shall
15 receive an inflation adjustment equal to 2.6 percent
16 of the gross expenditures reported for the county's
17 services fund for that fiscal year.

18 b. For an ending balance percentage of 10 through
19 24 percent, a withholding factor of 25 percent.

20 c. For an ending balance percentage of 25 through
21 34 percent, a withholding factor of 60 percent.

22 ~~d. For an ending balance percentage of 35 through~~
23 ~~44 percent, a withholding factor of 85 percent.~~

24 ~~e. d.~~ For an ending balance percentage of ~~45~~ 35
25 percent or more, a withholding factor of 100 percent.

26 5. The total withholding amounts applied pursuant
27 to subsection 4 shall be equal to a withholding target
28 amount of ~~-\$7,419,074~~ \$9,418,362 and the appropriation
29 enacted by the Eightieth General Assembly, 2003
30 Session, for the MH/DD community services fund shall
31 be reduced by the amount necessary to attain the
32 withholding target amount. If the department of human
33 services determines that the amount to be withheld in
34 accordance with subsection 4 is not equal to the
35 target withholding amount, the department shall adjust
36 the withholding factors listed in subsection 4 as
37 necessary to achieve the withholding target amount.
38 However, in making such adjustments to the withholding
39 factors, the department shall strive to minimize
40 changes to the withholding factors for those ending
41 balance percentage ranges that are lower than others
42 and shall not adjust the zero withholding factor or
43 the inflation adjustment percentage specified in
44 subsection 4, paragraph "a."

By HUBERT M. HOUSER

SENATE FILE 458

S-3346

1 Amend Senate File 458 as follows:

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

4 "Section 1. Section 426B.5, subsection 2,
5 paragraph d, subparagraphs (1) and (6), Code 2003, are
6 amended to read as follows:

7 (1) A county must apply to the board for
8 assistance from the risk pool on or before ~~April 1~~
9 January 25 to cover an unanticipated net expenditure
10 amount in excess of the county's current fiscal year
11 budgeted net expenditure amount for the county's
12 services fund. The risk pool board shall make its
13 final decisions on or before February 25 regarding
14 acceptance or rejection of the applications for
15 assistance and the total amount accepted shall be
16 considered obligated. For purposes of applying for
17 risk pool assistance and for repaying unused risk pool
18 assistance, the current fiscal year budgeted net
19 expenditure amount shall be deemed to be the higher of
20 either the budgeted net expenditure amount in the
21 management plan approved under section 331.439 for the
22 fiscal year in which the application is made or the
23 prior fiscal year's net expenditure amount.

24 (6) The total amount of risk pool assistance shall
25 be limited to the amount available in the risk pool
26 for a fiscal year. If the total amount of eligible
27 assistance exceeds the amount available in the risk
28 pool the amount of assistance paid shall be prorated
29 among the counties eligible for assistance. Moneys
30 remaining unexpended or unobligated in the risk pool
31 ~~at the close of a fiscal year shall remain available~~
32 ~~for distribution in the succeeding fiscal year~~
33 following the risk pool board's decisions made
34 pursuant to subparagraph (1) shall be distributed to
35 the counties eligible to receive funding from the
36 allowed growth factor adjustment appropriation for the
37 fiscal year using the distribution methodology
38 applicable to that appropriation."

39 2. Page 1, by inserting after line 25 the
40 following:

41 "Sec. ____ . 2002 Iowa Acts, chapter 1175, section
42 104, subsections 4 and 5, as amended by 2003 Iowa
43 Acts, House File 667, section 41, are amended to read
44 as follows:

45 4. After applying the applicable statutory
46 distribution formulas to the amounts indicated in
47 subsection 2 for purposes to produce preliminary
48 distribution totals, the department of human services
49 shall apply a withholding factor to adjust an eligible
50 individual county's preliminary distribution total.

S-3346

1 An ending balance percentage for each county shall be
2 determined by expressing the county's ending balance
3 on a modified accrual basis under generally accepted
4 accounting principles for the fiscal year beginning
5 July 1, 2002, in the county's mental health, mental
6 retardation, and developmental disabilities services
7 fund created under section 331.424A, as a percentage
8 of the county's gross expenditures from that fund for
9 that fiscal year. The withholding factor for a county
10 shall be the following applicable percent:

11 a. For an ending balance percentage of less than
12 10 percent, a withholding factor of 0 percent. In
13 addition to the county's adjusted distribution total,
14 a county that is subject to this paragraph "a" shall
15 receive an inflation adjustment equal to 2.6 percent
16 of the gross expenditures reported for the county's
17 services fund for that fiscal year.

18 b. For an ending balance percentage of 10 through
19 24 percent, a withholding factor of 25 percent.

20 c. For an ending balance percentage of 25 through
21 34 percent, a withholding factor of 60 percent.

22 ~~d. For an ending balance percentage of 35 through~~
23 ~~44 percent, a withholding factor of 85 percent.~~

24 ~~e. d.~~ For an ending balance percentage of ~~45~~ 35
25 percent or more, a withholding factor of 100 percent.

26 5. The total withholding amounts applied pursuant
27 to subsection 4 shall be equal to a withholding target
28 amount of \$7,419,074 and the appropriation enacted by
29 the Eightieth General Assembly, 2003 Session, for the
30 MH/DD community services fund shall be reduced by the
31 amount necessary to attain the withholding target
32 amount. If the department of human services
33 determines that the amount to be withheld in
34 accordance with subsection 4 is not equal to the
35 target withholding amount, the department shall adjust
36 the withholding factors listed in subsection 4 as
37 necessary to achieve the withholding target amount.
38 However, in making such adjustments to the withholding
39 factors, the department shall strive to minimize
40 changes to the withholding factors for those ending
41 balance percentage ranges that are lower than others
42 and shall not adjust the zero withholding factor or
43 the inflation adjustment percentage specified in
44 subsection 4, paragraph "a".

By HUBERT M. HOUSER
MAGGIE TINSMAN

SENATE FILE 458

S-3350

- 1 Amend Senate File 458 as follows:
2 1. Page 35, lines 33 and 34, by striking the
3 words "develop, implement, and maintain" and inserting
4 the following: "~~develop, implement, and maintain~~ hold
5 the fund for the development, implementation, and
6 maintenance of".

By BRYAN J. SIEVERS

S-3350 FILED APRIL 30, 2003

Adopted 5/1/03

SENATE FILE 458

S-3356

- 1 Amend Senate File 458 as follows:
2 1. Page 38, line 23, by striking the words "for
3 the purpose" and inserting the following: "that
4 produces electricity."
5 2. Page 38, by striking lines 24 through 31.

By JOE BOLKCOM

S-3356 FILED APRIL 30, 2003

Adopted 5/1/03

SENATE FILE 458

S-3358

- 1 Amend Senate File 458 as follows:
2 1. Page 9, line 34, by striking the figure
3 "25,000,000" and inserting the following:
4 "28,000,000".
5 2. Page 10, by inserting after line 30 the
6 following:
7 "Of the amount appropriated in this section,
8 \$2,668,000 shall be allocated to the judicial branch
9 for the purpose of funding annual pay adjustments,
10 expense reimbursements, and related benefits
11 implemented for judicial branch employees. In
12 distributing the remainder of the amount appropriated
13 in this section, the department of management, in
14 order to address essential public protection functions
15 and recognizing the availability of funds appropriated
16 in other Acts of the general assembly and other
17 sources, shall give priority, in descending order, to
18 the department of corrections, department of human
19 services, and department of public safety, and then to
20 the remaining state departments, boards, commissions,
21 councils, and agencies to which the appropriation is
22 applicable."

By JEFF LAMBERTI

S-3358 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3353

1 Amend Senate File 458 as follows:

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

4 "Section 1. Section 426B.5, subsection 2,
5 paragraph d, subparagraphs (1) and (6), Code 2003, are
6 amended to read as follows:

7 (1) A county must apply to the board for
8 assistance from the risk pool on or before ~~April 1~~
9 January 25 to cover an unanticipated net expenditure
10 amount in excess of the county's current fiscal year
11 budgeted net expenditure amount for the county's
12 services fund. The risk pool board shall make its
13 final decisions on or before February 25 regarding
14 acceptance or rejection of the applications for
15 assistance and the total amount accepted shall be
16 considered obligated. For purposes of applying for
17 risk pool assistance and for repaying unused risk pool
18 assistance, the current fiscal year budgeted net
19 expenditure amount shall be deemed to be the higher of
20 either the budgeted net expenditure amount in the
21 management plan approved under section 331.439 for the
22 fiscal year in which the application is made or the
23 prior fiscal year's net expenditure amount.

24 (6) The total amount of risk pool assistance shall
25 be limited to the amount available in the risk pool
26 for a fiscal year. If the total amount of eligible
27 assistance exceeds the amount available in the risk
28 pool the amount of assistance paid shall be prorated
29 among the counties eligible for assistance. Moneys
30 remaining unexpended or unobligated in the risk pool
31 ~~at the close of a fiscal year shall remain available~~
32 ~~for distribution in the succeeding fiscal year~~
33 following the risk pool board's decisions made
34 pursuant to subparagraph (1) shall be distributed to
35 the counties eligible to receive funding from the
36 allowed growth factor adjustment appropriation for the
37 fiscal year using the distribution methodology
38 applicable to that appropriation."

39 2. Page 1, by inserting after line 25 the
40 following:

41 "Sec. ____ . 2002 Iowa Acts, chapter 1175, section
42 104, subsections 2, 4 and 5, as amended by 2003 Iowa
43 Acts, House File 667, section 41, are amended to read
44 as follows:

45 2. The following formula amounts shall be utilized
46 only to calculate preliminary distribution amounts for
47 fiscal year 2003-2004 under this section by applying
48 the indicated formula provisions to the formula
49 amounts and producing a preliminary distribution total
50 for each county:

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

5 \$ 12,000,000

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

11 \$ ~~12,492,712~~
12 14,492,000

13 c. For calculation of a distribution amount for
14 counties from the mental health and developmental
15 disabilities (MH/DD) community services fund in
16 accordance with the formula provided in the
17 appropriation made for the MH/DD community services
18 fund for the fiscal year beginning July 1, 2003:

19 \$ 17,727,890

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

36 a. For an ending balance percentage of less than
37 10 percent, a withholding factor of 0 percent. In
38 addition to the county's adjusted distribution total,
39 a county that is subject to this paragraph "a" shall
40 receive an inflation adjustment equal to 2.6 percent
41 of the gross expenditures reported for the county's
42 services fund for that fiscal year.

43 b. For an ending balance percentage of 10 through
44 24 percent, a withholding factor of 25 percent.

45 c. For an ending balance percentage of 25 through
46 34 percent, a withholding factor of 60 percent.

47 ~~d. For an ending balance percentage of 35 through~~
48 ~~44 percent, a withholding factor of 85 percent.~~

49 e. d. For an ending balance percentage of 45 35
50 percent or more, a withholding factor of 100 percent.

1 5. The total withholding amounts applied pursuant
 2 to subsection 4 shall be equal to a withholding target
 3 amount of ~~-\$7,419,074~~ and the appropriation enacted by
 4 ~~the Eightieth General Assembly, 2003 Session, for the~~
 5 ~~MH/DD community services fund shall be reduced by the~~
 6 ~~amount necessary to attain the withholding target~~
 7 ~~amount \$9,418,362.~~ If the department of human
 8 services determines that the amount to be withheld in
 9 accordance with subsection 4 is not equal to the
 10 target withholding amount, the department shall adjust
 11 the withholding factors listed in subsection 4 as
 12 necessary to achieve the withholding target amount.
 13 However, in making such adjustments to the withholding
 14 factors, the department shall strive to minimize
 15 changes to the withholding factors for those ending
 16 balance percentage ranges that are lower than others
 17 and shall not adjust the zero withholding factor or
 18 the inflation adjustment percentage specified in
 19 subsection 4, paragraph "a"."

By HUBERT M. HOUSER
 MAGGIE TINSMAN
 ROBERT E. DVORSKY

S-3353 FILED APRIL 30, 2003

adopted 5/1/03

SENATE FILE 458

S-3359

1 Amend Senate File 458 as follows:
 2 1. Page 6, by inserting after line 23 the
 3 following:
 4 "Sec. ____ . Section 8.55, subsection 2, paragraph
 5 d, Code 2003, is amended to read as follows:
 6 d. Notwithstanding paragraph "a", any moneys in
 7 excess of the maximum balance in the economic
 8 emergency fund after the distribution of the surplus
 9 in the general fund of the state at the conclusion of
 10 each fiscal year and after the appropriate amounts
 11 have been transferred pursuant to paragraphs "b" and
 12 "c" shall not be transferred to the general fund of
 13 the state but shall be transferred to the endowment
 14 for Iowa's health account of the tobacco settlement
 15 trust fund. The total amount transferred, in the
 16 aggregate, under this paragraph for all fiscal years
 17 shall not exceed the difference between sixty one
 18 hundred one million five seven hundred fifty-one
 19 thousand dollars and the amounts transferred to the
 20 endowment for Iowa's health account to repay the
 21 amounts transferred or appropriated from the endowment
 22 for Iowa's health account in 2002 Iowa Acts, chapter
 23 1165, 2002 Iowa Acts, chapter 1166, 2002 Iowa Acts,
 24 chapter 1167, ~~and~~ 2002 Iowa Acts, Second Extraordinary
 25 Session, chapter 1003, and 2003 Iowa Acts, House File
 26 685."
 27 2. By renumbering as necessary.

By JEFF LAMBERTI

S-3359 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3360

1 Amend Senate File 458 as follows:

2 1. Page 48, by inserting after line 28 the
3 following:

4 "DIVISION

5 Sec. 201. PURPOSE AND DEFINITIONS.

6 1. PURPOSE. The general assembly finds that the
7 Iowa communications network is a valuable state asset
8 that has served the people of the state well, but
9 which requires significant ongoing financial support
10 from the state in the form of annual appropriations.
11 The operation of a telecommunications network is a
12 function that can be and generally is conducted by
13 private enterprise. It is in the public interest to
14 sell the Iowa communications network to a qualified
15 private business enterprise that will commit to
16 provide the same secure low-cost high-quality service
17 to state and federal agencies and military
18 installations now provided by the network. Through
19 such a sale, the state would eliminate the need for
20 ongoing annual appropriations while preserving the key
21 benefits enjoyed by the state under the present state
22 ownership of the network. The state also expects to
23 obtain sufficient proceeds from such a sale to cover
24 existing obligations and to realize additional
25 proceeds above the level of such obligations. Given
26 the current depressed state of the telecommunications
27 industry, the state can reasonably be expected to
28 maximize sales proceeds by allowing a purchaser a
29 period of time in which to assemble financing for its
30 purchase. During the interim between enactment of
31 this division of this Act and completion of a sale,
32 the services of a private-enterprise manager with
33 experience operating telecommunications networks can
34 reasonably be expected to reduce the costs of
35 operating the Iowa communications network, thereby
36 lowering annual appropriations.

37 2. DEFINITIONS. As used in this division of this
38 Act, unless the context otherwise requires:

39 a. "Board" means the state network privatization
40 board.

41 b. "Commission" means the Iowa telecommunications
42 and technology commission established in section 8D.3
43 to oversee the operations of the network.

44 c. "Management contract" means an agreement
45 between the board and the manager for services to
46 oversee and operate the network on behalf of the
47 state.

48 d. "Manager" means the private entity selected by
49 the board to oversee and operate the network on behalf
50 of the state.

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1 e. "Network" means the Iowa or state
2 communications network as defined in section 8D.2.
3 f. "Out-of-pocket expenses" means moneys paid to
4 an unaffiliated third party for engineering, legal,
5 consulting, or other services or goods by a manager or
6 purchaser.
7 g. "Purchaser" means the entity that is selected
8 by the board to purchase the network from the state.
9 h. "Required third-party approval" means any
10 consent, conveyance, approval, or waiver that must be
11 granted by a private, governmental, or quasi-
12 governmental third party in order for the purchaser to
13 receive clear title to all network assets and the
14 right to use the network assets free of adverse
15 claims. Required third-party approvals include but
16 are not limited to all of the following:
17 (1) Approvals of assignments to the purchaser of
18 the state's rights under leases or contracts between
19 the state and the third party.
20 (2) Conveyance to the purchaser of property that
21 the third party currently leases to the state on a
22 term with less than fifteen years remaining.
23 (3) Release of restrictions in contracts that
24 require that the state operate the network.
25 i. "Sales contract" means the contract between the
26 state as seller, represented by the board, and the
27 purchaser, for sale of the network to the purchaser.
28 Sec. 202. STATE NETWORK PRIVATIZATION BOARD
29 CREATED -- DUTIES.
30 1. A state network privatization board is created.
31 The board shall consist of the following members:
32 a. A chairperson member appointed by the
33 legislative council, subject to confirmation by the
34 senate.
35 b. A member, who shall not be of the same
36 political party as the chairperson, appointed by the
37 governor subject to confirmation by the senate.
38 c. The adjutant general or the adjutant general's
39 designee.
40 2. The board shall do all of the following:
41 a. Issue a request for proposals from qualified
42 entities interested in serving as the manager of the
43 network. This request for proposals shall be issued
44 by July 1, 2004, and responses to the request for
45 proposals shall be due by August 1, 2004.
46 b. Select a manager and enter into a management
47 contract with the manager by October 1, 2004. The
48 management contract shall provide for the continuation
49 of all services currently being provided to state and
50 federal agencies and military installations pursuant

1 to chapter 8D, at the rates specified therein, for the
2 duration of the contract. The contract shall also
3 specify the manager's authority in relation to the
4 duties of the commission during the period between
5 execution of the management contract and closing of
6 the sale of the network. The commission shall
7 establish a dispute resolution process regarding rate
8 increases, quality of service issues, and other areas
9 of dispute involving network subscribers. The
10 commission shall also make recommendations regarding
11 imposition of an ongoing dispute resolution and
12 appeals process commencing with the closing of the
13 sale of the network.

14 c. Issue a request for proposals from qualified
15 entities for the purchase of the network. This
16 request for proposals shall be issued by January 1,
17 2005, and responses to the request for proposals shall
18 be due by May 1, 2005.

19 d. Utilizing the criteria set forth in sections
20 203 and 204 of this Act, select a purchaser and enter
21 into a sales contract with the purchaser by October 1,
22 2005.

23 e. Immediately upon execution of the management
24 contract and the sales contract by the majority of the
25 board, transmit the executed contract to the general
26 assembly and to the governor. The board shall have
27 full authority to enter into the management contract
28 and the sales contract on behalf of the state,
29 provided that the general assembly by legislation
30 enacted regarding the specific purchase and approved
31 by the governor, within thirty days after transmittal
32 to the general assembly and the governor in the case
33 of the management contract, and within sixty days
34 after transmittal to the general assembly and the
35 governor in the case of the sales contract, may
36 disapprove the board's action, in which case the
37 disapproved contract shall have no force and effect.
38 In the event of such disapproval, the state shall pay
39 the manager or the purchaser, as the case may be,
40 reasonable out-of-pocket expenses incurred in
41 preparing a proposal and performing prior to
42 disapproval, but such expenses shall not exceed two
43 hundred thousand dollars in the case of disapproval of
44 the management contract and five hundred thousand
45 dollars in the case of disapproval of the sales
46 contract.

47 f. Cause the sales contract to require closing by
48 October 1, 2007, allowing time for the state to obtain
49 third-party approvals as required by section 206 of
50 this Act, including the filing of any necessary

1 eminent domain actions, and for the purchaser to
2 secure financing.

3 g. Execute all necessary documents relating to the
4 closing of the sale of the network. The board may
5 direct any other applicable official to assist in the
6 execution of necessary documents relating to the
7 closing.

8 h. Require by written directive that all state
9 officials provide information and records concerning
10 the network to the board, to the manager, or to a
11 person submitting a proposal to purchase the network,
12 whenever the board requires such provision of such
13 records and other information.

14 i. Take all other steps necessary and proper as
15 needed to carry out its responsibilities enumerated in
16 this subsection. The board may adopt necessary rules
17 pursuant to chapter 17A to administer this division of
18 this Act.

19 Sec. 203. MINIMUM QUALIFICATIONS OF PURCHASER.
20 The purchaser shall meet the following requirements:

21 1. The principal place of business of the
22 purchaser and any parent of the purchaser shall be
23 located in the state of Iowa.

24 2. For national security reasons, and because of
25 the extensive military use of the network, the
26 purchaser shall possess national security approval.

27 Sec. 204. CRITERIA FOR SELECTION OF PURCHASER.
28 After issuing a request for proposals for the purchase
29 of the network and considering the proposals received,
30 the board shall select the highest and best offer for
31 purchase of the network from those persons submitting
32 proposals which meet all of the following criteria:

33 1. Satisfy the minimum qualifications of this
34 division of this Act.

35 2. Submit a proposal in compliance with the
36 request for proposals.

37 3. Demonstrate a likelihood of being able to
38 obtain any financing necessary to close the
39 transaction. However, the board shall not require
40 that the purchaser have a commitment for financing to
41 award the contract, but shall allow the purchaser at
42 least one year to obtain any necessary financing. The
43 board may also in its discretion consider proposals
44 involving financing of the sale by the state.

45 4. Agree to continue all services currently being
46 provided to state and federal agencies and military
47 installations for the next ten years, with any annual
48 rate increase not to exceed five percent per year,
49 provided that the purchaser shall not be required to
50 supply at such restricted prices a quantity or quality

1 of service greater than that provided by the network
2 as of execution of the contract for sale of the
3 network.

4 Sec. 205. CLOSING OF SALE. Any debt of the state
5 related to the network or other liens against network
6 assets shall be discharged out of the state's proceeds
7 of closing, so that the purchaser receives marketable
8 title to the network. The purchaser shall receive
9 bills of sale, in the case of personal property, and
10 deeds, in the case of real property, transferring all
11 network assets to the purchaser. The state shall also
12 transfer its interest in right-of-way and leases and
13 easements for uses of rights-of-way.

14 Sec. 206. THIRD-PARTY APPROVALS.

15 1. The state shall exercise all reasonable efforts
16 to obtain each required third-party approval,
17 including where necessary by use of eminent domain
18 proceedings. To the extent feasible, the state may
19 pay the costs of obtaining required third-party
20 approvals out of the proceeds of sale rather than from
21 the general fund of the state. In the event the state
22 fails to obtain a required third-party approval, the
23 purchaser may terminate the sales contract without
24 penalty and shall be reimbursed by the state for
25 reasonable out-of-pocket expenses incurred in
26 preparing its proposal and fulfilling its obligations
27 under the sales contract, not to exceed two million
28 dollars.

29 2. The board and the purchaser shall develop a
30 list of required third-party approvals and persons who
31 may have claims that would constitute required third-
32 party approvals if valid. The board shall mail to
33 each person on the list at their last known address a
34 notice that provides a description of the sale and
35 invites the recipient to submit a claim on a form
36 developed by the board by a deadline set by the board.
37 The claim or interest of any person who fails to
38 timely file a claim shall be deemed discharged and
39 forfeited, and such person shall be forever barred and
40 estopped from taking any action against the state or
41 purchaser that would in any way interfere with the
42 purchaser's use of the network. In addition, the
43 board shall publish the notice in newspapers of
44 general circulation in the state of Iowa, and failure
45 to file a timely claim shall bar all persons whose
46 rights could constitutionally be affected by such
47 notice, just as if such person had been mailed notice.

48 3. Any eminent domain or other proceeding to
49 obtain a required third-party approval shall be
50 promptly filed by the attorney general at the request

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1 of the board and shall be added to the calendar of any
2 trial or appellate court of this state so that the
3 deadline in section 202 of this Act for closing the
4 sale can be met.

5 Sec. _____. REMOVAL OF RESTRICTIONS -- REPEAL OF
6 CHAPTER 8D. Chapter 8D is repealed, effective as of
7 the date of the closing of the sale of the network
8 under this division of this Act, as certified by the
9 chairperson of the board to the governor.

10 Sec. _____. ASSISTANCE OF OTHER STATE AGENCIES.

11 1. The attorney general shall provide legal advice
12 to the board.

13 2. All other state agencies shall provide whatever
14 assistance may reasonably be required by the board in
15 carrying out its duties under this division of this
16 Act."

17 2. By renumbering as necessary.

By JEFF LAMBERTI

S-3360 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3365

1 Amend Senate File 458 as follows:

2 1. By striking page 39, line 30 through page 40,
3 line 2.

4 2. By renumbering as necessary.

By MARK ZIEMAN

S-3365 FILED MAY 1, 2003

WITHDRAWN

SENATE FILE 458

S-3366

1 Amend Senate File 458 as follows:

2 1. Page 43, by inserting after line 27 the
3 following:

4 "Sec. _____. RECORDING AND TRANSACTION FEE REPORT.

5 The treasurer of state shall submit a report to the
6 governor and general assembly on or before December 1,
7 2003, detailing the amount of fees collected statewide
8 pursuant to section 331.604 in each fiscal year of the
9 period beginning July 1, 2000, and ending June 30,
10 2003, and the amount of electronic transaction fees
11 collected statewide for the period beginning July 1,
12 2003, and ending September 30, 2003, pursuant to
13 section 331.605C, if enacted by 2003 Iowa Acts, Senate
14 File 453, section 25."

15 2. By renumbering as necessary.

By BRYAN J. SIEVERS

S-3366 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3361

1 Amend Senate File 458 as follows:

2 1. Page 6, by inserting after line 11 the
3 following:

4 "Sec. _____. UNEMPLOYMENT TRUST FUND. There is
5 appropriated from moneys transferred to the state on
6 March 13, 2002, pursuant to section 903(d) of the
7 federal Social Security Act, as amended, to the
8 department of workforce development, the following
9 amount, to be deposited, under the direction of the
10 department of workforce development, in the
11 unemployment compensation fund for the payment of
12 unemployment benefits and for the establishment of the
13 unemployment compensation reserve fund:

14 \$ 40,000,000

15 Sec. _____. UNEMPLOYMENT TAX AND CLAIM SYSTEM.
16 There is appropriated from moneys transferred to the
17 state on March 13, 2002, pursuant to section 903(d) of
18 the federal Social Security Act, as amended, to the
19 department of workforce development, the following
20 amount for purposes of automation and technology for
21 the unemployment tax and claim system:

22 \$ 20,000,000

23 Sec. _____. ENHANCED SERVICES TO CLAIMANTS. There
24 is appropriated from moneys transferred to the state
25 on March 13, 2002, pursuant to section 903(d) of the
26 federal Social Security Act, as amended, to the
27 department of workforce development the following
28 amount for purposes of infrastructure improvements and
29 the administrative and technology costs associated
30 with enhanced services to unemployment benefit
31 claimants for workforce and labor exchange services:

32 \$ 20,700,000"

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

35 "Sec. _____. Section 96.9, Code 2003, is amended by
36 adding the following new subsection:

37 NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION
38 RESERVE FUND.

39 a. A special fund to be known as the unemployment
40 compensation reserve fund is created in the state
41 treasury. The reserve fund is separate and distinct
42 from the unemployment compensation fund. All moneys
43 collected as reserve contributions, as defined in
44 paragraph "b", shall be deposited in the reserve fund.
45 The moneys in the reserve fund may be used for the
46 payment of unemployment benefits and shall remain
47 available for expenditure in accordance with the
48 provisions of this subsection. The treasurer of state
49 shall be the custodian of the reserve fund and shall
50 disburse the moneys in the reserve fund in accordance

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1 with this subsection and the directions of the
2 director of the department of workforce development.
3 b. If the balance in the reserve fund on July 1 of
4 the preceding calendar year for calendar year 2004 and
5 each year thereafter is less than one hundred fifty
6 million dollars, a percentage of contributions, as
7 determined by the director, shall be deemed to be
8 reserve contributions for the following calendar year.
9 If the percentage of contributions, termed the reserve
10 contribution tax rate, is not zero percent as
11 determined pursuant to this subsection, the combined
12 tax rate of contributions to the unemployment
13 compensation fund and to the unemployment compensation
14 reserve fund shall be divided so that a minimum of
15 fifty percent of the combined tax rate equals the
16 unemployment contribution tax rate and a maximum of
17 fifty percent of the combined tax rate equals the
18 reserve contribution tax rate except for employers who
19 are assigned a combined tax rate of five and four-
20 tenths. For those employers, the reserve contribution
21 tax rate shall equal zero and their combined tax rate
22 shall equal their unemployment contribution rate.
23 When the reserve contribution tax rate is determined
24 to be zero percent, the unemployment contribution rate
25 for all employers shall equal one hundred percent of
26 the combined tax rate. The reserve contributions
27 collected in any calendar year shall not exceed fifty
28 million dollars. The provisions for collection of
29 contributions under section 96.14 are applicable to
30 the collection of reserve contributions. Reserve
31 contributions shall not be deducted in whole or in
32 part by any employer from the wages of individuals in
33 its employ. All moneys collected as reserve
34 contributions shall not become part of the
35 unemployment compensation fund but shall be deposited
36 in the reserve fund created in this subsection.
37 c. Moneys in the reserve fund shall only be used
38 to pay unemployment benefits to the extent moneys in
39 the unemployment compensation fund are insufficient to
40 pay benefits during a calendar quarter.
41 d. The interest earned on the moneys in the
42 reserve fund shall be deposited in and credited to the
43 reserve fund.
44 e. Moneys from interest earned on the unemployment
45 compensation reserve fund shall be used by the
46 department only upon appropriation by the general
47 assembly and only for purposes contained in section
48 96.7, subsection 12, for department of workforce
49 development rural satellite offices, and for
50 administrative costs to collect the reserve

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Page 3

1 contributions."

2 3. Page 9, by inserting after line 23 the
3 following:

4 "____. The amendment to section 96.9."

By NEAL SCHUERER.

S-3361 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3368

1 Amend Senate File 458 as follows:

2 1. Page 11, line 11, by inserting after the word
3 "governor." the following: "However, commencing July
4 1, 2003, the consumer advocate shall receive an annual
5 salary in the same salary range as the chairperson and
6 members of the utilities board."

7 2. By renumbering as necessary.

By MICHAEL E. GRONSTAL

JEFF LAMBERTI

S-3368 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3369

1 Amend Senate File 458 as follows:

2 1. Page 3, line 1, by striking the word "fifty-
3 six" and inserting the following: "sixty-six".

4 2. By striking page 31, line 23, through page 32,
5 line 10, and inserting the following: "are amended to
6 read as follows:

7 6. For the fiscal year beginning July 1, ~~2001~~
8 ~~2003~~, and ending June 30, ~~2002~~ 2004, to the department
9 of education from phase III moneys, the amount of
10 seventy-five thousand dollars to administer the
11 ambassador to education position in accordance with
12 section 256.45.

13 10. For the fiscal year beginning July 1, ~~2001~~
14 ~~2003~~, and ending June 30, ~~2002~~ 2004, to the department
15 of education from phase III moneys the amount of
16 forty-seven thousand dollars for the Iowa mathematics
17 and science coalition."

By MIKE CONNOLLY

MICHAEL E. GRONSTAL

JOHN P. KIBBIE

DENNIS H. BLACK

JACK HATCH

AMANDA RAGAN

THOMAS G. COURTNEY

HERMAN C. QUIRMBACH

DR. JOE SENG

WILLIAM A. DOTZLER

JOE BOLKCOM

STEVEN H. WARNSTADT

KEITH A. KREIMAN

JACK HOLVECK

DARYL BEALL

ROGER STEWART

ROBERT E. DVORSKY

S-3369 FILED MAY 1, 2003

WITHDRAWN

SENATE FILE 458

S-3364

1 Amend Senate File 458 as follows:

2 1. Page 5, by inserting after line 10 the
3 following:

4 "Sec. _____. REDUCTION IN CREDITS NOT APPLICABLE.

5 The provision in section 25B.7 relating to the
6 proration of the property tax credits does not apply
7 with respect to the amount of state reimbursement for
8 property tax credits under this division."

9 2. Page 5, line 22, by inserting after the figure
10 "8.62," the following: "except for the balances of
11 charter agencies, as defined in section 7J.1, if
12 enacted by 2003 Iowa Acts, Senate File 453,".

13 3. Page 6, by inserting after line 11 the
14 following:

15 "Sec. _____. REBUILD IOWA INFRASTRUCTURE FUND.

16 Notwithstanding section 8.57, subsection 5, there is
17 appropriated from the rebuild Iowa infrastructure fund
18 created in section 8.57, subsection 5, to the general
19 fund of the state during the fiscal year beginning
20 July 1, 2003, and ending June 30, 2004, the following
21 amount:

22 \$ 10,000,000

23 Sec. _____. IOWA LAW ENFORCEMENT ACADEMY. 2003 Iowa
24 Acts, Senate File 439, section 10, subsection 1,
25 unnumbered paragraph 2, if enacted, is amended to read
26 as follows:

27 For salaries, support, maintenance, miscellaneous
28 purposes, including jailer training and technical
29 assistance, and for not more than the following full-
30 time equivalent positions:

31 \$ ~~1,002,629~~

32 1,047,629

33 FTEs 30.05

34 Sec. _____. MILITARY PAY DIFFERENTIAL. There is
35 appropriated from the cash reserve fund to the
36 department of revenue and finance or its successor
37 agency for the period beginning March 19, 2003, and
38 ending June 30, 2003, the following amount, or so much
39 thereof as is necessary, for the purposes designated:

40 For a military pay differential program and health
41 insurance retention program for individuals activated
42 for the armed services of the United States, for
43 employees on the central payroll system:

44 \$ 1,810,000

45 Of the funds appropriated in this section, up to
46 \$10,000 is transferred to the Iowa department of
47 public health for allocation to community mental
48 health centers to provide counseling services to
49 persons who are members of the national guard and
50 reservists activated but as yet not sent to combat

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1 zones and to the persons' family members. The
2 sessions shall be provided on a first come, first
3 served basis and shall be limited to three visits per
4 family.

5 The department or agency receiving funds under this
6 section shall report monthly to the fiscal committee
7 of the legislative council on the use of the funds.

8 Notwithstanding section 8.33, unencumbered or
9 unobligated funds remaining on June 30, 2003, from the
10 appropriation made in this section shall not revert
11 but shall remain available to be used for the purposes
12 designated in the following fiscal year.

13 Sec. ____ ASSISTED LIVING PROGRAMS.

14 Notwithstanding section 231C.6, any fees remaining on
15 June 30, 2003, in the assisted living program fund
16 created pursuant to section 231C.6 are appropriated to
17 the department of inspections and appeals for the
18 fiscal year beginning July 1, 2003, and ending June
19 30, 2004, to carry out the purposes of chapter 231C."

20 4. Page 6, by inserting after line 11 the
21 following:

22 "Sec. ____ COUNTY HOSPITALS. There is
23 appropriated from the general fund of the state to the
24 department of human services for the fiscal year
25 beginning July 1, 2003, and ending June 30, 2004, the
26 following amount, or so much thereof as is necessary,
27 for the purpose designated:

28 For support of operational expenses of county
29 hospitals in counties having a population of two
30 hundred twenty-five thousand or more:

31 \$ 312,000

32 Sec. ____ WORKFORCE DEVELOPMENT. There is
33 appropriated from the general fund of the state to the
34 Iowa department of workforce development for the
35 fiscal year beginning July 1, 2003, and ending June
36 30, 2004, the following amount, or so much thereof as
37 is necessary, for the purpose designated:

38 For salaries and support and for the following
39 full-time equivalent positions.

40 \$ 250,000

41 FTEs 5.00

42 The appropriation in this section shall be used for
43 four OSHA inspectors and one workers' compensation
44 compliance officer. The appropriation in this section
45 is contingent upon the enactment of 2003 Iowa Acts,
46 Senate File 344, by the Eightieth General Assembly,
47 2003 Regular Session."

48 5. Page 7, by inserting after line 2 the
49 following:

50 "Sec. ____ Section 256D.4, subsection 2,

1 unnumbered paragraph 1, Code 2003, is amended to read
2 as follows:

3 ~~For each fiscal year in the fiscal period beginning~~
4 ~~July 1, 2001, and ending June 30, 2003, moneys~~ Moneys
5 appropriated pursuant to section 256D.5, subsection 3,
6 shall be allocated to school districts as follows:

7 Sec. _____. Section 256D.5, subsection 3, Code 2003,
8 is amended to read as follows:

9 3. For each fiscal year of the fiscal period
10 beginning July 1, 2001, and ending June 30, ~~2003~~ 2004,
11 the sum of thirty million dollars."

12 6. Page 8, by inserting after line 23 the
13 following:

14 "Sec. _____. 2002 Iowa Acts, chapter 1173, section
15 18, is amended to read as follows:

16 SEC. 18. POOLED TECHNOLOGY FUNDING -- PRIOR
17 ALLOCATIONS -- NONREVERSION. Notwithstanding section
18 8.33, moneys appropriated and allocated in 2001 Iowa
19 Acts, chapter 189, section 5, subsection 1, which
20 remain unobligated or unexpended at the close of the
21 fiscal year for which they were appropriated shall not
22 revert, but shall remain available for expenditure for
23 the purposes for which they were appropriated and
24 allocated, for the fiscal year period beginning July
25 1, 2002, and ending June 30, ~~2003~~ 2004."

26 7. Page 9, by inserting after line 15 the
27 following:

28 "Sec. _____. 2003 Iowa Acts, House File 655, section
29 24, if enacted, is amended to read as follows:

30 SEC. 24. READY TO WORK PROGRAM COORDINATOR. There
31 is appropriated from ~~the surplus funds in the long-~~
32 ~~term disability reserve fund and the workers'~~
33 compensation trust fund to the department of personnel
34 for the fiscal year beginning July 1, 2003, and ending
35 June 30, 2004, the following amount, or so much
36 thereof as is necessary, to be used for the purposes
37 designated:

38 For the salary, support, and miscellaneous expenses
39 for the ready to work program and coordinator:

40 \$ 89,416

41 ~~The moneys appropriated pursuant to this section~~
42 ~~shall be taken in equal proportions from the long-term~~
43 ~~disability reserve fund and the workers' compensation~~
44 ~~trust fund.~~

45 Sec. _____. 2003 Iowa Acts, House File 655, section
46 34, if enacted, is amended to read as follows:

47 SEC. 34. READY TO WORK PROGRAM COORDINATOR. There
48 is appropriated from ~~the surplus funds in the long-~~
49 ~~term disability reserve fund and the workers'~~
50 compensation trust fund to the department of

1 administrative services for the fiscal year beginning
2 July 1, 2003, and ending June 30, 2004, the following
3 amount, or so much thereof as is necessary, to be used
4 for the purposes designated:

5 For the salary, support, and miscellaneous expenses
6 for the ready to work program and coordinator:
7 \$ 89,416

8 ~~The moneys appropriated pursuant to this section~~
9 ~~shall be taken in equal proportions from the long-term~~
10 ~~disability reserve fund and the workers' compensation~~
11 ~~trust fund.~~

12 Sec. ____ . CONTINGENT CASH RESERVE APPROPRIATION.

13 1. There is appropriated from the cash reserve
14 fund to the general fund of the state for the fiscal
15 year beginning July 1, 2002, and ending June 30, 2003,
16 for the purposes of reducing or preventing any
17 overdraft on or deficit in the general fund of the
18 state, an amount not to exceed \$50,000,000.

19 2. The appropriation made in subsection 1 is
20 contingent upon all of the following having occurred:

21 a. The revenue estimating conference estimate of
22 general fund receipts made during the last quarter of
23 the fiscal year was or the actual fiscal year receipts
24 and accruals were at least one-half of one percent
25 less than the comparable estimate made during the
26 third quarter of the fiscal year.

27 b. The governor has implemented the uniform
28 reductions in appropriations required in section 8.31
29 as a result of paragraph "a" and such reduction was
30 insufficient to prevent an overdraft on or deficit in
31 the general fund of the state or the governor did not
32 implement uniform reductions in appropriations because
33 of the lateness of the estimated or actual receipts
34 and accruals under paragraph "a".

35 c. The balance of the general fund of the state at
36 the end of the fiscal year prior to the appropriation
37 made in subsection 1 was negative.

38 d. The governor has issued an official
39 proclamation and has notified the cochairpersons of
40 the fiscal committee of the legislative council and
41 the legislative services agency that the contingencies
42 in paragraphs "a" through "c" have occurred and the
43 reasons why the uniform reductions specified in
44 paragraph "b" were insufficient or were not
45 implemented to prevent an overdraft on or deficit in
46 the general fund of the state.

47 3. If an appropriation is made pursuant to
48 subsection 1 for a fiscal year, there is appropriated
49 from the general fund of the state to the cash reserve
50 fund for the following fiscal year, the amount of the

1 appropriation made pursuant to subsection 1."

2 8. Page 9, by inserting after line 20 the
3 following:

4 "____. The section amending 2002 Iowa Acts, chapter
5 1173, section 18, relating to the nonreversion of
6 pooled technology funding.

7 _____. The section appropriating moneys from the
8 cash reserve fund for the military pay differential
9 program. This section applies retroactively to March
10 19, 2003.

11 _____. The section appropriating moneys from the
12 assisted living program fund.

13 _____. The section making the contingent
14 appropriation from the cash reserve fund."

15 9. Page 10, by inserting after line 26 the
16 following:

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

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

23 10. Page 21, by inserting after line 16 the
24 following:

25 "Sec. _____. Section 7J.1, subsection 1, if enacted
26 by 2003 Iowa Acts, Senate File 453, is amended to read
27 as follows:

28 7J.1 CHARTER AGENCIES.

29 1. DESIGNATION OF CHARTER AGENCIES -- PURPOSE.

30 The governor may, by executive order, designate ~~up to~~
31 ~~five~~ state departments or agencies, as described in
32 section 7E.5, other than the department of
33 administrative services, if the department is
34 established in law, or the department of management,
35 as a charter agency by July 1, 2003. The designation
36 of a charter agency shall be for a period of five
37 years which shall terminate as of June 30, 2008. The
38 purpose of designating a charter agency is to grant
39 the agency additional authority as provided by this
40 chapter while reducing the total appropriations to the
41 agency.

42 Sec. _____. Section 7J.1, subsection 3, paragraph a,
43 if enacted by 2003 Iowa Acts, Senate File 453, is
44 amended to read as follows:

45 a. It is the intent of the general assembly that
46 state general fund operating appropriations to a
47 charter agency for any the fiscal year beginning July
48 1, 2003, and ending June 30, 2004, shall be reduced,
49 ~~with a target reduction of ten percent for each~~
50 ~~charter agency,~~ from the appropriation that would

1 otherwise have been enacted for that charter agency
2 which, along with any additional generated revenue to
3 the general fund of the state attributed to the
4 reinvention process as determined by the department of
5 management, over that already committed to the general
6 fund of the state by a charter agency, will achieve an
7 overall target of fifteen million dollars.

8 Sec. ____ . Section 7J.2, if enacted by 2003 Iowa
9 Acts, Senate File 453, is amended to read as follows:

10 7J.2 CHARTER AGENCY ~~LOAN~~ GRANT FUND.

11 1. A charter agency ~~loan~~ grant fund is created in
12 the state treasury under the control of the department
13 of management for the purpose of providing funding to
14 support innovation by those state agencies designated
15 as charter agencies in accordance with section 7J.1.
16 Innovation purposes shall include but are not limited
17 to training, development of outcome measurement
18 systems, management system modifications, and other
19 modifications associated with transition of operations
20 to charter agency status. Moneys in the fund are
21 appropriated to the department of management for the
22 purposes described in this subsection.

23 2. A charter agency requesting a ~~loan~~ grant from
24 the fund shall complete an application process
25 designated by the director of the department of
26 management. ~~Minimum loan requirements for charter~~
27 ~~agency requests shall be determined by the director.~~

28 ~~3. In order for the fund to be self-supporting,~~
29 ~~the director of the department of management shall~~
30 ~~establish repayment schedules for each loan awarded.~~
31 ~~An agency shall repay the loan over a period not to~~
32 ~~exceed five years with interest, at a rate to be~~
33 ~~determined by the director.~~

34 ~~4. 3.~~ Notwithstanding section 12C.7, subsection 2,
35 interest or earnings on moneys deposited in the
36 charter agency ~~loan~~ grant fund shall be credited to
37 the charter agency ~~loan~~ grant fund. Notwithstanding
38 section 8.33, moneys credited to the charter agency
39 ~~loan~~ grant fund shall not revert to the fund from
40 which appropriated at the close of a fiscal year.

41 Sec. ____ . Section 8.23, subsection 1, paragraph a,
42 Code 2003, is amended by striking the paragraph.

43 Sec. ____ . Section 8.31, Code 2003, is amended to
44 read as follows:

45 8.31 ~~QUARTERLY REQUISITIONS~~ -- ALLOTMENTS OF
46 APPROPRIATIONS -- EXCEPTIONS -- MODIFICATIONS.

47 1. a. Before an appropriation ~~for administration,~~
48 ~~operation and maintenance~~ of any department or
49 establishment ~~shall become~~ becomes available, ~~there~~
50 ~~shall be submitted~~ the department or establishment

1 shall submit to the director of the department of
2 management, not less than twenty days before the
3 beginning of each quarter of each fiscal year, a
4 requisition for an allotment of the amount estimated
5 to be necessary to carry on its work appropriation
6 according to dates identified in the requisition
7 during the ensuing quarter fiscal year by which
8 portions of the appropriation will be needed. The
9 department or establishment shall submit the
10 requisition by June 1, prior to the start of a fiscal
11 year or by another date identified by the director.
12 The requisition shall contain details of proposed
13 expenditures as may be required by the director of the
14 department of management subject to review by the
15 governor.

16 b. The director of the department of management
17 shall approve the allotments subject to review by the
18 governor, unless it is found that the estimated budget
19 resources during the fiscal year are insufficient to
20 pay all appropriations in full, in which event such
21 allotments may be modified to the extent the governor
22 may deem necessary in order that there shall be no
23 overdraft or deficit in the several funds of the state
24 at the end of the fiscal year, and the director shall
25 submit copies of the allotments thus approved or
26 modified to the head of the department or
27 establishment concerned, who shall set up such
28 allotments on the books and be governed accordingly in
29 the control of expenditures.

30 ~~Allotments of appropriations made for equipment,~~
31 ~~land, permanent improvements, and other capital~~
32 ~~projects may, however, be allotted in one amount by~~
33 ~~major classes or projects for which they are~~
34 ~~expendable without regard to quarterly periods. For~~
35 ~~fiscal years beginning on or after July 1, 1989,~~
36 ~~allotments of appropriations for equipment, land,~~
37 ~~permanent improvements, and other capital projects,~~
38 ~~except where contracts have been entered into with~~
39 ~~regard to the acquisition or project prior to July 1,~~
40 ~~1989, shall not be allotted in one amount but shall be~~
41 ~~allotted at quarterly periods as provided in this~~
42 ~~section.~~

43 2. Allotments thus made in accordance with
44 subsection 1 may be subsequently modified by the
45 director of the department of management at the
46 direction of the governor either upon the written
47 request of the head of the department or establishment
48 concerned, or in the event the governor finds that the
49 estimated budget resources during the fiscal year are
50 insufficient to pay all appropriations in full, upon

1 the governor's own initiative to the extent the
2 governor may deem necessary in order that there shall
3 be no overdraft or deficit in the several funds of the
4 state at the end of the fiscal year; and the head of
5 the department or establishment shall be given notice
6 of a modification in the same way as in the case of
7 original allotments.

8 3. ~~Provided, however, that the~~ The allotment
9 requests of all departments and establishments
10 collecting governmental fees and other revenue which
11 supplement a state appropriation shall attach to the
12 summary of requests a statement showing how much of
13 the proposed allotments are to be financed from ~~(1)~~
14 state appropriations, ~~(2)~~ stores, and ~~(3)~~ repayment
15 receipts.

16 4. The procedure to be employed in controlling the
17 expenditures and receipts of the state fair board and
18 the institutions under the state board of regents,
19 whose collections are not deposited in the state
20 treasury, is that outlined in section 421.31,
21 subsection 6.

22 5. If the governor determines that the estimated
23 budget resources during the fiscal year are
24 insufficient to pay all appropriations in full, the
25 reductions shall be uniform and prorated between all
26 departments, agencies and establishments upon the
27 basis of their respective appropriations.

28 6. Allotments from appropriations for the foreign
29 trade offices of the department of economic
30 development, if the appropriations are described by
31 line item in the department's appropriation Act or
32 another Act, may be made ~~without regard to quarterly~~
33 ~~periods~~ as is necessary to take advantage of the most
34 favorable foreign currency exchange rates.

35 Sec. _____. Section 8.57, subsection 1, paragraph c,
36 Code 2003, is amended to read as follows:

37 c. The amount appropriated in this section is not
38 subject to the provisions of section 8.31, relating to
39 ~~quarterly~~ requisitions and allotment, or to section
40 8.32, relating to conditional availability of
41 appropriations."

42 11. Page 21, by inserting after line 26 the
43 following:

44 "Sec. _____. Section 12C.27, Code 2003, is amended
45 by striking the section and inserting in lieu thereof
46 the following:

47 12C.27 FAILURE TO MAINTAIN REQUIRED COLLATERAL.

48 If the treasurer of state determines that a bank
49 fails to comply with chapter 12C.22, subsections 2 and
50 3, the treasurer of state may restrict that bank from

1 accepting uninsured public funds and shall notify the
2 office of thrift supervision, the office of the
3 comptroller of the currency, or the superintendent as
4 applicable, who may take such action against the bank,
5 its board of directors and officers as permitted by
6 law."

7 12. Page 22, by inserting after line 12 the
8 following:

9 "Sec. _____. Section 15E.42, subsection 3, Code
10 2003, is amended to read as follows:

11 3. "Investor" means an individual making a cash
12 investment in a qualifying business or an individual
13 taxed on income from a revocable trust's cash
14 investment in a qualifying business or a person making
15 a cash investment in a community-based seed capital
16 fund. "Investor" does not include a person which is a
17 current or previous owner, member, or shareholder in a
18 qualifying business.

19 Sec. _____. Section 15E.43, subsection 1, paragraph
20 a, Code 2003, is amended to read as follows:

21 a. For tax years beginning on or after January 1,
22 2002, a tax credit shall be allowed against the taxes
23 imposed in chapter 422, division II, for a portion of
24 an individual taxpayer's equity investment, as
25 provided in subsection 2, in a qualifying business.
26 An individual shall not claim a tax credit under this
27 paragraph of a partnership, limited liability company,
28 S corporation, estate, or trust electing to have
29 income taxed directly to the individual. However, an
30 individual receiving income from a revocable trust's
31 investment in a qualified business may claim a tax
32 credit under this paragraph against the taxes imposed
33 in chapter 422, division II, for a portion of the
34 revocable trust's equity investment, as provided in
35 subsection 2, in a qualified business.

36 Sec. _____. Section 15E.43, subsection 1, Code 2003,
37 is amended by adding the following new paragraph:

38 NEW PARAGRAPH. d. In the case of a tax credit
39 allowed against the taxes imposed in chapter 422,
40 division II, where the taxpayer died prior to
41 redeeming the entire tax credit, the remaining credit
42 can be redeemed on the decedent's final income tax
43 return.

44 Sec. _____. Section 15E.45, subsection 2, paragraph
45 c, Code 2003, is amended to read as follows:

46 c. The fund has no fewer than ten ~~individual~~
47 investors who are not affiliates, with no single
48 investor and affiliates of that investor together
49 owning a total of more than twenty-five percent of the
50 ownership interests outstanding in the fund.

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1 Sec. _____. Section 15E.51, subsection 4, Code 2003,
2 is amended to read as follows:

3 4. A taxpayer shall not claim a tax credit under
4 this section if the taxpayer is a venture capital
5 investment fund allocation manager for the Iowa fund
6 of funds created in section 15E.65 or an investor that
7 receives a tax credit for ~~an~~ the same investment in a
8 community-based seed capital fund as defined in 2002
9 Iowa Acts, House File 2271.

10 Sec. _____. Section 15E.66, Code 2003, is amended by
11 adding the following new subsection:

12 NEW SUBSECTION. 8. At such time that the Iowa
13 capital investment corporation requests the issuance
14 of tax credits with respect to an investment in the
15 Iowa fund of funds and prior to issuing such tax
16 credits, the board shall consider the terms of the
17 investment and the terms of the proposed tax credit
18 certificate and shall assess the level of risk that
19 the tax credits will be redeemed and the likelihood
20 that the investment will result in returns in excess
21 of amounts payable to designated investors which may
22 be reinvested in the Iowa fund of funds revolving fund
23 as provided in section 15E.65. In making this
24 determination, the board shall compare how alternative
25 investment structures would affect the level of risk
26 that the tax credits will be redeemed and the
27 likelihood that the investment will cause excess
28 returns to be generated in the Iowa fund of funds for
29 reinvestment in the revolving fund. The board may
30 issue tax credits with respect to a particular
31 investment in the Iowa fund of funds consistent with
32 the provisions hereof if it determines that the Iowa
33 capital investment corporation has structured the
34 investments in the Iowa fund of funds in an
35 appropriate manner to minimize the risk that the tax
36 credits will be redeemed and to maximize the amount
37 available to be reinvested in the Iowa fund of funds
38 revolving fund. A member of the board shall not incur
39 any liability with respect to any decision to issue
40 tax credits or to refuse to issue tax credits or with
41 respect to the performance of the investments in the
42 Iowa fund of funds."

43 13. Page 27, line 3, by inserting after the
44 figure "29C.6" the following: "and disaster medical
45 assistance teams when acting under the provisions of
46 section 135.153".

47 14. Page 28, by inserting after line 9 the
48 following:

49 "Sec. _____. Section 80B.5, Code 2003, is amended to
50 read as follows:

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1 80B.5 ADMINISTRATION.

2 The administration of the Iowa law enforcement
3 academy and council Act shall be vested in the office
4 of the governor. ~~A director of the academy and such~~
5 ~~staff~~ Staff as may be necessary for ~~it~~ the law
6 enforcement academy to function shall be employed
7 pursuant to the Iowa merit system.

8 Sec. ____ . NEW SECTION. 80B.5A DIRECTOR.

9 The governor shall appoint the director of the Iowa
10 law enforcement academy, subject to senate
11 confirmation, to a four-year term beginning and ending
12 as provided in section 69.19."

13 15. Page 28, by striking lines 10 through 34 and
14 inserting the following:

15 "Sec. ____ . Section 99G.9, subsection 3, paragraph
16 j, if enacted by 2003 Iowa Acts, Senate File 453, is
17 amended by striking the paragraph.

18 Sec. ____ . Section 99G.40, subsection 5, if enacted
19 by 2003 Iowa Acts, Senate File 453, is amended to read
20 as follows:

21 5. The authority shall adopt the same fiscal year
22 as that used by state government and shall be audited
23 annually by the auditor of state or a certified public
24 accounting firm appointed by the auditor. The auditor
25 of state or a designee conducting an audit under this
26 chapter shall have access and authority to examine any
27 and all records of licensees necessary to determine
28 compliance with this chapter and the rules adopted
29 pursuant to this chapter. The cost of audits and
30 examinations conducted by the auditor of state or a
31 designee shall be paid for by the authority."

32 16. Page 28, by inserting before line 35 the
33 following:

34 "Sec. ____ . Section 257.11, subsection 5, paragraph
35 b, Code 2003, is amended to read as follows:

36 b. A school district which establishes a regional
37 academy shall be eligible to assign its resident
38 pupils attending classes at the academy a weighting of
39 one-tenth of the percentage of the pupil's school day
40 during which the pupil attends classes at the regional
41 academy. For the purposes of this subsection,
42 "regional academy" means an educational institution
43 established by a school district to which multiple
44 schools send pupils in grades ~~seven~~ nine through
45 twelve, and may include a virtual academy. A regional
46 academy shall include in its curriculum advanced-level
47 courses and may include in its curriculum vocational-
48 technical ~~programs~~ courses. The maximum amount of
49 additional weighting for which a school district
50 establishing a regional academy shall be eligible is

1 an amount corresponding to fifteen additional pupils.
2 The minimum amount of additional weighting for which a
3 school district establishing a regional academy shall
4 be eligible is an amount corresponding to ten
5 additional pupils if the academy provides both
6 advanced-level courses and vocational technical
7 courses. However, if the sum of the funding amount
8 calculated for all districts operating regional
9 academies under this subsection exceeds one million
10 dollars for the school year beginning July 1, 2004,
11 and each succeeding fiscal year, the director of the
12 department of management shall prorate the amount
13 calculated for each district. The proration shall be
14 based upon the amount calculated for each district
15 when compared to the sum of the amount for all
16 districts.

17 Sec. ____ . NEW SECTION. 174.24 LIABILITY OF
18 COUNTY FAIR SOCIETY.

19 A society, as defined in section 174.1, shall be
20 immune from liability for any damages incurred at a
21 county fair held by the society if the damages were
22 incurred on or at an exhibit, leased facility,
23 amusement ride, or an activity not under the control
24 of the society, if the county fair requires the vendor
25 in control of the exhibit, leased facility, amusement
26 ride, or other activity to obtain liability insurance
27 of at least three hundred thousand dollars. An
28 officer or employee of a society, as defined in
29 section 174.1, shall not be held liable for punitive
30 damages as a result of acts in the performance of the
31 officer's or employee's duties, unless reckless
32 misconduct is proven."

33 17. Page 31, by inserting after line 21 the
34 following:

35 "Sec. ____ . Section 284.13, subsection 1, paragraph
36 g, unnumbered paragraph 1, Code 2003, is amended to
37 read as follows:

38 For each fiscal year in which funds are
39 appropriated for purposes of this chapter, the moneys
40 remaining after distribution as provided in paragraphs
41 "a" through "f" and "h" shall be allocated to school
42 districts for salaries and career development in
43 accordance with the following formula:"

44 18. Page 35, by inserting after line 17 the
45 following:

46 "Sec. ____ . Section 331.605C, subsections 1 and 2,
47 if enacted by 2003 Iowa Acts, Senate File 453, are
48 amended to read as follows:

49 1. For the fiscal year beginning July 1, 2003, and
50 ending June 30, 2004, the recorder shall collect a fee

1 of five dollars for each recorded transaction,
2 regardless of the number of pages, for which a fee is
3 paid pursuant to section 331.604 to be used for the
4 purposes of planning and implementing electronic
5 recording and electronic transactions in each county
6 and developing county and statewide internet websites
7 to provide electronic access to records and
8 information.

9 2. Beginning July 1, 2004, the recorder shall
10 collect a fee of one dollar for each recorded
11 transaction, regardless of the number of pages, for
12 which a fee is paid pursuant to section 331.604 to be
13 used for the purpose of paying the county's ongoing
14 costs of maintaining the systems developed and
15 implemented under subsection 1."

16 19. Page 36, by inserting after line 15 the
17 following:

18 "Sec. ____ . Section 423.4, Code 2003, is amended by
19 adding the following new subsection:

20 NEW SUBSECTION. 9A. Vehicles subject to
21 registration which are transferred from a corporation
22 that is primarily engaged in the business of leasing
23 vehicles subject to registration to a corporation that
24 is primarily engaged in the business of leasing
25 vehicles subject to registration when the transferor
26 and transferee corporations are part of the same
27 controlled group for federal income tax purposes."

28 20. Page 37, by striking line 5 and inserting the
29 following: "apply for a ~~banded~~ certificate of title
30 under ~~chapter 321~~ section 321.42. If".

31 21. Page 37, by inserting after line 9 the
32 following:

33 "Sec. ____ . Section 452A.2, Code 2003, is amended
34 by adding the following new subsection:

35 NEW SUBSECTION. 20A. "Nonterminal storage
36 facility" means a facility where motor fuel or special
37 fuel, other than liquefied petroleum gas, is stored
38 that is not supplied by a pipeline or a marine vessel.
39 "Nonterminal storage facility" includes a facility
40 that manufactures products such as alcohol, biofuel,
41 blend stocks, or additives which may be used as motor
42 fuel or special fuel, other than liquefied petroleum
43 gas, for operating motor vehicles or aircraft."

44 22. Page 37, line 22, by inserting after the word
45 "subsection." the following: "Notwithstanding section
46 8.33, any unexpended balance in the fund at the end of
47 the fiscal year shall be retained in the fund."

48 23. Page 39, by inserting after line 18 the
49 following:

50 "Sec. ____ . Section 505.7, Code 2003, is amended by

1 adding the following new subsection:

2 NEW SUBSECTION. 9. The commissioner may retain
3 funds collected during the fiscal year beginning July
4 1, 2003, pursuant to any settlement, enforcement
5 action, or other legal action authorized under federal
6 or state law for the purpose of reimbursing costs and
7 expenses of the division.

8 Sec. ____. Section 518.18, unnumbered paragraph 2,
9 Code 2003, is amended to read as follows:

10 1. ~~The~~ The applicable percent of the gross amount
11 of premiums received during the preceding calendar
12 year, after deducting the amount returned upon the
13 canceled policies, certificates, and rejected
14 applications; and after deducting premiums paid for
15 windstorm or hail reinsurance on properties
16 specifically reinsured; ~~provided, however, that.~~
17 However, the reinsurer of such windstorm or hail risks
18 shall pay ~~two~~ the applicable percent of the gross
19 amount of reinsurance premiums received upon such
20 risks after deducting the amounts returned upon
21 canceled policies, certificates, and rejected
22 applications. For purposes of this section,
23 "applicable percent" means the same as specified in
24 section 432.1, subsection 4.

25 2. Except as provided in subsection 3, the premium
26 tax shall be paid on or before March 1 of the year
27 following the calendar year for which the tax is due.
28 The commissioner of insurance may suspend the
29 certificate of authority of a county mutual insurance
30 association that fails to pay its premium tax on or
31 before the due date.

32 3. a. Each county mutual insurance association
33 transacting business in this state whose Iowa premium
34 tax liability for the preceding calendar year was one
35 thousand dollars or more shall remit on or before June
36 1, on a prepayment basis, an amount equal to one-half
37 of the premium tax liability for the preceding
38 calendar year.

39 b. In addition to the prepayment amount in
40 paragraph "a", each association shall remit on or
41 before June 30, on a prepayment basis, an additional
42 amount equal to the following percent of the premium
43 tax liability for the preceding calendar year as
44 follows:

45 (1) For prepayment in the 2003 and 2004 calendar
46 years, eleven percent.

47 (2) For prepayment in the 2005 calendar year,
48 twenty-six percent.

49 (3) For prepayment in the 2006 and subsequent
50 calendar years, fifty percent.

1 c. The sums prepaid by a county mutual insurance
2 association under this subsection shall be allowed as
3 credits against its premium tax liability for the
4 calendar year during which the payments are made. If
5 a prepayment made under this subsection exceeds the
6 annual premium tax liability, the excess shall be
7 allowed as a credit against subsequent prepayment or
8 tax liabilities. The commissioner of insurance may
9 suspend the certificate of authority of an association
10 that fails to make a prepayment on or before the due
11 date.

12 Sec. ____. Section 518A.35, Code 2003, is amended
13 to read as follows:

14 518A.35 ANNUAL TAX.

15 1. A state mutual insurance association doing
16 business under this chapter shall on or before the
17 first day of March, each year, pay to the director of
18 revenue and finance, or a depository designated by the
19 director, a sum equivalent to ~~two~~ the applicable
20 percent of the gross receipts from premiums and fees
21 for business done within the state, including all
22 insurance upon property situated in the state without
23 including or deducting any amounts received or paid
24 for reinsurance. However, a company reinsuring
25 windstorm or hail risks written by county mutual
26 insurance associations is required to pay ~~a two~~ the
27 applicable percent tax on the gross amount of
28 reinsurance premiums received upon such risks, but
29 after deducting the amount returned upon canceled
30 policies and rejected applications covering property
31 situated within the state, and dividends returned to
32 policyholders on property situated within the state.
33 For purposes of this section, "applicable percent"
34 means the same as specified in section 432.1,
35 subsection 4.

36 2. Except as provided in subsection 3, the premium
37 tax shall be paid on or before March 1 of the year
38 following the calendar year for which the tax is due.
39 The commissioner of insurance may suspend the
40 certificate of authority of a state mutual insurance
41 association that fails to pay its premium tax on or
42 before the due date.

43 3. a. Each state mutual insurance association
44 transacting business in this state whose Iowa premium
45 tax liability for the preceding calendar year was one
46 thousand dollars or more shall remit on or before June
47 1, on a prepayment basis, an amount equal to one-half
48 of the premium tax liability for the preceding
49 calendar year.

50 b. In addition to the prepayment amount in

1 paragraph "a", each association shall remit on or
2 before June 30, on a prepayment basis, an additional
3 amount equal to the following percent of the premium
4 tax liability for the preceding calendar year as
5 follows:

6 (1) For prepayment in the 2003 and 2004 calendar
7 years, eleven percent.

8 (2) For prepayment in the 2005 calendar year,
9 twenty-six percent.

10 (3) For prepayment in the 2006 and subsequent
11 calendar years, fifty percent.

12 c. The sums prepaid by a state mutual insurance
13 association under this subsection shall be allowed as
14 credits against its premium tax liability for the
15 calendar year during which the payments are made. If
16 a prepayment made under this subsection exceeds the
17 annual premium tax liability, the excess shall be
18 allowed as a credit against subsequent prepayment or
19 tax liabilities. The commissioner of insurance may
20 suspend the certificate of authority of an association
21 that fails to make a prepayment on or before the due
22 date.

23 Sec. ____. 2003 Iowa Acts, Senate File 453, section
24 30, if enacted, is amended by striking the section and
25 inserting in lieu thereof the following:

26 SEC. 30. CHARGE FOR RENT. For the fiscal year
27 beginning July 1, 2003, and ending June 30, 2004, the
28 department of administrative services, if established
29 in 2003 Iowa Acts, House File 534, shall transfer
30 \$900,000 to the general fund of the state from the
31 rent fund if established under section 8A.123 in 2003
32 Iowa Acts, House File 534.

33 Sec. ____. 2003 Iowa Acts, Senate File 453, section
34 35, if enacted, is amended to read as follows:

35 SEC. 35. CHARTER AGENCY APPROPRIATIONS.

36 1. Notwithstanding any provision of law to the
37 contrary, the total operating appropriations
38 reductions as allowed under section 7J.1 from the
39 general fund of the state to those departments and
40 agencies designated as charter agencies and additional
41 revenue to the general fund of the state attributed to
42 the reinvention process as determined by the
43 department of management above that already committed
44 to the general fund of the state generated for the
45 fiscal year beginning July 1, 2003, and ending June
46 30, 2004, as provided by the appropriation to those
47 agencies as enacted by the Eightieth General Assembly,
48 2003 Regular Session, shall ~~be reduced by~~ total
49 \$15,000,000. The department of management shall apply
50 the appropriation reductions, ~~with a target of a 10~~

1 ~~percent reduction for each charter agency, as~~
 2 ~~necessary to which along with additional generated~~
 3 ~~revenue shall achieve the overall reduction amount and~~
 4 ~~shall make this information available to the~~
 5 ~~legislative fiscal committee and the legislative~~
 6 ~~fiscal bureau. It is the intent of the general~~
 7 ~~assembly that appropriations to a charter agency in~~
 8 ~~subsequent fiscal years shall be similarly adjusted~~
 9 ~~from the appropriation that would otherwise have been~~
 10 ~~enacted.~~

11 2. There is appropriated from the general fund of
 12 the state to the department of management for the
 13 fiscal year beginning July 1, 2003, and ending June
 14 30, 2004, the following amount, or so much thereof as
 15 is necessary, to be used for the purposes designated:

16 For deposit in the charter agency ~~loan~~ grant fund
 17 created in section 7J.2:
 18 \$ 3,000,000

19 3. ~~For the fiscal year beginning July 1, 2003, and~~
 20 ~~ending June 30, 2004, if the actual amount of revenue~~
 21 ~~received by a charter agency exceeds the revenue~~
 22 ~~amount budgeted for that charter agency by the~~
 23 ~~governor and the general assembly, the charter agency~~
 24 ~~may consider the excess amount to be repayment~~
 25 ~~receipts as defined in section 8.2.~~

26 Sec. ____ . Notwithstanding section 8.33,
 27 unencumbered and unobligated funds remaining from the
 28 appropriation made in 1996 Iowa Acts, chapter 1218,
 29 section 13, subsection 2, paragraph "a", subparagraph
 30 (2), as amended by 1997 Iowa Acts, chapter 215,
 31 section 3, and from the appropriation made in 1997
 32 Iowa Acts, chapter 215, section 4, subsection 1, shall
 33 not revert but shall be available for the purposes
 34 designated in those provisions until the close of the
 35 fiscal year beginning July 1, 2003."

36 24. Page 39, by inserting after line 27 the
 37 following:

38 "Sec. ____ . 2003 Iowa Acts, Senate File 453,
 39 section 121, if enacted, is amended to read as
 40 follows:

41 SEC. 121. EFFECTIVE DATE. This division of this
 42 Act, creating the Iowa lottery authority, takes effect
 43 ~~September~~ July 1, 2003."

44 25. Page 42, by inserting after line 26 the
 45 following:

46 "Sec. ____ . USE OF TEAM-BASED VARIABLE PAY MONEYS
 47 FOR FY 2003-2004. Notwithstanding section 284.13,
 48 subsection 1, paragraph a, of the moneys reserved for
 49 purposes of team-based variable pay for the fiscal
 50 year beginning July 1, 2003, and ending June 30, 2004,

1 the sum of two hundred thousand dollars shall be used
2 for purposes of the reading instruction pilot program
3 established pursuant to 2003 Iowa Acts, House File
4 549, if enacted."

5 26. Page 42, by inserting after line 26 the
6 following:

7 "Sec. ____ . FULL-SIZE OFF-HIGHWAY VEHICLE
8 REGISTRATION PROGRAM -- PLAN. The department of
9 natural resources and the state department of
10 transportation, in consultation with the Iowa
11 association of four wheel drive clubs, shall develop a
12 plan for the establishment of a registration program
13 for full-size off-highway vehicles for the purposes of
14 regulating the recreational use of full-size off-
15 highway vehicles and establishing a full-size off-
16 highway vehicle recreation area in the state. The
17 plan shall include an analysis of the number of full-
18 size off-highway vehicles expected to be registered
19 prior to the establishment of a full-size off-highway
20 vehicle recreation area and the number of
21 registrations expected after the establishment of such
22 a facility. The plan shall also include optimum
23 locations for a full-size off-highway vehicle
24 recreation area, estimated costs, if any, for
25 maintenance of the area, and any other issues the
26 departments and the association deem to be of
27 importance in the planning process. The plan, which
28 shall include any proposed legislation for
29 implementation of the plan, shall be submitted to the
30 legislative services agency and the general assembly
31 no later than January 1, 2004.

32 Sec. ____ . ELIMINATION OF POSITION -- IOWA LAW
33 ENFORCEMENT ACADEMY DIRECTOR. The merit position of
34 director of the Iowa law enforcement academy referred
35 to in section 80B.5, Code 2003, is eliminated
36 effective April 30, 2004."

37 27. Page 43, by inserting after line 19 the
38 following:

39 "Sec. ____ . SMALLPOX VACCINATIONS. It is the
40 intent of the general assembly that public safety
41 workers, smallpox response teams, and others who will
42 be required to be vaccinated pursuant to the federal
43 Homeland Security Act be protected from both health-
44 related and other results of the federally required
45 vaccination. The emergency management division of the
46 Iowa department of public defense and local
47 governments should work with employees in the public
48 safety areas or response teams to achieve the
49 following:

50 1. Vaccinations should be given only on a

- 1 voluntary basis.
- 2 2. Extensive screening should be employed to
- 3 protect those workers who would be at risk from
- 4 current health conditions if vaccinated.
- 5 3. Reprisals or discrimination for workers not
- 6 voluntarily receiving vaccinations should be
- 7 prohibited.
- 8 4. Public employers should protect employees from
- 9 loss of income or seniority as a result of side
- 10 effects from vaccinations. Homeland security moneys
- 11 received by the emergency management division of the
- 12 Iowa department of public defense from the federal
- 13 government should include a set-aside to purchase
- 14 supplemental insurance for public safety or response
- 15 employees to cover those reactions not covered by
- 16 traditional employer-provided health insurance.
- 17 5. Disability or long-term reactions from
- 18 vaccinations should be considered a work-related
- 19 injury and should be covered by local or state
- 20 policies governing disability.
- 21 6. Vaccinations should be scheduled at staggered
- 22 times to allow for normal loss of staff time because
- 23 of vaccination-related illnesses without seriously
- 24 hampering public safety service.
- 25 7. Vaccinations administered in Iowa should meet
- 26 the requirements of the federal Needlestick Safety and
- 27 Prevention Act of 2000 that requires safety features
- 28 in the use of needles to administer medicine.
- 29 8. The emergency management division of the Iowa
- 30 department of public defense should coordinate efforts
- 31 to ensure adequate supplies of vaccinia immune
- 32 globulin and cidofovir and other appropriate medical
- 33 care and pharmaceuticals to protect those employees
- 34 who suffer reactions to vaccinations."
- 35 28. Page 43, by inserting after line 30 the
- 36 following:
- 37 "____. The amendments to sections 8.23, 8.31, and
- 38 8.57 which are first applicable to appropriations made
- 39 for the fiscal year beginning July 1, 2003."
- 40 29. Page 43, by inserting after line 31 the
- 41 following:
- 42 "____. The amendments to sections 15E.42, 15E.43,
- 43 15E.45, and 15E.51, which apply retroactively to
- 44 January 1, 2002, for tax years beginning on or after
- 45 that date."
- 46 30. Page 44, by inserting after line 3 the
- 47 following:
- 48 "____. The amendments to sections 518.18 and
- 49 518A.35."
- 50 31. Page 44, by inserting after line 8 the

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Page 20

1 following:

2 "The sections of this division of this Act amending
3 section 80B.5 and enacting section 80B.5A are
4 applicable to the appointment of the director of the
5 Iowa law enforcement academy for the term beginning
6 May 1, 2004."

7 32. Title page, line 3, by inserting after the
8 word "appropriations," the following: "modifying the
9 investment tax credits and premiums taxes on mutual
10 insurance associations,".

11 33. By renumbering, relettering, or redesignating
12 and correcting internal references as necessary.

By JEFF LAMBERTI

S-3364 FILED MAY 1, 2003

ADOPTED, MOTION TO RECONSIDER FILED, ADOPTED

SENATE FILE 458

S-3370

1 Amend Senate File 458 as follows:

2 1. Page 42, by inserting after line 26 the
3 following:

4 "Sec. ____ . CLOSE-CLEARANCE CONDITIONS NEAR
5 RAILROAD TRACKS -- RULES. The state department of
6 transportation shall adopt rules regulating close-
7 clearance conditions on or near railroad tracks. The
8 rules shall include requirements and standards for the
9 installation of close-clearance warning devices."

10 2. By renumbering as necessary.

By STEVEN H. WARNSTADT

JOE BOLKCOM

WILLIAM A. DOTZLER

DR. JOE SENG

HERMAN C. QUIRMBACH

THOMAS G. COURTNEY

AMANDA RAGAN

JACK HATCH

DENNIS H. BLACK

JOHN P. KIBBIE

MICHAEL E. GRONSTAL

MIKE CONNOLLY

S-3370 FILED MAY 1, 2003

LOST

SENATE FILE 458

S-3367

1 Amend Senate File 458 as follows:

2 1. Page 6, by inserting after line 11 the
3 following:

4 "Sec. _____. FEDERAL FISCAL RELIEF FUNDING. If the
5 one hundred eighth United States Congress enacts an
6 economic stimulus package that includes the provision
7 of discretionary funding to the state to provide state
8 or local government fiscal relief, the funding shall
9 be deposited in the fund created by section 8.41."

10 2. Page 15, by inserting after line 26 the
11 following:

12 "Sec. _____. 2003 Iowa Acts, House File 289, section
13 1, is amended by striking the section and inserting in
14 lieu thereof the following:

15 SECTION 1. Section 12C.1, subsection 2, paragraph
16 e, Code 2003, as amended by 2003 Iowa Acts, Senate
17 File 395, is amended by adding the following new
18 subparagraph:

19 NEW SUBPARAGRAPH. (6) Moneys placed in a
20 depository for the purpose of completing an electronic
21 financial transaction pursuant to section 8A.222 or
22 331.427."

23 3. Page 16, by inserting after line 25 the
24 following:

25 "Sec. _____. Section 99G.10, subsection 2, if
26 enacted by 2003 Iowa Acts, Senate File 453, section
27 72, is amended to read as follows:

28 2. Subject to the approval of the board, the chief
29 executive officer shall have the sole power to
30 designate particular employees as key personnel, but
31 may take advice from the department of personnel in
32 making any such designations. All key personnel shall
33 be exempt from the merit system described in chapter
34 ~~19A~~ 8A, article 4. The chief executive officer and
35 the board shall have the sole power to employ,
36 classify, and fix the compensation of key personnel.
37 All other employees shall be employed, classified, and
38 compensated in accordance with ~~chapters 19A~~ chapter
39 8A, article 4, and chapter 20.

40 Sec. _____. Section 99G.22, subsection 1, if enacted
41 by 2003 Iowa Acts, Senate File 453, is amended to read
42 as follows:

43 1. The authority shall investigate the financial
44 responsibility, security, and integrity of any lottery
45 system vendor who is a finalist in submitting a bid,
46 proposal, or offer as part of a major procurement
47 contract. Before a major procurement contract is
48 awarded, the division of criminal investigation of the
49 department of public safety shall conduct a background
50 investigation of the vendor to whom the contract is to

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1 be awarded. The chief executive officer and board
2 shall consult with the division of criminal
3 investigation and shall provide for the scope of the
4 background investigation and due diligence to be
5 conducted in connection with major procurement
6 contracts. At the time of submitting a bid, proposal,
7 or offer to the authority on a major procurement
8 contract, the authority shall require that each vendor
9 submit to the division of criminal investigation
10 appropriate investigation authorization to facilitate
11 this investigation, together with an advance of funds
12 to meet the anticipated investigation costs. If the
13 division of criminal investigation determines that
14 additional funds are required to complete an
15 investigation, the vendor will be so advised. The
16 background investigation by the division of criminal
17 investigation may include a national criminal history
18 ~~record~~ check through the federal bureau of
19 investigation. The screening of vendors or their
20 employees through the federal bureau of investigation
21 shall be conducted by submission of fingerprints
22 through the state criminal history ~~record~~ repository
23 to the federal bureau of investigation.

24 Sec. _____. Section 99G.37, subsection 2, if enacted
25 by 2003 Iowa Acts, Senate File 453, section 90, is
26 amended to read as follows:

27 2. In any bidding process, the authority may
28 administer its own bidding and procurement or may
29 utilize the services of the department of ~~general~~
30 administrative services, ~~or its successor~~, or other
31 state agency.

32 Sec. _____. Section 99G.38, subsection 3, if enacted
33 by 2003 Iowa Acts, Senate File 453, section 91, is
34 amended to read as follows:

35 3. The state of Iowa offset program, as provided
36 in section ~~421.17~~ 8A.504, shall be available to the
37 authority to facilitate receipt of funds owed to the
38 authority."

39 4. Page 17, by inserting after line 16 the
40 following:

41 "Sec. _____. Section 231.56A, if enacted by 2003
42 Iowa Acts, Senate File 416, section 1, is amended to
43 read as follows:

44 231.56A ELDER ABUSE INITIATIVE, EMERGENCY SHELTER,
45 AND SUPPORT SERVICES PROJECTS.

46 1. Through the state's service contract process
47 adopted pursuant to section 8.47, the department shall
48 identify area agencies on aging that have demonstrated
49 the ability to provide a collaborative response to the
50 immediate needs of elders in the area agency on aging

1 service area for the purpose of implementing elder
2 abuse initiative, emergency shelter, and support
3 services projects. The projects shall be implemented
4 only in the counties within an area agency on aging
5 service area that have a multidisciplinary team
6 established pursuant to section 235B.1.

7 2. The target population of the projects shall be
8 any elder residing in the service area of an area
9 agency on aging who meets both of the following
10 conditions:

11 a. Is the subject of a report of suspected
12 dependent adult abuse pursuant to chapter 235B.

13 b. Is not receiving assistance under a county
14 management plan approved pursuant to section 331.439.

15 3. The area agencies on aging implementing the
16 projects shall identify allowable emergency shelter
17 and support services, state funding, outcomes,
18 reporting requirements, and approved community
19 resources from which services may be obtained under
20 the projects. The area agency on aging shall identify
21 at least one provider of case management services for
22 the project area.

23 4. The area agencies on aging shall implement the
24 projects and shall coordinate the provider network
25 through the use of referrals or other engagement of
26 community resources to provide services to elders.

27 5. The department shall award funds to the area
28 agencies on aging in accordance with the state's
29 service contract process. Receipt and expenditures of
30 moneys under the projects are subject to examination,
31 including audit, by the department.

32 6. This section shall not be construed and is not
33 intended as, and shall not imply, a grant of
34 entitlement for services to individuals who are not
35 otherwise eligible for the services or for utilization
36 of services that do not currently exist or are not
37 otherwise available."

38 5. Page 18, by inserting after line 8 the
39 following:

40 "Sec. ____ . Section 321.69, subsection 9, as
41 amended by 2003 Acts, House File 502, section 3, is
42 amended to read as follows:

43 9. ~~This~~ Except for subsection 9A, this section
44 does not apply to motor trucks and truck tractors with
45 a gross vehicle weight rating of sixteen thousand
46 pounds or more, vehicles more than nine model years
47 old, motorcycles, motorized bicycles, and special
48 mobile equipment. This section does apply to motor
49 homes. The requirement in subsection 1 that the new
50 certificate of title and registration receipt shall

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Page 4

1 state on the face of the title the total cumulative
2 dollar amount of damage does not apply to a vehicle
3 with a certificate of title bearing a designation that
4 the vehicle was previously titled on a salvage
5 certificate of title pursuant to section 321.52,
6 subsection 4, paragraph "b", or to a vehicle with a
7 certificate of title bearing a "REBUILT" or "SALVAGE"
8 designation pursuant to section 321.24, subsection 4
9 or 5. This Except for subsection 9A, this section
10 does not apply to new motor vehicles with a true
11 mileage, as defined in section 321.71, of one thousand
12 miles or less, unless such vehicle has incurred damage
13 as defined in subsection 2."

14 6. Page 20, by inserting after line 13 the
15 following:

16 "Sec. _____. 2003 Iowa Acts, Senate File 453,
17 section 44, subsection 8, if enacted, is amended to
18 read as follows:

19 8. STATUTORY REQUIREMENTS. The requirements of
20 sections ~~18.6~~ 8A.311 and 72.3 and the administrative
21 rules implementing section 8.47 are not applicable to
22 the services procurement process used to implement the
23 outcomes-based service system redesign in accordance
24 with this section. The department of human services
25 may enter into competitive negotiations and proposal
26 modifications with each successful contractor as
27 necessary to implement the provisions of this
28 section."

29 7. Page 21, by inserting after line 4 the
30 following:

31 "_____. The sections of this division of this Act
32 amending sections 12C.1, 99G.10, 99G.37, and 99G.38
33 take effect only if House File 534 is enacted by the
34 Eightieth General Assembly, 2003 Regular Session."

35 8. Title page, line 3, by inserting after the
36 word "appropriations," the following: "modifying
37 sales and use taxes,".

38 9. By renumbering as necessary.

By JEFF LAMBERTI

S-3367 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3376

1 Amend Senate File 458 as follows:

2 1. Page 38, by striking lines 19 through 31.

3 2. By renumbering as necessary.

By MARY A. LUNDBY

S-3376 FILED MAY 1, 2003

LOST

S-3371

1 Amend Senate File 458 as follows:

2 1. Page 28, by inserting after line 34 the
3 following:

4 "Sec. _____. Section 256.7, subsection 7, unnumbered
5 paragraph 5, Code 2003, is amended to read as follows:
6 For the purpose of the rules adopted by the state
7 board, telecommunications means narrowcast
8 communications through systems that are directed
9 toward a narrowly defined audience, ~~and~~ includes
10 interactive live communications, and, until July 1,
11 2005, includes internet web-based applications.

12 Sec. _____. Section 256.7, Code 2003, is amended by
13 adding the following new subsection:

14 NEW SUBSECTION. 26. Adopt rules establishing a
15 course catalog and a clearinghouse for courses offered
16 through internet web-based and Iowa communications
17 network applications. The rules shall establish
18 quality standards for internet web-based courses and
19 an approval process for nonprofit and private
20 providers of internet web-based courses. School
21 districts, accredited nonpublic schools, and area
22 education agencies are encouraged to meet the quality
23 standards. Nonprofit and private providers approved
24 by the department shall meet the quality standards.
25 Upon request and at no cost to the course provider,
26 the department shall include in the course catalog
27 those courses provided by a school district,
28 accredited nonpublic school, area education agency,
29 accredited higher education institution providing
30 courses under section 261C.4 or section 257.11,
31 subsection 3, accredited higher education institution
32 providing internet web-based advanced placement
33 courses, or any other provider approved by the
34 department. In addition, the rules shall allow the
35 department, if funds are available from a source other
36 than the general fund of the state, to act as a
37 clearinghouse to assist school districts and area
38 education agencies in the development of courseware,
39 provide preliminary information on the copyright of
40 courses developed, recommend appropriate course fees,
41 assist providers in securing appropriately licensed
42 teachers, and assist school districts and accredited
43 nonpublic schools in scheduling."

44 2. Page 42, by inserting after line 26 the
45 following

46 "Sec. _____. VIRTUAL ACADEMY STUDY.

47 1. The department of education shall conduct a
48 study regarding the feasibility of establishing a
49 state-sponsored virtual academy for students in grades
50 seven through twelve. The study shall address

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1 curriculum qualifications; scheduling; appropriate
2 licensure of individuals, other than teachers licensed
3 under chapter 272, to teach courses using internet
4 web-based and Iowa communications network
5 applications; responsibilities of the district or
6 accredited nonpublic school seeking to access courses
7 from the state-sponsored virtual academy; and the
8 conditions under which the department may grant a
9 waiver to permit a district to meet an accreditation
10 standard for kindergarten through grade twelve through
11 telecommunications. The study shall include a review
12 of other private and publicly sponsored virtual
13 academies. The study shall also include a five-year
14 implementation and fiscal estimate. The fiscal
15 estimate shall include operational costs of the
16 prospective state-sponsored virtual academy and any
17 potential impact on the general fund of the state
18 through the state school foundation program.

19 2. The director of the department shall convene a
20 group of education stakeholders who may provide input
21 into the study and its recommendations. The
22 stakeholders group shall include, at minimum, a
23 representative from a public and private accredited
24 postsecondary institution providing courses under
25 section 261C.4 or section 257.11, subsection 3; an
26 accredited higher education institution providing
27 internet web-based advanced placement courses; the
28 Iowa association of school boards; the school
29 administrators of Iowa; the Iowa state education
30 association; area education agencies; accredited
31 nonpublic schools; the board of educational examiners;
32 and others deemed appropriate by the department.

33 3. The department shall submit its findings and
34 recommendations in a report to the chairpersons and
35 ranking members of the senate and house standing
36 committees on education and the joint appropriations
37 subcommittee on education by December 15, 2003."

By ROBERT E. DVORSKY
MIKE CONNOLLY
KEITH A. KREIMAN

SENATE FILE 458

S-3372

1 Amend Senate File 458 as follows:

2 1. Page 5, by inserting after line 12 the
3 following:

4 "Sec. ____ . HOMESTEAD TAX CREDIT.

5 1. There is appropriated from the general fund of
6 the state to the department of revenue and finance for
7 the fiscal year beginning July 1, 2002, and ending
8 June 30, 2003, the following amount for the purpose
9 designated:

10 For reimbursing counties for granting homestead tax
11 credits as provided in subsection 2:
12 \$ 2,375,123

13 2. The appropriation made in subsection 1 shall be
14 used to reimburse counties, to the extent not
15 previously reimbursed, that granted to taxpayers the
16 homestead credit pursuant to section 425.1 for taxes
17 payable in the fiscal year beginning July 1, 2002. If
18 the amount appropriated is insufficient to reimburse
19 all credits granted, the department shall prorate the
20 reimbursements. Payments made pursuant to this
21 subsection shall not be made sooner than June 15,
22 2003.

23 3. The appropriation in subsection 1 is in
24 addition to the appropriation made in section 425.1 as
25 limited by 2002 Iowa Acts, chapter 1171, section 175,
26 subsection 10, as amended by 2002 Iowa Acts, Second
27 Extraordinary Session, chapter 1003, section 181.

28 Sec. ____ . ELDERLY AND DISABLED TAX CREDIT.

29 1. There is appropriated from the general fund of
30 the state to the department of revenue and finance for
31 the fiscal year beginning July 1, 2002, and ending
32 June 30, 2003, the following amount for the purpose
33 designated:

34 For reimbursing counties for granting elderly and
35 disabled tax credits as provided in subsection 2:
36 \$ 355,349

37 2. The appropriation made in subsection 1 shall be
38 used to reimburse counties, to the extent not
39 previously reimbursed, that granted to taxpayers the
40 elderly and disabled tax credit pursuant to section
41 425.23 for taxes payable in the fiscal year beginning
42 July 1, 2002. If the amount appropriated is
43 insufficient to reimburse all credits granted, the
44 department shall prorate the reimbursements. Payments
45 made pursuant to this subsection shall not be made
46 sooner than June 15, 2003.

47 3. The appropriation in subsection 1 is in
48 addition to the appropriation made in section 425.39
49 as limited by 2002 Iowa Acts, chapter 1171, section
50 176, as amended by 2002 Iowa Acts, Second

S-3372

1 Extraordinary Session, chapter 1003, section 182.

2 Sec. _____. AGRICULTURAL LAND TAX CREDIT.

3 1. There is appropriated from the general fund of
4 the state to the department of revenue and finance for
5 the fiscal year beginning July 1, 2002, and ending
6 June 30, 2003, the following amount for the purpose
7 designated:

8 For reimbursing counties for granting agricultural
9 land tax credits as provided in subsection 2:

10 \$ 798,515

11 2. The appropriation made in subsection 1 shall be
12 used to reimburse counties, to the extent not
13 previously reimbursed, that granted to taxpayers the
14 agricultural land tax credit pursuant to section 426.7
15 for taxes payable in the fiscal year beginning July 1,
16 2002. If the amount appropriated is insufficient to
17 reimburse all credits granted, the department shall
18 prorate the reimbursements. Payments made pursuant to
19 this subsection shall not be made sooner than June 15,
20 2003.

21 3. The appropriation in subsection 1 is in
22 addition to the appropriation made in section 426.1 as
23 limited by 2002 Iowa Acts, chapter 1171, section 175,
24 subsection 11, as amended by 2002 Iowa Acts, Second
25 Extraordinary Session, chapter 1003, section 181."

26 2. Page 9, by inserting after line 18 the
27 following:

28 "_____. The sections appropriating moneys for the
29 reimbursement for the homestead tax credit, elderly
30 and disabled tax credit, and the agricultural land tax
31 credit."

By JOHN P. KIBBIE
DENNIS H. BLACK
AMANDA RAGAN
JACK HATCH
THOMAS G. COURTNEY
HERMAN C. QUIRMBACH
DR. JOE SENG
MIKE CONNOLLY
MICHAEL E. GRONSTAL
DICK L. DEARDEN

ROGER STEWART
WILLIAM A. DOTZLER
JOE BOLKCOM
EUGENE S. FRAISE
STEVEN H. WARNSTADT
KEITH A. KREIMAN
JACK HOLVECK
DARYL BEALL
WALLY E. HORN
ROBERT E. DVORSKY

SENATE FILE 458

S-3373

1 Amend Senate File 458 as follows:

2 1. Page 11, by inserting after line 26 the
3 following:

4 "Sec. ____ . STATE COURTS -- JUSTICES, JUDGES, AND
5 MAGISTRATES.

6 1. There is appropriated from the general fund of
7 the state to the judicial branch for the fiscal year
8 beginning July 1, 2003, and ending June 30, 2004, the
9 following amount, or so much thereof as is necessary,
10 to be used for the purposes designated:

11 For funding, along with the allocation made for the
12 same purpose in this division of this Act, of pay
13 adjustments, expense reimbursements, and related
14 benefits for judicial branch employees:

15 \$ 1,500,000

16 2. The salary rates specified in subsection 3 are
17 for the fiscal year beginning July 1, 2003, effective
18 for the pay period beginning June 20, 2003, and for
19 subsequent fiscal years until otherwise provided by
20 the general assembly. The salaries provided for in
21 this section shall be paid from the funds appropriated
22 to the judicial branch in this section and funds
23 allocated to the judicial branch from the salary
24 adjustment fund pursuant to this division of this Act,
25 or if the appropriation and allocation are not
26 sufficient, from the funds appropriated to the
27 judicial branch pursuant to any Act of the general
28 assembly.

29 3. The following annual salary rates shall be paid
30 to the persons holding the judicial positions
31 indicated during the fiscal year beginning July 1,
32 2003, effective with the pay period beginning June 20,
33 2003, and for subsequent pay periods.

34 a. Chief justice of the supreme court:
35 \$ 127,040

36 b. Each justice of the supreme court:
37 \$ 122,500

38 c. Chief judge of the court of appeals:
39 \$ 122,380

40 d. Each associate judge of the court of appeals:
41 \$ 117,850

42 e. Each chief judge of a judicial district:
43 \$ 116,760

44 f. Each district judge except the chief judge of a
45 judicial district:
46 \$ 112,010

47 g. Each district associate judge:
48 \$ 97,610

49 h. Each associate juvenile judge:
50 \$ 97,610

S-3373

S-3373

Page 2

1	i. Each associate probate judge:		
2	.....	\$	97,610
3	j. Each judicial magistrate:		
4	.....	\$	29,100
5	k. Each senior judge:		
6	.....	\$	6,500
7	4. Persons receiving the salary rates established		
8	under this section shall not receive any additional		
9	salary adjustments provided by this Act."		
10	2. By renumbering as necessary.		

By JACK HOLVECK	AMANDA RAGAN
WILLIAM A. DOTZLER	JACK HATCH
DARYL BEALL	DENNIS H. BLACK
DR. JOE SENG	JOHN P. KIBBIE
KEITH A. KREIMAN	MICHAEL E. GRONSTAL
JOE BOLKCOM	MIKE CONNOLLY
HERMAN C. QUIRMBACH	WALLY E. HORN
THOMAS G. COURTNEY	EUGENE S. FRAISE

S-3373 FILED MAY 1, 2003
LOST

SENATE FILE 458

S-3381

1 Amend Senate File 458 as follows:

2 1. Page 6, by inserting after line 11 the

3 following:

4 "Sec. ____ . PERSONAL PROPERTY TAX REPLACEMENT. In

5 lieu of the appropriation made for deposit in the

6 local government innovation fund in 2003 Iowa Acts,

7 Senate File 453, section 28, if enacted, there is

8 appropriated from the general fund of the state to the

9 department of revenue and finance for the fiscal year

10 beginning July 1, 2003, and ending June 30, 2004,

11 \$10,000,000 to be allocated to local governments

12 utilizing the methodology for distribution of personal

13 property tax replacement moneys under chapter 405A,

14 Code 2003, by applying the amount appropriated in this

15 section in lieu of the appropriation amount specified

16 in section 405A.2, Code 2003, for determining the

17 general allocation."

18 2. By renumbering as necessary.

By ROBERT E. DVORSKY

S-3381 FILED MAY 1, 2003
WITHDRAWN

SENATE FILE 458

S-3375

1 Amend Senate File 458 as follows:
2 1. Page 46, by inserting after line 22, the
3 following:
4 "Sec. ____ . 2003 Iowa Acts, House File 619, section
5 7, subsection 4, paragraph b, if enacted, is amended
6 to read as follows:
7 b. Pharmacies and providers that are enrolled in
8 the medical assistance program shall make available
9 drug acquisition cost information, product
10 availability information, and other information deemed
11 necessary by the department for the determination of
12 reimbursement rates and the efficient operation of the
13 pharmacy benefit. Pharmacies and providers shall
14 produce and submit the requested information in the
15 manner and format requested by the department or its
16 designee at no cost to the department or designee.
17 Pharmacies and providers shall submit information to
18 the department or its designee within thirty days
19 following receipt of a request for information unless
20 the department or its designee grants an extension
21 upon written request of the pharmacy or provider.
22 Notwithstanding the required provision of information
23 by pharmacies and providers under this paragraph, if
24 the department is able to obtain any of the
25 information required to be provided under this
26 paragraph in an alternative manner, through which the
27 department is ensured of the validity and accuracy of
28 the information and of the timely submission of the
29 information, the department may instead obtain the
30 information in the alternative manner. Chapter 550
31 shall apply to the information provided by pharmacies
32 and providers under this paragraph."
33 2. By renumbering as necessary.

By MARY E. KRAMER
MAGGIE TINSMAN

S-3375 FILED MAY 1, 2003
ADOPTED

SENATE FILE 458

S-3385

1 Amend the amendment, S-3364, to Senate File 458 as
2 follows:
3 1. Page 10, by striking lines 10 through 42.

By JEFF LAMBERTI

S-3385 FILED MAY 1, 2003
ADOPTED

SENATE FILE 458

S-3379

1 Amend Senate File 458 as follows:

2 1. Page 21, by inserting after line 26 the
3 following:

4 "Sec. _____. Section 12D.1, unnumbered paragraph 1,
5 Code 2003, is amended to read as follows:

6 The general assembly finds that the general welfare
7 and well-being of the state are directly related to
8 educational levels and skills of the citizens of the
9 state, and that a vital and valid public purpose is
10 served by the creation and implementation of programs
11 which encourage and make possible the attainment of
12 higher education by the greatest number of citizens of
13 the state. The state has limited resources to provide
14 additional programs for higher education funding and
15 the continued operation and maintenance of the state's
16 public institutions of higher education and the
17 general welfare of the citizens of the state will be
18 enhanced by establishing a program which allows
19 citizens of the state to invest money in a public
20 trust for future application to the payment of higher
21 education costs. The creation of the means of
22 encouragement for citizens to invest in such a program
23 represents the carrying out of a vital and valid
24 public purpose. In order to make available to the
25 citizens of the state an opportunity to fund future
26 higher education needs, it is necessary that a public
27 trust be established in which moneys may be invested
28 for future educational use. ~~It is also necessary to~~
29 ~~establish an endowment fund which may be funded with~~
30 ~~public funds, among other sources, the income from~~
31 ~~which will be made available to participants in the~~
32 ~~trust to enhance their savings invested for the~~
33 ~~payment of future higher education costs.~~

34 Sec. _____. Section 12D.1, subsections 5 and 13,
35 Code 2003, are amended by striking the subsections.

36 Sec. _____. Section 12D.2, subsections 4, 8, 10, 11,
37 and 12, Code 2003, are amended to read as follows:

38 4. Accept any grants, gifts, legislative
39 appropriations, and other moneys from the state, any
40 unit of federal, state, or local government, or any
41 other person, firm, partnership, or corporation which
42 the treasurer of state shall deposit into the
43 administrative fund, ~~the endowment fund,~~ or the
44 program fund.

45 ~~8. Solicit and accept for the benefit of the~~
46 ~~endowment fund gifts, grants, and other moneys,~~
47 ~~including legislative appropriations and grants from~~
48 ~~any federal, state, or local governmental agency.~~

49 10. Make payments to institutions of higher
50 education, participants, or beneficiaries pursuant to

S-3379

1 participation agreements on behalf of beneficiaries.

2 11. Make refunds to participants upon the
3 termination of participation agreements and partial
4 nonqualified distributions to participants pursuant to
5 the provisions, limitations, and restrictions set
6 forth in this chapter.

7 12. Invest moneys from ~~the endowment fund and the~~
8 program fund in any investments which are determined
9 by the treasurer of state to be appropriate.

10 Sec. ____ . Section 12D.3, subsections 2 and 3, Code
11 2003, are amended to read as follows:

12 2. Beneficiaries designated in participation
13 agreements may be designated ~~from date of birth up to,~~
14 ~~but not including, their eighteenth birthday at any~~
15 age. A substitute beneficiary may be older than age
16 eighteen provided that the substitute beneficiary is
17 not older than the original beneficiary.

18 3. ~~A participant's account balance shall be~~
19 ~~refunded to the participant, less endowment fund~~
20 ~~earnings, and less a refund penalty levied by the~~
21 ~~trust against account balance earnings, if any, in the~~
22 ~~event an account balance remains in the account for a~~
23 ~~thirty-day period following the beneficiary's~~
24 ~~thirtieth birthday.~~

25 Sec. ____ . Section 12D.4, Code 2003, is amended by
26 striking the section and inserting in lieu thereof the
27 following:

28 12D.4 PROGRAM AND ADMINISTRATIVE FUNDS --
29 INVESTMENT AND PAYMENTS.

30 1. The treasurer of state shall segregate moneys
31 received by the trust into two funds: the program
32 fund and the administrative fund.

33 2. All moneys paid by participants in connection
34 with participation agreements shall be deposited as
35 received into separate accounts within the program
36 fund.

37 3. Contributions to the trust made by participants
38 may only be made in the form of cash.

39 4. A participant or beneficiary shall not provide
40 investment direction regarding program contributions
41 or earnings held by the trust.

42 5. Moneys accrued by participants in the program
43 fund of the trust may be used for payments to any
44 institution of higher education. Payments may be made
45 to the institution, the participant, or the
46 beneficiary.

47 Sec. ____ . Section 12D.5, Code 2003, is amended by
48 striking the section and inserting in lieu thereof the
49 following:

50 12D.5 CANCELLATION OF AGREEMENTS.

1 A participant may cancel a participation agreement
2 at will. Upon cancellation of a participation
3 agreement, a participant shall be entitled to the
4 return of the participant's account balance.

5 Sec. _____. Section 12D.6, subsection 3, Code 2003,
6 are amended by striking the subsection.

7 Sec. _____. Section 12D.9, subsection 1, paragraphs
8 c, d, and e, Code 2003, are amended to read as
9 follows:

10 c. Pursuant to section 12D.4, subsection ~~1~~,
11 paragraph "~~b~~" 2, a separate account is established for
12 each beneficiary.

13 d. Pursuant to section 12D.4, subsection ~~1~~,
14 paragraph "~~f~~" 3, contributions may only be made in the
15 form of cash.

16 e. Pursuant to section 12D.4, subsection ~~1~~,
17 paragraph "~~g~~" 4, a participant or beneficiary shall
18 not provide investment direction regarding program
19 contributions or earnings held by the trust.

20 Sec. _____. Section 12D.9, subsection 1, paragraph
21 f, Code 2003, is amended by striking the paragraph.

22 Sec. _____. Section 12D.9, subsection 2, Code 2003,
23 is amended to read as follows:

24 2. State income tax treatment of the Iowa
25 educational savings plan trust shall be as provided in
26 section 422.7, subsections ~~32~~ and 33, and ~~34~~, and
27 ~~section 422.35, subsection 14~~.

28 Sec. _____. Section 12D.10, subsection 1, Code 2003,
29 is amended to read as follows:

30 1. The assets of the trust, including the program
31 fund ~~and the endowment fund~~, shall at all times be
32 preserved, invested, and expended solely and only for
33 the purposes of the trust and shall be held in trust
34 for the participants and beneficiaries.

35 Sec. _____. Section 422.7, subsection 34, Code 2003,
36 is amended by striking the subsection.

37 Sec. _____. Section 422.35, subsection 14, Code
38 2003, is amended by striking the subsection."

39 2. Page 43, by inserting after line 30 the
40 following:

41 "_____". The amendments to sections 12D.1, 12D.2,
42 12D.3, 12D.4, 12D.5, 12D.6, 12D.9, 12D.10, 422.7, and
43 422.35, which shall apply retroactively to January 1,
44 2003, for tax years beginning on or after that date."

By MIKE CONNOLLY

SENATE FILE 458

S-3380

1 Amend Senate File 458 as follows:

2 | 1. Page 8, by inserting after line 8 the
3 following:

4 | "Sec. ____ . Section 427B.19A, subsection 1, as
5 amended by 2003 Iowa Acts, Senate File 453, if
6 enacted, is amended to read as follows:

7 1. The industrial machinery, equipment and
8 computers property tax replacement fund is created.
9 For the fiscal year beginning July 1, 1996, through
10 the fiscal year ending June 30, 2004, there is
11 appropriated annually from the general fund of the
12 state to the department of revenue and finance to be
13 credited to the industrial machinery, equipment and
14 computers property tax replacement fund, an amount
15 sufficient to implement this division. However, for
16 the fiscal year beginning July 1, 2003, the amount
17 appropriated to the department of revenue and finance
18 to be credited to the industrial machinery, equipment
19 and computers tax replacement fund is ~~ten~~ eleven
20 million two hundred eighty-one thousand six hundred
21 eight-five dollars."

22 2. Page 8, by inserting after line 31 the
23 following:

24 "Sec. ____ . FRANCHISE TAX REVENUE ALLOCATION.
25 There is appropriated from the franchise tax revenues
26 deposited in the general fund of the state to the
27 department of revenue and finance for the fiscal year
28 beginning July 1, 2003, and ending June 30, 2004,
29 \$8,800,000 to be allocated as follows:

30 1. Sixty percent to the general fund of the city
31 from which the tax is collected.

32 2. Forty percent to the county from which the tax
33 is collected.

34 | If the financial institution maintains one or more
35 offices for the transaction of business, other than
36 its principal office, a portion of its franchise tax
37 shall be allocated to each office, based upon a
38 reasonable measure of the business activity of each
39 office. The director of revenue and finance shall
40 prescribe, for each type of financial institution, a
41 method of measuring the business activity of each
42 office. Financial institutions shall furnish all
43 necessary information for this purpose at the request
44 of the director. The allocation shall be distributed
45 quarterly.

46 Sec. ____ . 2003 Iowa Acts, Senate File 453, section
47 28, if enacted, is repealed."

By JEFF LAMBERTI

S-3380 FILED MAY 1, 2003

ADOPTED

SENATE FILE 458

S-3382

1 Amend Senate File 458 as follows:

2 1. Page 35, by inserting after line 17 the
3 following:

4 "Sec. ____ . Section 331.264, subsection 1, if
5 enacted by 2003 Iowa Acts, Senate File 390, section
6 25, is amended to read as follows:

7 1. A local government organization review
8 committee may be created in a county having a
9 population in excess of one hundred thousand. The
10 committee shall be composed of the following members:

11 a. Three city council members appointed by the
12 city council of each participating city with a
13 population of twenty-five thousand or more.

14 b. Three county supervisors appointed by the
15 county board of supervisors.

16 c. One city council member appointed by each
17 participating city with a population of less than
18 twenty-five thousand.

19 d. One member shall be appointed by each state
20 legislator whose legislative district is located in
21 the county if a majority of the constituents of that
22 legislative district reside in the county. However,
23 if a county does not have a state representative's
24 legislative district which has a majority of a state
25 representative's constituency residing in the county,
26 the state representative having the largest plurality
27 of constituents residing in the county shall appoint a
28 member. The member appointed by each state legislator
29 shall be a person who is not holding elected office
30 and who is a resident of the legislative district of
31 the state legislator. If any portion more than one-
32 half of the population of a legislative district is in
33 the unincorporated area of the county, the member
34 appointed by that legislator shall be a resident of
35 the unincorporated area of the county.

36 e. ~~Three members~~ One member appointed by the
37 township trustees of all the townships in the county
38 ~~and an additional member appointed by the township~~
39 ~~trustees~~ for each five percent of the total population
40 of the county residing in the unincorporated area of
41 the county. The members shall be residents of the
42 unincorporated area of the county and shall be persons
43 who are not holding elected office other than that of
44 township trustee. The county auditor shall determine
45 the date and location for a meeting of the township
46 trustees of all the townships in the county at which
47 meeting the appointments shall be made and shall
48 provide written notice of the meeting to the trustees.
49 The meeting shall be held in accordance with chapter
50 21.

S-3382

S-3382

Page 2

1 Organization and expenses of the committee are
2 subject to section 331.234 as if the committee were a
3 city-county consolidation or community commonwealth
4 commission. Sections 69.16 and 69.16A shall not apply
5 to the committee. However, a city allowed more than
6 one appointment shall balance its appointments in
7 accordance with sections 69.16 and 69.16A, when
8 possible."

9 2. Page 44, by inserting after line 12 the
10 following:

11 "9. The section amending section 331.264, if
12 enacted by 2003 Iowa Acts, Senate File 390."

13 3. By renumbering as necessary.

By JEFF LAMBERTI

S-3382 FILED MAY 1, 2003
RULED OUT OF ORDER

SENATE FILE 458

S-3383

1 Amend Senate File 458 as follows:

2 1. Page 28, by inserting after line 9 the
3 following:

4 "Sec. ____ . Section 91D.1, subsection 1, paragraphs
5 a and d, Code 2003, are amended to read as follows:

6 a. The hourly wage stated in the federal minimum
7 wage law, pursuant to 29 U.S.C. § 206, shall be
8 increased to ~~-\$3.85~~ \$5.15 on January 1 ~~of 1990,~~ 2004,
9 ~~-\$4.25 on January 1 of 1991,~~ and ~~-\$4.65~~ \$5.65 on
10 January 1 ~~of 1992,~~ 2005.

11 d. An employer is not required to pay an employee
12 the applicable minimum wage provided in paragraph "a"
13 until the employee has completed ninety calendar days
14 of employment with the employer. An employee who has
15 completed ninety calendar days of employment with the
16 employer prior to January 1 ~~of 1990, 1991,~~ 2004, or
17 ~~1992~~ January 1, 2005, shall earn the applicable hourly
18 minimum wage. An employer shall pay an employee who
19 has not completed ninety calendar days of employment
20 with the employer an hourly wage of at least ~~-\$3.35~~
21 \$4.50 as of January 1 ~~of 1990, 2004,~~ ~~-\$3.85 as of~~
22 ~~January 1 of 1991,~~ and ~~-\$4.25~~ \$4.75 as of January 1 ~~of~~
23 ~~1992,~~ 2005."

By THOMAS G. COURTNEY

S-3383 FILED MAY 1, 2003
RULED OUT OF ORDER

SENATE FILE 458

S-3388

1 Amend Senate File 458 as follows:

2 1. Page 48, by inserting after line 28 the
3 following:

4 "DIVISION

5 GOVERNMENT ORGANIZATION REVIEW COMMITTEE

6 Sec. ____ . Section 331.264, subsection 1,
7 unnumbered paragraph 1, and paragraphs a through d, if
8 enacted by 2003 Iowa Acts, Senate File 390, section
9 25, is amended to read as follows:

10 A local government organization review committee
11 may be created in a county having a population in
12 excess of one hundred thousand. The committee shall
13 be composed of the following members:

14 a. Three city council members appointed by the
15 city council of each participating city with a
16 population of twenty-five thousand or more.

17 b. Three county supervisors appointed by the
18 county board of supervisors.

19 c. One city council member appointed by each
20 participating city with a population of less than
21 twenty-five thousand.

22 d. One member shall be appointed by each state
23 legislator whose legislative district is located in
24 the county if a majority of the constituents of that
25 legislative district reside in the county. However,
26 if a county does not have a state representative's
27 legislative district which has a majority of a state
28 representative's constituency residing in the county,
29 the state representative having the largest plurality
30 of constituents residing in the county shall appoint a
31 member. The member appointed by each state legislator
32 shall be a person who is not holding elected office
33 and who is a resident of the legislative district of
34 the state legislator. If ~~any portion~~ more than one-
35 half of the population of a legislative district is in
36 the unincorporated area of the county, the member
37 appointed by that legislator shall be a resident of
38 the unincorporated area of the county.

39 Sec. ____ . EFFECTIVE DATE. This division of this
40 Act, being deemed of immediate importance, takes
41 effect upon enactment."

By JEFF LAMBERTI

S-3388 FILED MAY 1, 2003
ADOPTED

SENATE FILE 458
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1207)

(AS AMENDED AND PASSED BY THE SENATE MAY 1, 2003)

~~_____~~ - New Language by the Senate

* - Language Stricken by the Senate

Passed Senate, Date 5/1/03 Passed House, Date 5/1/03

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved 5/30/03

Motion to reconsider filed 5/1/03 - Lambert

A BILL FOR

1 An Act relating to public expenditure and regulatory matters,
2 compensating public employees, making and reducing
3 appropriations, modifying sales and use taxes, modifying the
4 investment tax credits and premium taxes on mutual insurance
5 associations, providing for related matters, making penalties
6 applicable, and providing effective dates.

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

- 8
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S.F. 458

DIVISION I

MH/MR/DD ALLOWED GROWTH

1
2
3 Section 1. Section 426B.5, subsection 2, paragraph d,
4 subparagraphs (1) and (6), Code 2003, are amended to read as
5 follows:

6 (1) A county must apply to the board for assistance from
7 the risk pool on or before April-1 January 25 to cover an
8 unanticipated net expenditure amount in excess of the county's
9 current fiscal year budgeted net expenditure amount for the
10 county's services fund. The risk pool board shall make its
11 final decisions on or before February 25 regarding acceptance
12 or rejection of the applications for assistance and the total
13 amount accepted shall be considered obligated. For purposes
14 of applying for risk pool assistance and for repaying unused
15 risk pool assistance, the current fiscal year budgeted net
16 expenditure amount shall be deemed to be the higher of either
17 the budgeted net expenditure amount in the management plan
18 approved under section 331.439 for the fiscal year in which
19 the application is made or the prior fiscal year's net
20 expenditure amount.

21 (6) The total amount of risk pool assistance shall be
22 limited to the amount available in the risk pool for a fiscal
23 year. If the total amount of eligible assistance exceeds the
24 amount available in the risk pool the amount of assistance
25 paid shall be prorated among the counties eligible for
26 assistance. Moneys remaining unexpended or unobligated in the
27 risk pool at-the-close-of-a-fiscal-year-shall-remain-available
28 for-distribution-in-the-succeeding-fiscal-year following the
29 risk pool board's decisions made pursuant to subparagraph (1)
30 shall be distributed to the counties eligible to receive
31 funding from the allowed growth factor adjustment
32 appropriation for the fiscal year using the distribution
33 methodology applicable to that appropriation.

34 Sec. 2. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND
35 DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT

1 AND ALLOCATIONS -- FISCAL YEAR 2004-2005.

2 1. There is appropriated from the general fund of the
3 state to the department of human services for the fiscal year
4 beginning July 1, 2004, and ending June 30, 2005, the
5 following amount, or so much thereof as is necessary, to be
6 used for the purpose designated:

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

12 \$ 23,738,749

13 2. The funding appropriated in this section is the allowed
14 growth factor adjustment for fiscal year 2004-2005, and is
15 allocated as follows:

16 a. For distribution as provided by law:

17 \$ 21,738,749

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

21 \$ 2,000,000

22 Sec. 3. 2002 Iowa Acts, chapter 1175, section 104,
23 subsections 2, 4 and 5, as amended by 2003 Iowa Acts, House
24 File 667, section 41, are amended to read as follows:

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

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

33 \$ 12,000,000

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

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

3 \$ 12,492,712
4 14,492,000

5 c. For calculation of a distribution amount for counties
6 from the mental health and developmental disabilities (MH/DD)
7 community services fund in accordance with the formula
8 provided in the appropriation made for the MH/DD community
9 services fund for the fiscal year beginning July 1, 2003:

10 \$ 17,727,890

11 4. After applying the applicable statutory distribution
12 formulas to the amounts indicated in subsection 2 for purposes
13 to produce preliminary distribution totals, the department of
14 human services shall apply a withholding factor to adjust an
15 eligible individual county's preliminary distribution total.
16 An ending balance percentage for each county shall be
17 determined by expressing the county's ending balance on a
18 modified accrual basis under generally accepted accounting
19 principles for the fiscal year beginning July 1, 2002, in the
20 county's mental health, mental retardation, and developmental
21 disabilities services fund created under section 331.424A, as
22 a percentage of the county's gross expenditures from that fund
23 for that fiscal year. The withholding factor for a county
24 shall be the following applicable percent:

25 a. For an ending balance percentage of less than 10
26 percent, a withholding factor of 0 percent. In addition to
27 the county's adjusted distribution total, a county that is
28 subject to this paragraph "a" shall receive an inflation
29 adjustment equal to 2.6 percent of the gross expenditures
30 reported for the county's services fund for that fiscal year.

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

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

35 d.--For-an-ending-balance-percentage-of-35-through-44

1 ~~percent, a withholding factor of 85 percent.~~
2 e. d. For an ending balance percentage of 45 35 percent or
3 more, a withholding factor of 100 percent.
4 5. The total withholding amounts applied pursuant to
5 subsection 4 shall be equal to a withholding target amount of
6 \$7,419,074 and the appropriation enacted by the Eightieth
7 General Assembly, 2003 Session, for the MH/DD community
8 services fund shall be reduced by the amount necessary to
9 attain the withholding target amount \$9,418,362. If the
10 department of human services determines that the amount to be
11 withheld in accordance with subsection 4 is not equal to the
12 target withholding amount, the department shall adjust the
13 withholding factors listed in subsection 4 as necessary to
14 achieve the withholding target amount. However, in making
15 such adjustments to the withholding factors, the department
16 shall strive to minimize changes to the withholding factors
17 for those ending balance percentage ranges that are lower than
18 others and shall not adjust the zero withholding factor or the
19 inflation adjustment percentage specified in subsection 4,
20 paragraph "a".

DIVISION II

STANDING APPROPRIATIONS -- REDUCTIONS

23 Sec. 4. GENERAL ASSEMBLY. The appropriations made
24 pursuant to section 2.12 for the expenses of the general
25 assembly and legislative agencies for the fiscal year
26 beginning July 1, 2003, and ending June 30, 2004, are reduced
27 by the following amount:

28 \$ 2,000,000

29 Sec. 5. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding
30 section 8.56, subsection 4, there is appropriated from the
31 cash reserve fund to the rebuild Iowa infrastructure fund
32 created in section 8.57 for the fiscal year beginning July 1,
33 2002, and ending June 30, 2003, the following amount:

34 \$ 2,150,000

35 Sec. 6. ENVIRONMENT FIRST FUND. Notwithstanding the

1 amount of the standing appropriation from the rebuild Iowa
2 infrastructure fund under section 8.57A, subsection 4, there
3 is appropriated from the rebuild Iowa infrastructure fund to
4 the environment first fund, in lieu of the appropriation made
5 in section 8.57A, for the fiscal year beginning July 1, 2002,
6 and ending June 30, 2003, the following amount:

7 \$ 18,445,000

8 Sec. 7. AT-RISK CHILDREN PROGRAMS. Notwithstanding the
9 standing appropriation in section 279.51, subsection 1, the
10 amount appropriated from the general fund of the state under
11 section 279.51, subsection 1, to the department of education
12 for the fiscal year beginning July 1, 2003, and ending June
13 30, 2004, is reduced by the following amount:

14 \$ 1,000,000

15 The amount of the reduction in this section shall be
16 prorated among the programs specified in section 279.51,
17 subsection 1, paragraphs "a", "b", and "c".

18 Sec. 8. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
19 Notwithstanding section 312.2, subsection 14, the amount
20 appropriated from the general fund of the state under section
21 312.2, subsection 14, to the state department of
22 transportation for public transit assistance under chapter
23 324A for the fiscal year beginning July 1, 2003, and ending
24 June 30, 2004, is reduced by the following amount:

25 \$ 1,298,675

26 Sec. 9. Section 294A.25, subsection 1, Code 2003, is
27 amended to read as follows:

28 1. For the fiscal year beginning July 1, ~~2000~~ 2003, and
29 for each succeeding year, there is appropriated from the
30 general fund of the state to the department of education the
31 amount of ~~eighty~~ fifty-six million eight hundred ninety-one
32 thousand three hundred thirty-six dollars to be used to
33 improve teacher salaries. The moneys shall be distributed as
34 provided in this section.

35 Sec. 10. EFFECTIVE DATE. The sections of this division of

1 this Act relating to the appropriations made to the rebuild
2 Iowa infrastructure fund and environment first fund for the
3 fiscal year beginning July 1, 2002, being deemed of immediate
4 importance, take effect upon enactment.

5 DIVISION III
6 STANDING APPROPRIATIONS -- LIMITATIONS

7 Sec. 11. Notwithstanding the standing appropriations in
8 the following designated sections for the fiscal year
9 beginning July 1, 2003, and ending June 30, 2004, the amounts
10 appropriated from the general fund of the state pursuant to
11 those sections for the following designated purposes shall not
12 exceed the following amounts:

13 1. For compensation of officers and enlisted persons and
14 their expenses while on state active duty as authorized in
15 section 29A.27:

16 \$ 432,450

17 2. For payment for nonpublic school transportation under
18 section 285.2:

19 \$ 7,799,550

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

24 3. For printing cigarette tax stamps under section 453A.7:

25 \$ 110,055

26 4. For the state's share of the cost of the peace
27 officers' retirement benefits under section 411.20:

28 \$ 2,816,189

29 5. For payment of livestock production credit refunds
30 under section 422.121:

31 \$ 1,815,735

32 6. For reimbursement for the homestead property tax credit
33 under section 425.1:

34 \$105,585,004

35 7. For reimbursement for the agricultural land and family

1 farm tax credits under section 426.1:
2 \$ 35,497,624
3 8. For reimbursement for the military service tax credit
4 under section 426A.1A:
5 \$ 2,569,712
6 9. For administration expenses of the state unemployment
7 compensation law under chapter 96:
8 \$ 450,000
9 10. For payment of certain interest costs due the federal
10 government under the federal Cash Management and Improvement
11 Act under section 421.31:
12 \$ 550,000
13 11. For funding the state's deferred compensation program
14 established for state employees under section 509A.12:
15 \$ 56,501
16 Sec. 12. ELDERLY AND DISABLED CREDIT. Notwithstanding the
17 standing appropriation in section 425.39, the amount
18 appropriated from the general fund of the state under section
19 425.39, for the fiscal year beginning July 1, 2003, and ending
20 June 30, 2004, for purposes of implementing the elderly and
21 disabled credit and reimbursement portion of the extraordinary
22 property tax and reimbursement division of chapter 425, shall
23 not exceed \$16,651,800. The director shall pay, in full, all
24 claims to be paid during the fiscal year beginning July 1,
25 2003, for reimbursement of rent constituting property taxes
26 paid. If the amount of claims for credit for property taxes
27 due to be paid during the fiscal year beginning July 1, 2003,
28 exceeds the amount remaining after payment to renters, the
29 director of revenue and finance shall prorate the payments to
30 the counties for the property tax credit. In order for the
31 director to carry out the requirements of this section,
32 notwithstanding any provision to the contrary in sections
33 425.16 through 425.39, claims for reimbursement for rent
34 constituting property taxes paid filed before May 1, 2004,
35 shall be eligible to be paid in full during the fiscal year

1 ending June 30, 2004, and those claims filed on or after May
2 1, 2004, shall be eligible to be paid during the fiscal year
3 beginning July 1, 2004, and the director is not required to
4 make payments to counties for the property tax credit before
5 June 15, 2004.

6 Sec. 13. REDUCTION IN CREDITS NOT APPLICABLE. The
7 provision in section 25B.7 relating to the proration of the
8 property tax credits does not apply with respect to the amount
9 of state reimbursement for property tax credits under this
10 division.

11 DIVISION IV

12 REVENUE ADJUSTMENTS -- APPROPRIATIONS

13 Sec. 14. IOWA ECONOMIC EMERGENCY AND RESERVE FUNDS --
14 EARNINGS. Notwithstanding section 8.55, subsection 4, and
15 section 8.56, subsection 1, for the fiscal year beginning July
16 1, 2003, and ending June 30, 2004, the interest and earnings
17 on moneys deposited in the Iowa economic emergency fund and
18 the cash reserve fund shall be credited to the general fund of
19 the state.

20 Sec. 15. USE OF REVERSIONS. Notwithstanding section 8.62,
21 if on June 30, 2004, a balance of an operational
22 appropriation, as defined in section 8.62, except for the
23 balances of charter agencies, as defined in section 7J.1, if
24 enacted by 2003 Iowa Acts, Senate File 453, remains unexpended
25 or unencumbered, the balance shall revert to the general fund
26 of the state as provided in section 8.33.

27 Sec. 16. KEEP IOWA BEAUTIFUL FUND. For the fiscal years
28 beginning July 1, 2002, and July 1, 2003, moneys credited to
29 the keep Iowa beautiful fund in accordance with section
30 422.12A are appropriated to the state department of
31 transportation to be used for the purposes provided in section
32 314.28.

33 Sec. 17. ENDOWMENT FOR IOWA'S HEALTH. For the fiscal year
34 beginning July 1, 2003, and ending June 30, 2004, of the
35 \$70,000,000 to be deposited in the endowment for Iowa's health

1 account of the tobacco settlement trust fund under 2001 Iowa
2 Acts, chapter 174, section 1, subsection 1, the following
3 amount shall instead be deposited in the general fund of the
4 state:

5 \$ 20,000,000

6 Sec. 18. JUNIOR OLYMPICS. There is appropriated from the
7 general fund of the state to the department of economic
8 development for the fiscal year beginning July 1, 2003, and
9 ending June 30, 2004, the following amount, or so much thereof
10 as is necessary, to be used for the purpose designated:

11 For providing assistance to a city or nonprofit
12 organization hosting the national junior olympics:

13 \$ 50,000

14 Sec. 19. REBUILD IOWA INFRASTRUCTURE FUND.

15 Notwithstanding section 8.57, subsection 5, there is
16 appropriated from the rebuild Iowa infrastructure fund
17 created in section 8.57, subsection 5, to the general
18 fund of the state during the fiscal year beginning
19 July 1, 2003, and ending June 30, 2004, the following
20 amount:

21 \$ 10,000,000

22 Sec. 20. IOWA LAW ENFORCEMENT ACADEMY. 2003 Iowa Acts,
23 Senate File 439, section 10, subsection 1, unnumbered
24 paragraph 2, if enacted, is amended to read as follows:

25 For salaries, support, maintenance, miscellaneous purposes,
26 including jailer training and technical assistance, and for
27 not more than the following full-time equivalent positions:

28 \$ 1,700,629

29 1,047,629

30 FTEs 30.05

31 Sec. 21. MILITARY PAY DIFFERENTIAL. There is appropriated
32 from the cash reserve fund to the department of revenue and
33 finance or its successor agency for the period beginning March
34 19, 2003, and ending June 30, 2003, the following amount, or
35 so much thereof as is necessary, for the purposes designated:

1 For a military pay differential program and health
2 insurance retention program for individuals activated for the
3 armed services of the United States, for employees on the
4 central payroll system:

5 \$ 1,810,000

6 Of the funds appropriated in this section, up to \$10,000 is
7 transferred to the Iowa department of public health for
8 allocation to community mental health centers to provide
9 counseling services to persons who are members of the national
10 guard and reservists activated but as yet not sent to combat
11 zones and to the persons' family members. The sessions shall
12 be provided on a first come, first served basis and shall be
13 limited to three visits per family.

14 The department or agency receiving funds under this section
15 shall report monthly to the fiscal committee of the
16 legislative council on the use of the funds.

17 Notwithstanding section 8.33, unencumbered or unobligated
18 funds remaining on June 30, 2003, from the appropriation made
19 in this section shall not revert but shall remain available to
20 be used for the purposes designated in the following fiscal
21 year.

22 Sec. 22. ASSISTED LIVING PROGRAMS. Notwithstanding
23 section 231C.6, any fees remaining on June 30, 2003, in the
24 assisted living program fund created pursuant to section
25 231C.6 are appropriated to the department of inspections and
26 appeals for the fiscal year beginning July 1, 2003, and ending
27 June 30, 2004, to carry out the purposes of chapter 231C.

28 Sec. 23. COUNTY HOSPITALS. There is appropriated from the
29 general fund of the state to the department of human services
30 for the fiscal year beginning July 1, 2003, and ending June
31 30, 2004, the following amount, or so much thereof as is
32 necessary, for the purpose designated:

33 For support of operational expenses of county hospitals in
34 counties having a population of two hundred twenty-five
35 thousand or more:

1 \$ 312,000

2 Sec. 24. WORKFORCE DEVELOPMENT. There is appropriated
3 from the general fund of the state to the Iowa department of
4 workforce development for the fiscal year beginning July 1,
5 2003, and ending June 30, 2004, the following amount, or so
6 much thereof as is necessary, for the purpose designated:

7 For salaries and support and for the following full-time
8 equivalent positions.

9 \$ 250,000

10 FTEs 5.00

11 The appropriation in this section shall be used for four
12 OSHA inspectors and one workers' compensation compliance
13 officer. The appropriation in this section is contingent upon
14 the enactment of 2003 Iowa Acts, Senate File 344, by the
15 Eightieth General Assembly, 2003 Regular Session.

16 Sec. 25. UNEMPLOYMENT TRUST FUND. There is appropriated
17 from moneys transferred to the state on March 13, 2002,
18 pursuant to section 903(d) of the federal Social Security Act,
19 as amended, to the department of workforce development, the
20 following amount, to be deposited, under the direction of the
21 department of workforce development, in the unemployment
22 compensation fund for the payment of unemployment benefits and
23 for the establishment of the unemployment compensation reserve
24 fund:

25 \$ 40,000,000

26 Sec. 26. UNEMPLOYMENT TAX AND CLAIM SYSTEM. There is
27 appropriated from moneys transferred to the state on March 13,
28 2002, pursuant to section 903(d) of the federal Social
29 Security Act, as amended, to the department of workforce
30 development, the following amount for purposes of automation
31 and technology for the unemployment tax and claim system:

32 \$ 20,000,000

33 Sec. 27. ENHANCED SERVICES TO CLAIMANTS. There is
34 appropriated from moneys transferred to the state on March 13,
35 2002, pursuant to section 903(d) of the federal Social

1 Security Act, as amended, to the department of workforce
2 development the following amount for purposes of
3 infrastructure improvements and the administrative and
4 technology costs associated with enhanced services to
5 unemployment benefit claimants for workforce and labor
6 exchange services:

7 \$ 20,700,000

8 Sec. 28. FEDERAL FISCAL RELIEF FUNDING. If the
9 one hundred eighth United States Congress enacts an
10 economic stimulus package that includes the provision
11 of discretionary funding to the state to provide state
12 or local government fiscal relief, the funding shall
13 be deposited in the fund created by section 8.41.

14 Sec. 29. Section 8.55, subsection 2, paragraph c, Code
15 2003, is amended to read as follows:

16 c. Notwithstanding paragraph "a", any moneys in excess of
17 the maximum balance in the economic emergency fund after the
18 distribution of the surplus in the general fund of the state
19 at the conclusion of each fiscal year and after the
20 appropriate amount has been transferred pursuant to paragraph
21 "b", shall not be transferred to the general fund of the state
22 but shall be transferred to the senior living trust fund. The
23 total amount transferred, in the aggregate, under this
24 paragraph for all fiscal years shall not exceed fifty-one one
25 hundred eighteen million five-hundred-thousand dollars.

26 Sec. 30. Section 8.55, subsection 2, paragraph d, Code
27 2003, is amended to read as follows:

28 d. Notwithstanding paragraph "a", any moneys in excess of
29 the maximum balance in the economic emergency fund after the
30 distribution of the surplus in the general fund of the state
31 at the conclusion of each fiscal year and after the
32 appropriate amounts have been transferred pursuant to
33 paragraphs "b" and "c" shall not be transferred to the general
34 fund of the state but shall be transferred to the endowment
35 for Iowa's health account of the tobacco settlement trust

1 fund. The total amount transferred, in the aggregate, under
2 this paragraph for all fiscal years shall not exceed the
3 difference between sixty one hundred one million five seven
4 hundred fifty-one thousand dollars and the amounts transferred
5 to the endowment for Iowa's health account to repay the
6 amounts transferred or appropriated from the endowment for
7 Iowa's health account in 2002 Iowa Acts, chapter 1165, 2002
8 Iowa Acts, chapter 1166, 2002 Iowa Acts, chapter 1167, and
9 2002 Iowa Acts, Second Extraordinary Session, chapter 1003,
10 and 2003 Iowa Acts, House File 685.

11 Sec. 31. Section 8.57, subsection 1, paragraph a,
12 unnumbered paragraph 1, Code Supplement 2001, as enacted by
13 2002 Iowa Acts, Second Extraordinary Session, chapter 1001,
14 section 28, is amended to read as follows:

15 The "cash reserve goal percentage" for fiscal years
16 beginning on or after July 1, 2003 2004, is seven and one-half
17 percent of the adjusted revenue estimate. For each fiscal
18 year ~~beginning on or after July 1, 2003~~, in which the
19 appropriation of the surplus existing in the general fund of
20 the state at the conclusion of the prior fiscal year pursuant
21 to paragraph "b" was not sufficient for the cash reserve fund
22 to reach the cash reserve goal percentage for the current
23 fiscal year, there is appropriated from the general fund of
24 the state an amount to be determined as follows:

25 Sec. 32. Section 96.9, Code 2003, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION RESERVE
28 FUND.

29 a. A special fund to be known as the unemployment
30 compensation reserve fund is created in the state treasury.
31 The reserve fund is separate and distinct from the
32 unemployment compensation fund. All moneys collected as
33 reserve contributions, as defined in paragraph "b", shall be
34 deposited in the reserve fund. The moneys in the reserve fund
35 may be used for the payment of unemployment benefits and shall

1 remain available for expenditure in accordance with the
2 provisions of this subsection. The treasurer of state shall
3 be the custodian of the reserve fund and shall disburse the
4 moneys in the reserve fund in accordance with this subsection
5 and the directions of the director of the department of
6 workforce development.

7 b. If the balance in the reserve fund on July 1 of the
8 preceding calendar year for calendar year 2004 and each year
9 thereafter is less than one hundred fifty million dollars, a
10 percentage of contributions, as determined by the director,
11 shall be deemed to be reserve contributions for the following
12 calendar year. If the percentage of contributions, termed the
13 reserve contribution tax rate, is not zero percent as
14 determined pursuant to this subsection, the combined tax rate
15 of contributions to the unemployment compensation fund and to
16 the unemployment compensation reserve fund shall be divided so
17 that a minimum of fifty percent of the combined tax rate
18 equals the unemployment contribution tax rate and a maximum of
19 fifty percent of the combined tax rate equals the reserve
20 contribution tax rate except for employers who are assigned a
21 combined tax rate of five and four-tenths. For those
22 employers, the reserve contribution tax rate shall equal zero
23 and their combined tax rate shall equal their unemployment
24 contribution rate. When the reserve contribution tax rate is
25 determined to be zero percent, the unemployment contribution
26 rate for all employers shall equal one hundred percent of the
27 combined tax rate. The reserve contributions collected in any
28 calendar year shall not exceed fifty million dollars. The
29 provisions for collection of contributions under section 96.14
30 are applicable to the collection of reserve contributions.
31 Reserve contributions shall not be deducted in whole or in
32 part by any employer from the wages of individuals in its
33 employ. All moneys collected as reserve contributions shall
34 not become part of the unemployment compensation fund but
35 shall be deposited in the reserve fund created in this

1 subsection.

2 c. Moneys in the reserve fund shall only be used to pay
3 unemployment benefits to the extent moneys in the unemployment
4 compensation fund are insufficient to pay benefits during a
5 calendar quarter.

6 d. The interest earned on the moneys in the reserve fund
7 shall be deposited in and credited to the reserve fund.

8 e. Moneys from interest earned on the unemployment
9 compensation reserve fund shall be used by the department only
10 upon appropriation by the general assembly and only for
11 purposes contained in section 96.7, subsection 12, for
12 department of workforce development rural satellite offices,
13 and for administrative costs to collect the reserve
14 contributions.

15 Sec. 33. Section 256D.4, subsection 2, unnumbered
16 paragraph 1, Code 2003, is amended to read as follows:

17 ~~For each fiscal year in the fiscal period beginning July 1,~~
18 ~~2001, and ending June 30, 2003, moneys~~ Moneys appropriated
19 pursuant to section 256D.5, subsection 3, shall be allocated
20 to school districts as follows:

21 Sec. 34. Section 256D.5, subsection 3, Code 2003, is
22 amended to read as follows:

23 3. For each fiscal year of the fiscal period beginning
24 July 1, 2001, and ending June 30, ~~2003~~ 2004, the sum of thirty
25 million dollars.

26 Sec. 35. Section 260G.4B, subsection 1, Code 2003, is
27 amended to read as follows:

28 1. The total amount of program job credits from all
29 employers which shall be allocated for all accelerated career
30 education programs in the state in any one fiscal year shall
31 not exceed the sum of three million dollars in the fiscal year
32 beginning July 1, 2000, three million dollars in the fiscal
33 year beginning July 1, 2001, three million dollars in the
34 fiscal year beginning July 1, 2002, four million dollars in
35 the fiscal year beginning July 1, 2003, and six million

1 dollars in the fiscal year beginning July 1, 2003 2004, and
2 every fiscal year thereafter. Any increase in program job
3 credits above the six-million-dollar limitation per fiscal
4 year shall be developed, based on recommendations in a study
5 which shall be conducted by the department of economic
6 development of the needs and performance of approved programs
7 in the fiscal years beginning July 1, 2000, and July 1, 2001.
8 The study's findings and recommendations shall be submitted to
9 the general assembly by the department by December 31, 2002.
10 The study shall include but not be limited to an examination
11 of the quality of the programs, the number of program
12 participant placements, the wages and benefits in program
13 jobs, the level of employer contributions, the size of
14 participating employers, and employer locations. A community
15 college shall file a copy of each agreement with the
16 department of economic development. The department shall
17 maintain an annual record of the proposed program job credits
18 under each agreement for each fiscal year. Upon receiving a
19 copy of an agreement, the department shall allocate any
20 available amount of program job credits to the community
21 college according to the agreement sufficient for the fiscal
22 year and for the term of the agreement. When the total
23 available program job credits are allocated for a fiscal year,
24 the department shall notify all community colleges that the
25 maximum amount has been allocated and that further program job
26 credits will not be available for the remainder of the fiscal
27 year. Once program job credits have been allocated to a
28 community college, the full allocation shall be received by
29 the community college throughout the fiscal year and for the
30 term of the agreement even if the statewide program job credit
31 maximum amount is subsequently allocated and used.

32 Sec. 36. Section 294A.25, subsection 10, Code 2003, is
33 amended to read as follows:

34 10. For the each fiscal year beginning July 1, 2001, and
35 ending June 30, 2002, to the department of education from

1 ~~phase-III-moneys~~ the amount of forty-seven thousand dollars
2 for the Iowa mathematics and science coalition.

3 Sec. 37. Section 427B.19A, subsection 1, as amended by
4 2003 Iowa Acts, Senate File 453, if enacted, is amended to
5 read as follows:

6 1. The industrial machinery, equipment and computers
7 property tax replacement fund is created. For the fiscal year
8 beginning July 1, 1996, through the fiscal year ending June
9 30, 2004, there is appropriated annually from the general fund
10 of the state to the department of revenue and finance to be
11 credited to the industrial machinery, equipment and computers
12 property tax replacement fund, an amount sufficient to
13 implement this division. However, for the fiscal year
14 beginning July 1, 2003, the amount appropriated to the
15 department of revenue and finance to be credited to the
16 industrial machinery, equipment and computers tax replacement
17 fund is ~~ten~~ eleven million two hundred eighty-one thousand six
18 hundred eight-five dollars.

19 Sec. 38. 2001 Iowa Acts, chapter 174, section 1,
20 subsection 2, as amended by 2002 Iowa Acts, chapter 1174,
21 section 8, is amended to read as follows:

22 2. There is appropriated from the general fund of the
23 state to the endowment for Iowa's health account of the
24 tobacco settlement trust fund created in section 12E.12, for
25 the designated fiscal years, the following amounts, to be used
26 for the purposes specified in section 12E.12 for the endowment
27 for Iowa's health account:

28	FY 2001-2002	\$	7,248,000
29	FY 2003-2004	\$	28,251,700
30			<u>0</u>
31	FY 2004-2005	\$	29,785,000
32	FY 2005-2006	\$	29,562,000
33	FY 2006-2007	\$	17,773,000

34 Sec. 39. 2002 Iowa Acts, chapter 1173, section 18, is
35 amended to read as follows:

1 SEC. 18. POOLED TECHNOLOGY FUNDING -- PRIOR ALLOCATIONS --
2 NONREVERSION. Notwithstanding section 8.33, moneys
3 appropriated and allocated in 2001 Iowa Acts, chapter 189,
4 section 5, subsection 1, which remain unobligated or
5 unexpended at the close of the fiscal year for which they were
6 appropriated shall not revert, but shall remain available for
7 expenditure for the purposes for which they were appropriated
8 and allocated, for the fiscal year period beginning July 1,
9 2002, and ending June 30, 2003 2004.

10 Sec. 40. 2002 Iowa Acts, Second Extraordinary Session,
11 chapter 1001, section 33, is amended to read as follows:

12 SEC. 33. EFFECTIVE DATE -- APPLICABILITY. The amendments
13 to the following designated Code provisions in this division
14 of this Act take effect July 1, 2003 2004:

15 1. Section 8.55, subsection 2, paragraph "a".

16 2. Section 8.56, subsection 4, paragraph "b".

17 3. Section 8.57, subsection 1, paragraph "a".

18 Sec. 41. FRANCHISE TAX REVENUE ALLOCATION. There is
19 appropriated from the franchise tax revenues deposited in the
20 general fund of the state to the department of revenue and
21 finance for the fiscal year beginning July 1, 2003, and ending
22 June 30, 2004, \$8,800,000 to be allocated as follows:

23 1. Sixty percent to the general fund of the city from
24 which the tax is collected.

25 2. Forty percent to the county from which the tax is
26 collected.

27 If the financial institution maintains one or more offices
28 for the transaction of business, other than its principal
29 office, a portion of its franchise tax shall be allocated to
30 each office, based upon a reasonable measure of the business
31 activity of each office. The director of revenue and finance
32 shall prescribe, for each type of financial institution, a
33 method of measuring the business activity of each office.
34 Financial institutions shall furnish all necessary information
35 for this purpose at the request of the director. The

1 allocation shall be distributed quarterly.

2 Sec. 42. 2003 Iowa Acts, Senate File 453, section 28, if
3 enacted, is repealed.

4 RACING AND GAMING COMMISSION

5 Sec. 43. 2002 Iowa Acts, Second Extraordinary Session,
6 chapter 1003, section 9, subsection 1, is amended to read as
7 follows:

8 1. RACETRACK REGULATION

9 There is appropriated from the general fund of the state to
10 the racing and gaming commission of the department of
11 inspections and appeals for the fiscal year beginning July 1,
12 2002, and ending June 30, 2003, the following amount, or so
13 much thereof as is necessary, to be used for the purposes
14 designated:

15 For salaries, support, maintenance, and miscellaneous
16 purposes for the regulation of pari-mutuel racetracks, and for
17 not more than the following full-time equivalent positions:
18 \$ 2,083,762
19 2,163,762
20 FTEs 24.78

21 Of the funds appropriated in this subsection, \$85,576 shall
22 be used to conduct an extended harness racing season.

23 Sec. 44. 2003 Iowa Acts, House File 655, section 24, if
24 enacted, is amended to read as follows:

25 SEC. 24. READY TO WORK PROGRAM COORDINATOR. There is
26 appropriated from the-surplus-funds-in-the-long-term
27 disability-reserve-fund-and the workers' compensation trust
28 fund to the department of personnel for the fiscal year
29 beginning July 1, 2003, and ending June 30, 2004, the
30 following amount, or so much thereof as is necessary, to be
31 used for the purposes designated:

32 For the salary, support, and miscellaneous expenses for the
33 ready to work program and coordinator:
34 \$ 89,416

35 The-moneys-appropriated-pursuant-to-this-section-shall-be

1 ~~taken-in-equal-proportions-from-the-long-term-disability~~
2 ~~reserve-fund-and-the-workers'-compensation-trust-fund-~~

3 Sec. 45. 2003 Iowa Acts, House File 655, section 34, if
4 enacted, is amended to read as follows:

5 SEC. 34. READY TO WORK PROGRAM COORDINATOR. There is
6 appropriated from the-surplus-funds-in-the-long-term
7 disability-reserve-fund-and the workers' compensation trust
8 fund to the department of administrative services for the
9 fiscal year beginning July 1, 2003, and ending June 30, 2004,
10 the following amount, or so much thereof as is necessary, to
11 be used for the purposes designated:

12 For the salary, support, and miscellaneous expenses for the
13 ready to work program and coordinator:

14 \$ 89,416

15 ~~The-moneys-appropriated-pursuant-to-this-section-shall-be~~
16 ~~taken-in-equal-proportions-from-the-long-term-disability~~
17 ~~reserve-fund-and-the-workers'-compensation-trust-fund-~~

18 Sec. 46. CONTINGENT CASH RESERVE APPROPRIATION.

19 1. There is appropriated from the cash reserve fund to the
20 general fund of the state for the fiscal year beginning July
21 1, 2002, and ending June 30, 2003, for the purposes of
22 reducing or preventing any overdraft on or deficit in the
23 general fund of the state, an amount not to exceed
24 \$50,000,000.

25 2. The appropriation made in subsection 1 is contingent
26 upon all of the following having occurred:

27 a. The revenue estimating conference estimate of general
28 fund receipts made during the last quarter of the fiscal year
29 was or the actual fiscal year receipts and accruals were at
30 least one-half of one percent less than the comparable
31 estimate made during the third quarter of the fiscal year.

32 b. The governor has implemented the uniform reductions in
33 appropriations required in section 8.31 as a result of
34 paraqraph "a" and such reduction was insufficient to prevent
35 an overdraft on or deficit in the general fund of the state or

1 the governor did not implement uniform reductions in
2 appropriations because of the lateness of the estimated or
3 actual receipts and accruals under paragraph "a".

4 c. The balance of the general fund of the state at the end
5 of the fiscal year prior to the appropriation made in
6 subsection 1 was negative.

7 d. The governor has issued an official proclamation and
8 has notified the cochairpersons of the fiscal committee of the
9 legislative council and the legislative services agency that
10 the contingencies in paragraphs "a" through "c" have occurred
11 and the reasons why the uniform reductions specified in
12 paragraph "b" were insufficient or were not implemented to
13 prevent an overdraft on or deficit in the general fund of the
14 state.

15 3. If an appropriation is made pursuant to subsection 1
16 for a fiscal year, there is appropriated from the general fund
17 of the state to the cash reserve fund for the following fiscal
18 year, the amount of the appropriation made pursuant to
19 subsection 1.

20 Sec. 47. EFFECTIVE DATE. The following provisions of this
21 division of this Act, being deemed of immediate importance,
22 take effect upon enactment:

23 1. The section appropriating moneys from the keep Iowa
24 beautiful fund.

25 2. The section amending 2002 Iowa Acts, chapter 1173,
26 section 18, relating to the nonreversion of pooled technology
27 funding.

28 3. The section appropriating moneys from the cash reserve
29 fund for the military pay differential program. This section
30 applies retroactively to March 19, 2003.

31 4. The section appropriating moneys from the assisted
32 living program fund.

33 5. The section making the contingent appropriation from
34 the cash reserve fund.

35 6. The section amending 2002 Iowa Acts, Second

1 Extraordinary Session, chapter 1003, section 9, relating to
2 racetrack regulation.

3 7. The amendment to section 96.9.

4 DIVISION V

5 COMPENSATION AND BENEFITS

6 Sec. 48. COLLECTIVE BARGAINING AGREEMENTS FUNDED --
7 GENERAL FUND. There is appropriated from the general fund of
8 the state to the salary adjustment fund for distribution by
9 the department of management to the various state departments,
10 boards, commissions, councils, and agencies, and to the state
11 board of regents for those persons employed at the state
12 school for the deaf and the Iowa braille and sight saving
13 school, for the fiscal year beginning July 1, 2003, and ending
14 June 30, 2004, the amount of \$28,000,000, or so much thereof
15 as may be necessary, to fully fund annual pay adjustments,
16 expense reimbursements, and related benefits implemented
17 pursuant to the following:

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

21 2. The collective bargaining agreement negotiated pursuant
22 to chapter 20 for employees in the public safety bargaining
23 unit.

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

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

28 5. The collective bargaining agreement negotiated pursuant
29 to chapter 20 for employees in the professional fiscal and
30 staff bargaining unit.

31 6. The collective bargaining agreement negotiated pursuant
32 to chapter 20 for employees in the clerical bargaining unit.

33 7. The collective bargaining agreement negotiated pursuant
34 to chapter 20 for employees in the professional social
35 services bargaining unit.

1 8. The collective bargaining agreement negotiated pursuant
2 to chapter 20 for employees in the community-based corrections
3 bargaining unit.

4 9. The collective bargaining agreements negotiated
5 pursuant to chapter 20 for employees in the judicial branch of
6 government bargaining units.

7 10. The collective bargaining agreement negotiated
8 pursuant to chapter 20 for employees in the patient care
9 bargaining unit.

10 11. The collective bargaining agreement negotiated
11 pursuant to chapter 20 for employees in the science bargaining
12 unit.

13 12. The annual pay adjustments, related benefits, and
14 expense reimbursements referred to in the sections of this
15 division of this Act for employees not covered by a collective
16 bargaining agreement.

17 Of the amount appropriated in this section, \$2,668,000
18 shall be allocated to the judicial branch for the purpose of
19 funding annual pay adjustments, expense reimbursements, and
20 related benefits implemented for judicial branch employees.
21 In distributing the remainder of the amount appropriated in
22 this section, the department of management, in order to
23 address essential public protection functions and recognizing
24 the availability of funds appropriated in other Acts of the
25 general assembly and other sources, shall give priority, in
26 descending order, to the department of corrections, department
27 of human services, and department of public safety, and then
28 to the remaining state departments, boards, commissions,
29 councils, and agencies to which the appropriation is
30 applicable.

31 Sec. 49. NONCONTRACT STATE EMPLOYEES -- GENERAL.

32 1. a. For the fiscal year beginning July 1, 2003, the
33 maximum salary levels of all pay plans provided for in section
34 19A.9, subsection 2, as they exist for the fiscal year ending
35 June 30, 2003, shall be increased by 2 percent for the pay

1 period beginning June 20, 2003, and any additional changes in
2 the pay plans shall be approved by the governor.

3 b. For the fiscal year beginning July 1, 2003, employees
4 may receive a step increase or the equivalent of a step
5 increase.

6 2. The pay plans for state employees who are exempt from
7 chapter 19A and who are included in the department of revenue
8 and finance's centralized payroll system shall be increased in
9 the same manner as provided in subsection 1, and any
10 additional changes in any executive branch pay plans shall be
11 approved by the governor. However, commencing July 1, 2003,
12 the consumer advocate shall receive an annual salary in the
13 same salary range as the chairperson and members of the
14 utilities board.

15 3. This section does not apply to members of the general
16 assembly, board members, commission members, salaries of
17 persons set by the general assembly in statute, salaries of
18 appointed state officers set by the governor, other persons
19 designated, employees designated under section 19A.3,
20 subsection 5, and employees covered by 581 IAC 4.6(3).

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

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

30 Sec. 50. STATE EMPLOYEES -- STATE BOARD OF REGENTS.

31 1. Funds from the appropriation made in this division of
32 this Act from the general fund of the state to the salary
33 adjustment fund shall be allocated by the department of
34 management to the state board of regents for the purposes of
35 providing increases for state board of regents employees at

1 the state school for the deaf and the Iowa braille and sight
2 saving school who are addressed by that appropriation and
3 employees of the schools who are not covered by a collective
4 bargaining agreement.

5 2. The state board of regents office and the state
6 university of Iowa, Iowa state university of science and
7 technology, and the university of northern Iowa shall provide
8 from available sources pay adjustments, expense
9 reimbursements, and related benefits to fully fund the
10 following:

11 a. The collective bargaining agreement negotiated pursuant
12 to chapter 20 for employees in the university of northern Iowa
13 faculty bargaining unit.

14 b. The collective bargaining agreement negotiated pursuant
15 to chapter 20 for employees in the patient care bargaining
16 unit.

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

19 d. The collective bargaining agreement negotiated pursuant
20 to chapter 20 for employees in the state university of Iowa
21 graduate student bargaining unit.

22 e. The collective bargaining agreement negotiated pursuant
23 to chapter 20 for employees in the state university of Iowa
24 hospital and clinics tertiary health care bargaining unit.

25 f. The collective bargaining agreement negotiated pursuant
26 to chapter 20 for employees in the blue collar bargaining
27 unit.

28 g. The collective bargaining agreement negotiated pursuant
29 to chapter 20 for employees in the public safety bargaining
30 unit.

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

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

35 j. The collective bargaining agreement negotiated pursuant

1 to chapter 20 for employees in the professional fiscal and
2 staff bargaining unit.

3 k. The collective bargaining agreement negotiated pursuant
4 to chapter 20 for employees in the clerical bargaining unit.

5 l. The annual pay adjustments, related benefits, and
6 expense reimbursements referred to in the sections of this
7 division of this Act for employees not covered by a collective
8 bargaining agreement.

9 Sec. 51. APPROPRIATIONS FROM ROAD FUNDS.

10 1. There is appropriated from the road use tax fund to the
11 salary adjustment fund for the fiscal year beginning July 1,
12 2003, and ending June 30, 2004, the following amount, or so
13 much thereof as may be necessary, to be used for the purpose
14 designated:

15 To supplement other funds appropriated by the general
16 assembly:

17 \$ 3,000,000

18 2. There is appropriated from the primary road fund to the
19 salary adjustment fund, for the fiscal year beginning July 1,
20 2003, and ending June 30, 2004, the following amount, or so
21 much thereof as may be necessary, to be used for the purpose
22 designated:

23 To supplement other funds appropriated by the general
24 assembly:

25 \$ 12,000,000

26 3. Except as otherwise provided in this division of this
27 Act, the amounts appropriated in subsections 1 and 2 shall be
28 used to fund the annual pay adjustments, expense
29 reimbursements, and related benefits for public employees as
30 provided in this division of this Act.

31 Sec. 52. SPECIAL FUNDS -- AUTHORIZATION. To departmental
32 revolving, trust, or special funds, except for the primary
33 road fund or the road use tax fund, for which the general
34 assembly has established an operating budget, a supplemental
35 expenditure authorization is provided, unless otherwise

1 provided, in an amount necessary to fund salary adjustments as
2 otherwise provided in this division of this Act.

3 Sec. 53. GENERAL FUND SALARY MONEYS. Funds appropriated
4 from the general fund of the state in this division of this
5 Act relate only to salaries supported from general fund
6 appropriations of the state except for employees of the state
7 board of regents at the state school for the deaf and the Iowa
8 braille and sight saving school. The funds appropriated from
9 the general fund of the state for employees at the state
10 school for the deaf and the Iowa braille and sight saving
11 school of the state board of regents shall exclude general
12 university indirect costs and general university federal
13 funds.

14 Sec. 54. FEDERAL FUNDS APPROPRIATED. All federal grants
15 to and the federal receipts of the agencies affected by this
16 division of this Act which are received and may be expended
17 for purposes of this division of this Act are appropriated for
18 those purposes and as set forth in the federal grants or
19 receipts.

20 Sec. 55. STATE TROOPER MEAL ALLOWANCE. The sworn peace
21 officers in the department of public safety who are not
22 covered by a collective bargaining agreement negotiated
23 pursuant to chapter 20 shall receive the same per diem meal
24 allowance as the sworn peace officers in the department of
25 public safety who are covered by a collective bargaining
26 agreement negotiated pursuant to chapter 20.

27 Sec. 56. SALARY MODEL COORDINATOR. Of the funds
28 appropriated in this division of this Act from the general
29 fund of the state, \$126,767 for the fiscal year beginning July
30 1, 2003, is allocated to the department of management for
31 salary and support of the salary model coordinator who shall
32 work in conjunction with the legislative fiscal bureau to
33 maintain the state's salary model used for analyzing,
34 comparing, and projecting state employee salary and benefit
35 information, including information relating to employees of

1 the state board of regents. The department of revenue and
2 finance, the department of personnel, the five institutions
3 under the jurisdiction of the state board of regents, the
4 eight judicial district departments of correctional services,
5 and the state department of transportation shall provide
6 salary data to the department of management and the
7 legislative fiscal bureau to operate the state's salary model.
8 The format and frequency of provision of the salary data shall
9 be determined by the department of management and the
10 legislative fiscal bureau. The information shall be used in
11 collective bargaining processes under chapter 20 and in
12 calculating the funding needs contained within the annual
13 salary adjustment legislation. A state employee organization
14 as defined in section 20.3, subsection 4, may request
15 information produced by the model, but the information
16 provided shall not contain information attributable to
17 individual employees.

18 DIVISION VI

19 CORRECTIVE PROVISIONS

20 Sec. 57. Section 8A.202, subsection 2, paragraph e, if
21 enacted by 2003 Iowa Acts, House File 534, is amended by
22 striking the paragraph and inserting in lieu thereof the
23 following:

24 e. Developing and maintaining an electronic repository for
25 public access to reference copies of agency mandated reports,
26 newsletters, and publications in conformity with section
27 304B.10, subsection 1, paragraph "h". The department shall
28 develop technical standards for an electronic repository in
29 consultation with the state librarian and the state archivist.

30 Sec. 58. 2003 Iowa Acts, House File 289, section 1, is
31 amended by striking the section and inserting in lieu thereof
32 the following:

33 SECTION 1. Section 12C.1, subsection 2, paragraph e, Code
34 2003, as amended by 2003 Iowa Acts, Senate File 395, is
35 amended by adding the following new subparagraph:

1 NEW SUBPARAGRAPH. (6) Moneys placed in a depository for
2 the purpose of completing an electronic financial transaction
3 pursuant to section 8A.222 or 331.427.

4 Sec. 59. Section 99E.9, subsection 2, Code 2003, as
5 amended by 2003 Iowa Acts, House File 171, section 31, is
6 amended to read as follows:

7 2. Subject to the approval of the board, the commissioner
8 may enter into contracts for the operation and marketing of
9 the lottery, except that the board may by rule designate
10 classes of contracts other than major procurements which do
11 not require prior approval by the board. A major procurement
12 shall be as the result of competitive bidding with the
13 contract being awarded to the responsible vendor submitting
14 the lowest and best proposal. However, before a contract for
15 a major procurement is awarded, the division of criminal
16 investigation of the department of public safety shall conduct
17 a thorough background investigation of the vendor to whom the
18 contract is to be awarded. The commissioner and board shall
19 consult with the division of criminal investigation and shall
20 provide, by rule, for the scope of the thorough background
21 investigations and due diligence with regard to the background
22 investigations to be conducted in connection with major
23 procurements. The vendor shall submit to the division of
24 criminal investigation appropriate investigation
25 authorizations to facilitate this investigation. The
26 background investigation by the division of criminal
27 investigation may include a national criminal history record
28 check through the federal bureau of investigation. The
29 screening of vendors or their employees through the federal
30 bureau of investigation shall be conducted by submission of
31 fingerprints through the state criminal history repository to
32 the federal bureau of investigation. As used in this
33 subsection, "major procurement" means consulting agreements
34 and the major procurement contract with a business
35 organization for the printing of tickets, or for purchase or

1 lease of equipment or services essential to the operation of a
2 lottery game.

3 Sec. 60. Section 99G.10, subsection 2, if enacted by 2003
4 Iowa Acts, Senate File 453, section 72, is amended to read as
5 follows:

6 2. Subject to the approval of the board, the chief
7 executive officer shall have the sole power to designate
8 particular employees as key personnel, but may take advice
9 from the department of personnel in making any such
10 designations. All key personnel shall be exempt from the
11 merit system described in chapter ~~19A~~ 8A, article 4. The
12 chief executive officer and the board shall have the sole
13 power to employ, classify, and fix the compensation of key
14 personnel. All other employees shall be employed, classified,
15 and compensated in accordance with ~~chapters-19A~~ chapter 8A,
16 article 4, and chapter 20.

17 Sec. 61. Section 99G.22, subsection 1, if enacted by 2003
18 Iowa Acts, Senate File 453, is amended to read as follows:

19 1. The authority shall investigate the financial
20 responsibility, security, and integrity of any lottery system
21 vendor who is a finalist in submitting a bid, proposal, or
22 offer as part of a major procurement contract. Before a major
23 procurement contract is awarded, the division of criminal
24 investigation of the department of public safety shall conduct
25 a background investigation of the vendor to whom the contract
26 is to be awarded. The chief executive officer and board shall
27 consult with the division of criminal investigation and shall
28 provide for the scope of the background investigation and due
29 diligence to be conducted in connection with major procurement
30 contracts. At the time of submitting a bid, proposal, or
31 offer to the authority on a major procurement contract, the
32 authority shall require that each vendor submit to the
33 division of criminal investigation appropriate investigation
34 authorization to facilitate this investigation, together with
35 an advance of funds to meet the anticipated investigation

1 costs. If the division of criminal investigation determines
2 that additional funds are required to complete an
3 investigation, the vendor will be so advised. The background
4 investigation by the division of criminal investigation may
5 include a national criminal history record check through the
6 federal bureau of investigation. The screening of vendors or
7 their employees through the federal bureau of investigation
8 shall be conducted by submission of fingerprints through the
9 state criminal history record repository to the federal bureau
10 of investigation.

11 Sec. 62. Section 99G.37, subsection 2, if enacted by 2003
12 Iowa Acts, Senate File 453, section 90, is amended to read as
13 follows:

14 2. In any bidding process, the authority may administer
15 its own bidding and procurement or may utilize the services of
16 the department of ~~general~~ administrative services, or its
17 successor, or other state agency.

18 Sec. 63. Section 99G.38, subsection 3, if enacted by 2003
19 Iowa Acts, Senate File 453, section 91, is amended to read as
20 follows:

21 3. The state of Iowa offset program, as provided in
22 section ~~421.17~~ 8A.504, shall be available to the authority to
23 facilitate receipt of funds owed to the authority.

24 Sec. 64. Section 135.150, subsection 3, as enacted by 2003
25 Iowa Acts, House File 396, section 1, is amended to read as
26 follows:

27 3. "Director" means the director ~~or the director's~~
28 designee of public health or the director's designee.

29 Sec. 65. Section 135.154, subsection 7, as enacted by 2003
30 Iowa Acts, House File 396, section 5, is amended to read as
31 follows:

32 7. Treat or order that individuals exposed to or infected
33 with disease receive treatment or prophylaxis. Treatment or
34 prophylaxis shall be administered by any qualified person
35 authorized to do so by the department. Treatment or

1 prophylaxis shall not be provided or ordered if the treatment
2 or prophylaxis is reasonably likely to lead to serious harm to
3 the affected individual. To prevent the spread of
4 communicable or potentially communicable disease, the
5 department may isolate or quarantine, pursuant to chapter 139A
6 and the rules implementing chapter 139A and this division of
7 this chapter, any individual who is unable or unwilling to
8 undergo treatment or prophylaxis pursuant to this section.

9 Sec. 66. Section 170.6, subsection 1, paragraph b, if
10 enacted by 2003 Iowa Acts, House File 624, is amended to read
11 as follows:

12 b. Failed to provide notice or access to the department of
13 natural resources and the department of agriculture and land
14 stewardship as required by section 170.5.

15 Sec. 67. Section 231.56A, if enacted by 2003 Iowa Acts,
16 Senate File 416, section 1, is amended to read as follows:

17 231.56A ELDER ABUSE INITIATIVE, EMERGENCY SHELTER, AND
18 SUPPORT SERVICES PROJECTS.

19 1. Through the state's service contract process adopted
20 pursuant to section 8.47, the department shall identify area
21 agencies on aging that have demonstrated the ability to
22 provide a collaborative response to the immediate needs of
23 elders in the area agency on aging service area for the
24 purpose of implementing elder abuse initiative, emergency
25 shelter, and support services projects. The projects shall be
26 implemented only in the counties within an area agency on
27 aging service area that have a multidisciplinary team
28 established pursuant to section 235B.1.

29 2. The target population of the projects shall be any
30 elder residing in the service area of an area agency on aging
31 who meets both of the following conditions:

32 a. Is the subject of a report of suspected dependent adult
33 abuse pursuant to chapter 235B.

34 b. Is not receiving assistance under a county management
35 plan approved pursuant to section 331.439.

1 3. The area agencies on aging implementing the projects
2 shall identify allowable emergency shelter and support
3 services, state funding, outcomes, reporting requirements, and
4 approved community resources from which services may be
5 obtained under the projects. The area agency on aging shall
6 identify at least one provider of case management services for
7 the project area.

8 4. The area agencies on aging shall implement the projects
9 and shall coordinate the provider network through the use of
10 referrals or other engagement of community resources to
11 provide services to elders.

12 5. The department shall award funds to the area agencies
13 on aging in accordance with the state's service contract
14 process. Receipt and expenditures of moneys under the
15 projects are subject to examination, including audit, by the
16 department.

17 6. This section shall not be construed and is not intended
18 as, and shall not imply, a grant of entitlement for services
19 to individuals who are not otherwise eligible for the services
20 or for utilization of services that do not currently exist or
21 are not otherwise available.

22 Sec. 68. Section 232.71B, subsection 7A, if enacted by
23 2003 Iowa Acts, House File 558, section 1, is amended to read
24 as follows:

25 7A. PROTECTIVE DISCLOSURE. If the department determines
26 that disclosure is necessary for the protection of a child,
27 the department may disclose to a subject of a child abuse
28 report referred to in section 235A.15, subsection 2, paragraph
29 "a", that an individual is listed in the child or dependent
30 adult abuse registry or is required to register with the sex
31 offender registry in accordance with chapter 692A.

32 Sec. 69. Section 235B.3, subsection 6A, if enacted by 2003
33 Iowa Acts, House File 558, section 2, is amended to read as
34 follows:

35 6A. If the department determines that disclosure is

1 necessary for the protection of a dependent adult, the
2 department may disclose to a subject of a dependent adult
3 abuse report referred to in section 235B.6, subsection 2,
4 paragraph "a", that an individual is listed in the child or
5 dependent adult abuse registry or is required to register with
6 the sex offender registry in accordance with chapter 692A.

7 Sec. 70. Section 304B.3, subsections 4, 8, and 9, if
8 enacted by 2003 Iowa Acts, House File 648, section 6, are
9 amended to read as follows:

10 4. The director of revenue ~~and-finance~~.

11 8. The director of the department of ~~genera~~
12 administrative services.

13 ~~9. The director of the information technology department.~~

14 Sec. 71. Section 321.69, subsection 9, as amended by 2003
15 Acts, House File 502, section 3, is amended to read as
16 follows:

17 9. This Except for subsection 9A, this section does not
18 apply to motor trucks and truck tractors with a gross vehicle
19 weight rating of sixteen thousand pounds or more, vehicles
20 more than nine model years old, motorcycles, motorized
21 bicycles, and special mobile equipment. This section does
22 apply to motor homes. The requirement in subsection 1 that
23 the new certificate of title and registration receipt shall
24 state on the face of the title the total cumulative dollar
25 amount of damage does not apply to a vehicle with a
26 certificate of title bearing a designation that the vehicle
27 was previously titled on a salvage certificate of title
28 pursuant to section 321.52, subsection 4, paragraph "b", or to
29 a vehicle with a certificate of title bearing a "REBUILT" or
30 "SALVAGE" designation pursuant to section 321.24, subsection 4
31 or 5. This Except for subsection 9A, this section does not
32 apply to new motor vehicles with a true mileage, as defined in
33 section 321.71, of one thousand miles or less, unless such
34 vehicle has incurred damage as defined in subsection 2.

35 Sec. 72. Section 356.7, subsection 1, as amended by 2003

1 Iowa Acts, House File 650, section 1, if enacted, is amended
2 to read as follows:

3 1. The county sheriff, or a municipality operating a
4 temporary municipal holding facility or jail, may charge a
5 prisoner who is eighteen years of age or older and who has
6 been convicted of a criminal offense or sentenced for contempt
7 of court for violation of a domestic abuse order for the
8 actual administrative costs relating to the arrest and booking
9 of that prisoner, and for room and board provided to the
10 prisoner while in the custody of the county sheriff or
11 municipality. Moneys collected by the sheriff or municipality
12 under this section shall be credited ~~respectfully~~ respectively
13 to the county general fund or the city general fund and
14 distributed as provided in this section. If a prisoner who
15 has been convicted of a criminal offense or sentenced for
16 contempt of court for violation of a domestic abuse order
17 fails to pay for the administrative costs and the room and
18 board, the sheriff or municipality may file a room and board
19 reimbursement claim with the district court as provided in
20 subsection 2. The county attorney may file the reimbursement
21 claim on behalf of the sheriff and the county or the
22 municipality. The attorney for the municipality may also file
23 a reimbursement claim on behalf of the municipality. This
24 section does not apply to prisoners who are paying for their
25 room and board by court order pursuant to sections 356.26
26 through 356.35.

27 Sec. 73. Section 459.401, subsection 2, paragraph a,
28 subparagraph (3A), if enacted by 2003 Iowa Acts, House File
29 644, section 18, is amended to read as follows:

30 (3A) A commercial manure service license fee as provided
31 in section ~~359-316~~ 459.316.

32 Sec. 74. Section 505A.1, article V, section 2, paragraph
33 a, subparagraph (3), if enacted by 2003 Iowa Acts, House File
34 647, section 54, is amended to read as follows:

35 (3) Four members from those compacting states with less

1 than two percent of the market, based on the premium volume
2 described in subparagraph (1), with one selected from each of
3 the four zone regions of the national association of insurance
4 commissioners as provided in the bylaws.

5 Sec. 75. Section 508.31A, subsection 2, paragraph b, Code
6 2003, as amended by 2003 Iowa Acts, House File 647, section 7,
7 if enacted, is amended to read as follows:

8 b. A funding agreement issued pursuant to paragraph "a",
9 subparagraph (1), (2), or (3), shall be for a total amount of
10 not less than one million dollars.

11 Sec. 76. Section 692A.13, subsection 9, if enacted by 2003
12 Iowa Acts, House File 558, section 3, is amended to read as
13 follows:

14 9. If the department of human services determines that
15 disclosure is necessary for the protection of a child or a
16 dependent adult, the department may disclose to a subject of a
17 child abuse report referred to in section 235A.15, subsection
18 2, paragraph "a", or to a subject of a dependent adult abuse
19 report referred to in section 235B.6, subsection 2, paragraph
20 "a", that an individual is listed in the child or dependent
21 adult abuse registry or is required to register under this
22 chapter.

23 Sec. 77. Section 901.5, subsection 7A, paragraph d, as
24 enacted by 2003 Iowa Acts, House File 404, section 1, is
25 amended to read as follows:

26 d. Violation of a no-contact order issued under this
27 section is punishable by summary contempt proceedings. A
28 hearing in a contempt proceeding brought pursuant to this
29 subsection shall be held not less than five days and not more
30 than fifteen days after the issuance of a rule to show cause,
31 as set by the court, unless the defendant is already in
32 custody at the time of the alleged violation in which case the
33 hearing shall be held not less than five days and not more
34 than forty-five days after the issuance of the rule to show
35 cause.

1 Sec. 78. 2003 Iowa Acts, Senate File 155, section 26, is
2 repealed.

3 Sec. 79. 2003 Iowa Acts, Senate File 155, section 56, is
4 repealed.

5 Sec. 80. 2003 Iowa Acts, Senate File 453, section 44,
6 subsection 8, if enacted, is amended to read as follows:

7 8. STATUTORY REQUIREMENTS. The requirements of sections
8 ~~18-6~~ 8A.311 and 72.3 and the administrative rules implementing
9 section 8.47 are not applicable to the services procurement
10 process used to implement the outcomes-based service system
11 redesign in accordance with this section. The department of
12 human services may enter into competitive negotiations and
13 proposal modifications with each successful contractor as
14 necessary to implement the provisions of this section.

15 Sec. 81. 2003 Iowa Acts, House File 601, section 2, is
16 amended by striking the section and inserting in lieu thereof
17 the following:

18 SEC. 2. Section 56.5, subsection 2, paragraph d, Code
19 2003, is amended by striking the paragraph.

20 Sec. 82. 2003 Iowa Acts, House File 624, section 22, if
21 enacted, is amended to read as follows:

22 SEC. 22. HUNTING PRESERVES AND GAME BREEDERS -- AUTOMATIC
23 CERTIFICATION. Any A fence enclosing farm deer kept on land
24 which is owned by a person licensed pursuant to section 484B.5
25 or 481A.61 ~~and which is enclosed with a fence~~ on the effective
26 date of this Act shall be deemed to comply with construction
27 requirements of section 170.4 and shall be automatically
28 certified by the department of agriculture and land
29 stewardship without ~~submitting~~ submission of an application.
30 The landowner is not required to notify the department of
31 natural resources concerning removal of whitetail as otherwise
32 required pursuant to section 170.5.

33 Sec. 83. 2003 Iowa Acts, House File 648, section 1, if
34 enacted, is repealed.

35 Sec. 84. CONTINGENT EFFECTIVE DATES.

1 1. The section of this division of this Act amending
2 section 8A.202, subsection 2, if enacted by 2003 Iowa Acts,
3 House File 534, takes effect if House File 648, relating to
4 the management of state archives and records, is enacted by
5 the Eightieth General Assembly, 2003 Regular Session.

6 1. The sections of this division of this Act amending
7 sections 12C.1, 99G.10, 99G.37, and 99G.38 take effect only if
8 House File 534 is enacted by the Eightieth General Assembly,
9 2003 Regular Session.

10 2. The sections of this division of this Act amending
11 section 304B.3, if enacted by 2003 Iowa Acts, House File 648,
12 and repealing 2003 Iowa Acts, House File 648, section 1, if
13 enacted, take effect if House File 534, establishing a
14 department of administrative services, is enacted by the
15 Eightieth General Assembly, 2003 Regular Session.

16 3. The section of this division of this Act repealing 2003
17 Iowa Acts, Senate File 155, section 26, takes effect if 2003
18 Iowa Acts, House File 614, relating to elections, is enacted
19 by the Eightieth General Assembly, 2003 Regular Session.

20 DIVISION VII

21 MISCELLANEOUS PROVISIONS

22 Sec. 85. Section 7J.1, subsection 1, if enacted by 2003
23 Iowa Acts, Senate File 453, is amended to read as follows:

24 7J.1 CHARTER AGENCIES.

25 1. DESIGNATION OF CHARTER AGENCIES -- PURPOSE. The
26 governor may, by executive order, designate up-to-five state
27 departments or agencies, as described in section 7E.5, other
28 than the department of administrative services, if the
29 department is established in law, or the department of
30 management, as a charter agency by July 1, 2003. The
31 designation of a charter agency shall be for a period of five
32 years which shall terminate as of June 30, 2008. The purpose
33 of designating a charter agency is to grant the agency
34 additional authority as provided by this chapter while
35 reducing the total appropriations to the agency.

1 Sec. 86. Section 7J.1, subsection 3, paragraph a, if
2 enacted by 2003 Iowa Acts, Senate File 453, is amended to read
3 as follows:

4 a. It is the intent of the general assembly that state
5 general fund operating appropriations to a charter agency for
6 any the fiscal year beginning July 1, 2003, and ending June
7 30, 2004, shall be reduced, with a target reduction of ten
8 percent for each charter agency, from the appropriation that
9 would otherwise have been enacted for that charter agency
10 which, along with any additional generated revenue to the
11 general fund of the state attributed to the reinvention
12 process as determined by the department of management, over
13 that already committed to the general fund of the state by a
14 charter agency, will achieve an overall target of fifteen
15 million dollars.

16 Sec. 87. Section 7J.2, if enacted by 2003 Iowa Acts,
17 Senate File 453, is amended to read as follows:

18 7J.2 CHARTER AGENCY LOAN GRANT FUND.

19 1. A charter agency loan grant fund is created in the
20 state treasury under the control of the department of
21 management for the purpose of providing funding to support
22 innovation by those state agencies designated as charter
23 agencies in accordance with section 7J.1. Innovation purposes
24 shall include but are not limited to training, development of
25 outcome measurement systems, management system modifications,
26 and other modifications associated with transition of
27 operations to charter agency status. Moneys in the fund are
28 appropriated to the department of management for the purposes
29 described in this subsection.

30 2. A charter agency requesting a loan grant from the fund
31 shall complete an application process designated by the
32 director of the department of management. Minimum loan
33 requirements for charter agency requests shall be determined
34 by the director.

35 3. In order for the fund to be self-supporting, the

1 director-of-the-department-of-management-shall-establish
2 repayment-schedules-for-each-loan-awarded.--An-agency-shall
3 repay-the-loan-over-a-period-not-to-exceed-five-years-with
4 interest,-at-a-rate-to-be-determined-by-the-director.

5 4. 3. Notwithstanding section 12C.7, subsection 2,
6 interest or earnings on moneys deposited in the charter agency
7 loan grant fund shall be credited to the charter agency loan
8 grant fund. Notwithstanding section 8.33, moneys credited to
9 the charter agency loan grant fund shall not revert to the
10 fund from which appropriated at the close of a fiscal year.

11 Sec. 88. Section 8.23, subsection 1, paragraph a, Code
12 2003, is amended by striking the paragraph.

13 Sec. 89. Section 8.31, Code 2003, is amended to read as
14 follows:

15 8.31 QUARTERLY-REQUISITIONS--- ALLOTMENTS OF
16 APPROPRIATIONS -- EXCEPTIONS -- MODIFICATIONS.

17 1. a. Before an appropriation for-administration,
18 operation-and-maintenance of any department or establishment
19 shall-become becomes available, there-shall-be-submitted the
20 department or establishment shall submit to the director of
21 the department of management,-not-less-than-twenty-days-before
22 the-beginning-of-each-quarter-of-each-fiscal-year, a
23 requisition for an allotment of the amount-estimated-to-be
24 necessary-to-carry-on-its-work appropriation according to
25 dates identified in the requisition during the ensuing-quarter
26 fiscal year by which portions of the appropriation will be
27 needed. The department or establishment shall submit the
28 requisition by June 1, prior to the start of a fiscal year or
29 by another date identified by the director. The requisition
30 shall contain details of proposed expenditures as may be
31 required by the director of-the-department-of-management
32 subject to review by the governor.

33 b. The director of the department of management shall
34 approve the allotments subject to review by the governor,
35 unless it is found that the estimated budget resources during

1 the fiscal year are insufficient to pay all appropriations in
2 full, in which event such allotments may be modified to the
3 extent the governor may deem necessary in order that there
4 shall be no overdraft or deficit in the several funds of the
5 state at the end of the fiscal year, and the director shall
6 submit copies of the allotments thus approved or modified to
7 the head of the department or establishment concerned, who
8 shall set up such allotments on the books and be governed
9 accordingly in the control of expenditures.

10 Allotments-of-appropriations-made-for-equipment, land,
11 permanent-improvements, and other capital projects may,
12 however, be allotted in one amount by major classes or
13 projects for which they are expendable without regard to
14 quarterly periods.--For fiscal years beginning on or after
15 July 1, 1989, allotments of appropriations for equipment,
16 land, permanent improvements, and other capital projects,
17 except where contracts have been entered into with regard to
18 the acquisition or project prior to July 1, 1989, shall not be
19 allotted in one amount but shall be allotted at quarterly
20 periods as provided in this section.

21 2. Allotments thus made in accordance with subsection 1
22 may be subsequently modified by the director of the department
23 of management at the direction of the governor either upon the
24 written request of the head of the department or establishment
25 concerned, or in the event the governor finds that the
26 estimated budget resources during the fiscal year are
27 insufficient to pay all appropriations in full, upon the
28 governor's own initiative to the extent the governor may deem
29 necessary in order that there shall be no overdraft or deficit
30 in the several funds of the state at the end of the fiscal
31 year; and the head of the department or establishment shall be
32 given notice of a modification in the same way as in the case
33 of original allotments.

34 3. Provided, however, that the The allotment requests of
35 all departments and establishments collecting governmental

1 fees and other revenue which supplement a state appropriation
2 shall attach to the summary of requests a statement showing
3 how much of the proposed allotments are to be financed from
4 (1) state appropriations, (2) stores, and (3) repayment
5 receipts.

6 4. The procedure to be employed in controlling the
7 expenditures and receipts of the state fair board and the
8 institutions under the state board of regents, whose
9 collections are not deposited in the state treasury, is that
10 outlined in section 421.31, subsection 6.

11 5. If the governor determines that the estimated budget
12 resources during the fiscal year are insufficient to pay all
13 appropriations in full, the reductions shall be uniform and
14 prorated between all departments, agencies and establishments
15 upon the basis of their respective appropriations.

16 6. Allotments from appropriations for the foreign trade
17 offices of the department of economic development, if the
18 appropriations are described by line item in the department's
19 appropriation Act or another Act, may be made without-regard
20 to-quarterly-periods as is necessary to take advantage of the
21 most favorable foreign currency exchange rates.

22 Sec. 90. Section 8.57, subsection 1, paragraph c, Code
23 2003, is amended to read as follows:

24 c. The amount appropriated in this section is not subject
25 to the provisions of section 8.31, relating to quarterly
26 requisitions and allotment, or to section 8.32, relating to
27 conditional availability of appropriations.

28 Sec. 91. Section 12B.10, subsection 6, paragraph d,
29 subparagraph (4), Code 2003, is amended to read as follows:

30 (4) For investments of short-term operating funds, the
31 funds shall not be invested in investments having effective
32 maturities exceeding sixty-three months.

33 Sec. 92. Section 12B.10A, subsection 6, paragraph d,
34 subparagraph (4), Code 2003, is amended to read as follows:

35 (4) For investments of short-term operating funds, the

1 funds shall not be invested in investments having effective
2 maturities exceeding sixty-three months.

3 Sec. 93. Section 12C.27, Code 2003, is amended by striking
4 the section and inserting in lieu thereof the following:

5 12C.27 FAILURE TO MAINTAIN REQUIRED COLLATERAL.

6 If the treasurer of state determines that a bank fails to
7 comply with chapter 12C.22, subsections 2 and 3, the treasurer
8 of state may restrict that bank from accepting uninsured
9 public funds and shall notify the office of thrift
10 supervision, the office of the comptroller of the currency, or
11 the superintendent as applicable, who may take such action
12 against the bank, its board of directors and officers as
13 permitted by law.

14 Sec. 94. Section 12E.12, subsection 8, Code 2003, is
15 amended to read as follows:

16 8. With respect to the payment of certain debt service,
17 the debt service to be paid shall be those installments of
18 debt service on bonds selected by the treasurer of state and
19 identified in the authority's tax certificate delivered at the
20 time of the issuance of the bonds issued pursuant to this
21 chapter, or as otherwise selected by the treasurer of state.
22 Once the bonds and the installments of debt service thereon
23 are so selected, that debt service and bonds shall not be
24 paid, or provided to be paid, from any other source including
25 the state or any of its departments or agencies. Provided,
26 however, that if funds are not appropriated to pay debt
27 service on such bonds when due, the issuing agency shall pay
28 such the debt service from any available source as provided in
29 the bond covenants for-such-bonds. To the extent that this
30 section does not allow proceeds of previously issued refunding
31 bonds to be applied for the purpose of the refunding, the
32 issuing agency may expend such proceeds to improve, remodel,
33 or repair buildings or other infrastructure upon authorization
34 of the issuing agency's authority.

35 Sec. 95. Section 15E.42, subsection 3, Code 2003, is

1 amended to read as follows:

2 3. "Investor" means an individual making a cash investment
 3 in a qualifying business or an individual taxed on income from
 4 a revocable trust's cash investment in a qualifying business
 5 or a person making a cash investment in a community-based seed
 6 capital fund. "Investor" does not include a person which is a
 7 current or previous owner, member, or shareholder in a
 8 qualifying business.

9 Sec. 96. Section 15E.43, subsection 1, paragraph a, Code
 10 2003, is amended to read as follows:

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

25 Sec. 97. Section 15E.43, subsection 1, Code 2003, is
 26 amended by adding the following new paragraph:

27 NEW PARAGRAPH. d. In the case of a tax credit allowed
 28 against the taxes imposed in chapter 422, division II, where
 29 the taxpayer died prior to redeeming the entire tax credit,
 30 the remaining credit can be redeemed on the decedent's final
 31 income tax return.

32 Sec. 98. Section 15E.45, subsection 2, paragraph c, Code
 33 2003, is amended to read as follows:

34 c. The fund has no fewer than ten individual investors who
 35 are not affiliates, with no single investor and affiliates of

1 that investor together owning a total of more than twenty-five
2 percent of the ownership interests outstanding in the fund.

3 Sec. 99. Section 15E.51, subsection 4, Code 2003, is
4 amended to read as follows:

5 4. A taxpayer shall not claim a tax credit under this
6 section if the taxpayer is a venture capital investment fund
7 allocation manager for the Iowa fund of funds created in
8 section 15E.65 or an investor that receives a tax credit for
9 an the same investment in a community-based seed capital fund
10 as defined in 2002 Iowa Acts, House File 2271.

11 Sec. 100. Section 15E.193B, subsection 4, Code 2003, is
12 amended to read as follows:

13 4. The eligible housing business shall complete its
14 building or rehabilitation within two years from the time the
15 business begins construction on the single-family homes and
16 dwelling units. The failure to complete construction or
17 rehabilitation within two years shall result in the eligible
18 housing business becoming ineligible and subject to the
19 repayment requirements and penalties enumerated in subsection
20 7. The department may extend the prescribed two-year
21 completion period for any project which has not been completed
22 if the department determines that completion within the two-
23 year period is impossible or impractical as a result of a
24 substantial loss caused by flood, fire, earthquake, storm, or
25 other catastrophe. For purposes of this subsection,
26 "substantial loss" means damage or destruction in an amount in
27 excess of thirty percent of the project's expected eligible
28 basis as set forth in the eligible housing business's
29 application.

30 Sec. 101. NEW SECTION. 16.181 HOUSING TRUST FUND.

31 1. a. A housing trust fund is created within the
32 authority. The moneys in the housing trust fund are annually
33 appropriated to the authority to be used for the development
34 and preservation of affordable housing for low-income people
35 in the state. Payment of interest, recaptures of awards, or

1 other repayments to the housing trust fund shall be deposited
2 in the fund. Notwithstanding section 12C.7, interest or
3 earnings on moneys in the housing trust fund or appropriated
4 to the fund shall be credited to the fund. Notwithstanding
5 section 8.33, unencumbered and unobligated moneys remaining in
6 the fund at the close of each fiscal year shall not revert but
7 shall remain available for expenditure for the same purposes
8 in the succeeding fiscal year.

9 b. Assets in the housing trust fund shall consist of all
10 of the following:

11 (1) Any assets received by the authority from the Iowa
12 housing corporation.

13 (2) Any assets transferred by the authority for deposit in
14 the housing trust fund.

15 (3) Any other moneys appropriated by the general assembly
16 and any other moneys available to and obtained or accepted by
17 the authority for placement in the housing trust fund.

18 c. The authority shall create the following programs
19 within the housing trust fund:

20 (1) Local housing trust fund program. Sixty percent of
21 available moneys in the housing trust fund shall be allocated
22 for the local housing trust fund program. Any moneys
23 remaining in the local housing trust fund program on April 1
24 of each fiscal year which have not been awarded to a local
25 housing trust fund may be transferred to the project-based
26 housing program at any time prior to the end of the fiscal
27 year.

28 (2) Project-based housing program. Forty percent of the
29 available moneys in the housing trust fund shall be allocated
30 to the project-based housing program.

31 2. a. In order to be eligible to apply for funding from
32 the local housing trust fund program, a local housing trust
33 fund must be approved by the authority and have all of the
34 following:

35 (1) A local governing board recognized by the city,

1 county, council of governments, or regional officials as the
2 board responsible for coordinating local housing programs.

3 (2) A housing assistance plan approved by the authority.

4 (3) Sufficient administrative capacity in regard to
5 housing programs.

6 (4) A local match requirement approved by the authority.

7 b. An award from the local housing trust fund program
8 shall not exceed ten percent of the balance in the program at
9 the beginning of the fiscal year plus ten percent of any
10 deposits made during the fiscal year.

11 c. By December 31 of each year, a local housing trust fund
12 receiving moneys from the local housing trust fund program
13 shall submit a report to the authority itemizing expenditures
14 of the awarded moneys.

15 3. In an area where no local housing trust fund exists, a
16 person may apply for moneys from the project-based housing
17 program.

18 4. The authority shall adopt rules pursuant to chapter 17A
19 necessary to administer this section.

20 Sec. 102. Section 25.1, Code 2003, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 4. Notwithstanding subsections 1 and 2,
23 and section 25.2, the state appeal board shall not consider
24 claims for refund of the unused portion of vehicle
25 registration fees collected under section 321.105.

26 Sec. 103. Section 28.9, subsection 2, Code 2003, is
27 amended to read as follows:

28 2. a. A school ready children grants account is created
29 in the Iowa empowerment fund under the authority of the
30 director of the department of education. Moneys credited to
31 the account shall be distributed by the department of
32 education in the form of grants to community empowerment areas
33 pursuant to criteria established by the Iowa board in
34 accordance with law.

35 b. The distribution formula utilized by the Iowa board for

1 school ready children grants in the fiscal year beginning July
2 1, 2004, and for each succeeding fiscal year, shall
3 specifically incorporate the following components:

4 (1) A minimum statewide performance baseline shall be
5 established for the core indicators of performance identified
6 pursuant to section 28.8, subsection 1, paragraph "a".

7 (2) A community empowerment area must maintain its
8 designated status in good standing and must have received
9 continued approval of its school ready children grant plan.

10 (3) The community empowerment area must identify how the
11 core indicators of performance will be addressed by the area
12 and select two or more of the core indicators that will
13 achieve a minimum percentage of improvement identified by the
14 area, subject to approval by the Iowa board. The community
15 empowerment area's data for the calendar year preceding the
16 year in which the area initially received a school ready
17 children grant shall be used as the area's baseline year.

18 (4) If an area achieves the identified percentage level of
19 improvement in the preceding calendar year, the area's minimum
20 grant amount shall be the annualized grant amount received in
21 the area's initial year of funding. The Iowa board may
22 implement provisions for averaging the performance levels over
23 two or more years and other approaches to apply the
24 requirements of this paragraph "b" in an equitable manner.

25 (5) If an area does not achieve the identified percentage
26 level of improvement in the preceding calendar year, the area
27 shall receive a reduction from the area's minimum grant
28 amount. If the identified percentage level of improvement is
29 achieved in the next succeeding calendar year, the area's
30 minimum grant amount shall be restored.

31 Sec. 104. Section 29C.8, subsection 3, Code 2003, is
32 amended by adding the following new paragraphs:

33 NEW PARAGRAPH. f. (1) Approve and support the
34 development and ongoing operations of an urban search and
35 rescue team to be deployed as a resource to supplement and

1 enhance emergency and disaster operations.

2 (2) A member of an urban search and rescue team acting
3 under the authority of the administrator or pursuant to a
4 governor's disaster proclamation as provided in section 29C.6
5 shall be considered an employee of the state under chapter 669
6 and shall be afforded protection as an employee of the state
7 under section 669.21. Disability, workers' compensation, and
8 death benefits for team members working under the authority of
9 the administrator or pursuant to the provisions of section
10 29C.6 shall be paid by the state in a manner consistent with
11 the provisions of chapter 85, 410, or 411 as appropriate,
12 depending on the status of the member.

13 NEW PARAGRAPH. g. Develop, implement, and support a
14 uniform incident command system to be used by state agencies
15 to facilitate efficient and effective assistance to those
16 affected by emergencies and disasters. This system shall be
17 consistent with the requirements of the United States
18 occupational safety and health administration and a national
19 incident management system.

20 Sec. 105. Section 29C.20, subsection 1, Code 2003, is
21 amended to read as follows:

22 1. a. A contingent fund is created in the state treasury
23 for the use of the executive council which may be expended for
24 the ~~purpose of paying~~ following purposes:

25 (1) Paying the expenses of suppressing an insurrection or
26 riot, actual or threatened, when state aid has been rendered
27 by order of the governor, ~~and for repairing.~~

28 (2) Repairing, rebuilding, or restoring state property
29 injured, destroyed, or lost by fire, storm, theft, or
30 unavoidable cause, ~~and for repairing.~~

31 (3) Repairing, rebuilding, or restoring state property
32 which that is fiberoptic cable and which that is injured or
33 destroyed by a wild animal, ~~and for aid to.~~

34 (4) Paying the expenses incurred by and claims of an urban
35 search and rescue team when acting under the authority of the

1 administrator and the provisions of section 29C.6 and disaster
2 medical assistance teams when acting under the provisions of
3 section 135.153.

4 (5) (a) Aiding any governmental subdivision in an area
5 declared by the governor to be a disaster area due to natural
6 disasters or to expenditures necessitated by the governmental
7 subdivision toward averting or lessening the impact of the
8 potential disaster, where the effect of the disaster or action
9 on the governmental subdivision is the immediate financial
10 inability to meet the continuing requirements of local
11 government.

12 (b) Upon application by a governmental subdivision in such
13 an area, accompanied by a showing of obligations and
14 expenditures necessitated by an actual or potential disaster
15 in a form and with further information the executive council
16 requires, the aid may be made in the discretion of the
17 executive council and, if made, shall be in the nature of a
18 loan up to a limit of seventy-five percent of the showing of
19 obligations and expenditures. The loan, without interest,
20 shall be repaid by the maximum annual emergency levy
21 authorized by section 24.6, or by the appropriate levy
22 authorized for a governmental subdivision not covered by
23 section 24.6. The aggregate total of loans shall not exceed
24 one million dollars during a fiscal year. A loan shall not be
25 for an obligation or expenditure occurring more than two years
26 previous to the application.

27 b. When a state department or agency requests that moneys
28 from the contingent fund be expended to repair, rebuild, or
29 restore state property injured, destroyed, or lost by fire,
30 storm, theft, or unavoidable cause, or to repair, rebuild, or
31 restore state property which that is fiberoptic cable and
32 which that is injured or destroyed by a wild animal, or for
33 payment of the expenses incurred by and claims of an urban
34 search and rescue team when acting under the authority of the
35 administrator and the provisions of section 29C.6, the

1 executive council shall consider the original source of the
2 funds for acquisition of the property before authorizing the
3 expenditure. If the original source was other than the
4 general fund of the state, the department or agency shall be
5 directed to utilize moneys from the original source if
6 possible. The executive council shall not authorize the
7 repairing, rebuilding, or restoring of the property from the
8 disaster aid contingent fund if it determines that moneys from
9 the original source are available to finance the project.

10 Sec. 106. Section 80B.5, Code 2003, is amended to read as
11 follows:

12 80B.5 ADMINISTRATION.

13 The administration of the Iowa law enforcement academy and
14 council Act shall be vested in the office of the governor. A
15 director-of-the-academy-and-such-staff Staff as may be
16 necessary for it the law enforcement academy to function shall
17 be employed pursuant to the Iowa merit system.

18 Sec. 107. NEW SECTION. 80B.5A DIRECTOR.

19 The governor shall appoint the director of the Iowa law
20 enforcement academy, subject to senate confirmation, to a
21 four-year term beginning and ending as provided in section
22 69.19.

23 Sec. 108. Section 99G.9, subsection 3, paragraph j, if
24 enacted by 2003 Iowa Acts, Senate File 453, is amended by
25 striking the paragraph.

26 Sec. 109. Section 99G.40, subsection 5, if enacted by 2003
27 Iowa Acts, Senate File 453, is amended to read as follows:

28 5. The authority shall adopt the same fiscal year as that
29 used by state government and shall be audited annually by the
30 auditor of state or a certified public accounting firm
31 appointed by the auditor. The auditor of state or a designee
32 conducting an audit under this chapter shall have access and
33 authority to examine any and all records of licensees
34 necessary to determine compliance with this chapter and the
35 rules adopted pursuant to this chapter. The cost of audits

1 and examinations conducted by the auditor of state or a
2 designee shall be paid for by the authority.

3 Sec. 110. NEW SECTION. 174.24 LIABILITY OF COUNTY FAIR
4 SOCIETY.

5 A society, as defined in section 174.1, shall be immune
6 from liability for any damages incurred at a county fair held
7 by the society if the damages were incurred on or at an
8 exhibit, leased facility, amusement ride, or an activity not
9 under the control of the society, if the county fair requires
10 the vendor in control of the exhibit, leased facility,
11 amusement ride, or other activity to obtain liability
12 insurance of at least three hundred thousand dollars. An
13 officer or employee of a society, as defined in section 174.1,
14 shall not be held liable for punitive damages as a result of
15 acts in the performance of the officer's or employee's duties,
16 unless reckless misconduct is proven.

17 Sec. 111. Section 257.11, subsection 5, paragraph b, Code
18 2003, is amended to read as follows:

19 b. A school district which establishes a regional academy
20 shall be eligible to assign its resident pupils attending
21 classes at the academy a weighting of one-tenth of the
22 percentage of the pupil's school day during which the pupil
23 attends classes at the regional academy. For the purposes of
24 this subsection, "regional academy" means an educational
25 institution established by a school district to which multiple
26 schools send pupils in grades seven nine through twelve, and
27 may include a virtual academy. A regional academy shall
28 include in its curriculum advanced-level courses and may
29 include in its curriculum vocational-technical programs
30 courses. The maximum amount of additional weighting for which
31 a school district establishing a regional academy shall be
32 eligible is an amount corresponding to fifteen additional
33 pupils. The minimum amount of additional weighting for which
34 a school district establishing a regional academy shall be
35 eligible is an amount corresponding to ten additional pupils

1 if the academy provides both advanced-level courses and
2 vocational technical courses. However, if the sum of the
3 funding amount calculated for all districts operating regional
4 academies under this subsection exceeds one million dollars
5 for the school year beginning July 1, 2004, and each
6 succeeding fiscal year, the director of the department of
7 management shall prorate the amount calculated for each
8 district. The proration shall be based upon the amount
9 calculated for each district when compared to the sum of the
10 amount for all districts.

11 Sec. 112. Section 260C.14, Code 2003, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 20. Adopt a policy to offer not less than
14 the following options to a student who is a member of the Iowa
15 national guard or reserve forces of the United States and who
16 is ordered to active state service or federal service or duty:

17 a. Withdraw from the student's entire registration and
18 receive a full refund of tuition and mandatory fees.

19 b. Make arrangements with the student's instructors for
20 course grades, or for incompletes that shall be completed by
21 the student at a later date. If such arrangements are made,
22 the student's registration shall remain intact and tuition and
23 mandatory fees shall be assessed for the courses in full.

24 c. Make arrangements with only some of the student's
25 instructors for course grades, or for incompletes that shall
26 be completed by the student at a later date. If such
27 arrangements are made, the registration for those courses
28 shall remain intact and tuition and mandatory fees shall be
29 assessed for those courses. Any course for which arrangements
30 cannot be made for grades or incompletes shall be considered
31 dropped and the tuition and mandatory fees for the course
32 refunded.

33 Sec. 113. Section 261.9, subsection 1, unnumbered
34 paragraph 1, Code 2003, is amended to read as follows:

35 "Accredited private institution" means an institution of

1 higher learning located in Iowa which is operated privately
2 and not controlled or administered by any state agency or any
3 subdivision of the state, except for county hospitals as
4 provided in paragraph "c" of this subsection, and which meets
5 at least one of the criteria in paragraphs "a" through "c" and
6 all of the criteria in paragraphs "d" through "f" "g":

7 Sec. 114. Section 261.9, subsection 1, Code 2003, is
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. g. Adopts a policy to offer not less than
10 the following options to a student who is a member of the Iowa
11 national guard or reserve forces of the United States and who
12 is ordered to active state service or federal service or duty:

13 (1) Withdraw from the student's entire registration and
14 receive a full refund of tuition and mandatory fees.

15 (2) Make arrangements with the student's instructors for
16 course grades, or for incompletes that shall be completed by
17 the student at a later date. If such arrangements are made,
18 the student's registration shall remain intact and tuition and
19 mandatory fees shall be assessed for the courses in full.

20 (3) Make arrangements with only some of the student's
21 instructors for grades, or for incompletes that shall be
22 completed by the student at a later date. If such
23 arrangements are made, the registration for those courses
24 shall remain intact and tuition and mandatory fees shall be
25 assessed for those courses. Any course for which arrangements
26 cannot be made for grades or incompletes shall be considered
27 dropped and the tuition and mandatory fees for the course
28 refunded.

29 Sec. 115. Section 262.9, Code 2003, is amended by adding
30 the following new subsection:

31 NEW SUBSECTION. 29. Direct the institutions of higher
32 education under its control to adopt a policy to offer not
33 less than the following options to a student who is a member
34 of the Iowa national guard or reserve forces of the United
35 States and who is ordered to active state service or federal

1 service or duty:

2 a. Withdraw from the student's entire registration and
3 receive a full refund of tuition and mandatory fees.

4 b. Make arrangements with the student's instructors for
5 course grades, or for incompletes that shall be completed by
6 the student at a later date. If such arrangements are made,
7 the student's registration shall remain intact and tuition and
8 mandatory fees shall be assessed for the courses in full.

9 c. Make arrangements with only some of the student's
10 instructors for grades, or for incompletes that shall be
11 completed by the student at a later date. If such
12 arrangements are made, the registration for those courses
13 shall remain intact and tuition and mandatory fees shall be
14 assessed for those courses. Any course for which arrangements
15 cannot be made for grades or incompletes shall be considered
16 dropped and the tuition and mandatory fees for the course
17 refunded.

18 Sec. 116. Section 284.13, subsection 1, paragraph a, Code
19 2003, is amended to read as follows:

20 a. For each fiscal year in the fiscal year period
21 beginning July 1, 2001 2003, and ending June 30, 2002 2005,
22 the department shall reserve up to one-million five hundred
23 thousand dollars of any moneys appropriated for purposes of
24 this chapter. For each fiscal year in which moneys are
25 appropriated by the general assembly for purposes of team-
26 based variable pay pursuant to section 284.11, the amount of
27 moneys allocated to school districts shall be in the
28 proportion that the basic enrollment of a school district
29 bears to the sum of the basic enrollments of all participating
30 school districts for the budget year. However, the per pupil
31 amount distributed to a school district under the pilot
32 program shall not exceed one hundred dollars.

33 Sec. 117. Section 284.13, subsection 1, paragraph g,
34 unnumbered paragraph 1, Code 2003, is amended to read as
35 follows:

1 For each fiscal year in which funds are appropriated for
2 purposes of this chapter, the moneys remaining after
3 distribution as provided in paragraphs "a" through "f" and "h"
4 shall be allocated to school districts for salaries and career
5 development in accordance with the following formula:

6 Sec. 118. Section 294A.25, subsection 6, Code 2003, is
7 amended by striking the subsection.

8 Sec. 119. Section 294A.25, subsections 7, 8, and 9, Code
9 2003, are amended to read as follows:

10 7. For Except as otherwise provided in this section, for
11 the fiscal year beginning July 1, ~~1990~~ 2003, and succeeding
12 fiscal years, the remainder of moneys appropriated in
13 subsection 1 to the department of education shall be deposited
14 in the educational excellence fund to be allocated in an
15 amount to meet the ~~minimum-salary~~ requirements of this chapter
16 for phase I, ~~in an amount to meet the requirements for and~~
17 phase II, ~~and the remainder of the appropriation for phase~~
18 ~~III.~~

19 8. Commencing with the fiscal year beginning July 1, ~~1997~~
20 2003, the amount of two hundred thirty thousand dollars for a
21 kindergarten to grade twelve management information system
22 ~~from additional funds transferred from phase I to phase III.~~

23 9. For the fiscal year beginning July 1, ~~2000~~ 2003, and
24 for each succeeding fiscal year, the amount of one hundred
25 seventy thousand dollars to the state board of regents for
26 distribution in the amount of sixty-eight thousand dollars to
27 the Iowa braille and sight saving school and in the amount of
28 one hundred two thousand dollars to the Iowa state school for
29 the deaf ~~from phase III moneys.~~

30 Sec. 120. Section 321J.2, subsection 2, paragraph a,
31 subparagraph (3), subparagraph subdivisions (a) and (b), as
32 enacted by 2003 Iowa Acts, House File 65, section 2, are
33 amended to read as follows:

34 (a) A defendant whose alcohol concentration is .08 or more
35 but not more than .10 shall not be eligible for any temporary

1 restricted license for at least thirty days if a test was
2 obtained and an accident resulting in personal injury or
3 property damage occurred. The defendant shall be ordered to
4 install an ignition interlock device of a type approved by the
5 commissioner of public safety on all vehicles owned or
6 operated by the defendant if the defendant seeks a temporary
7 restricted license. There shall be no such period of
8 ineligibility if no such accident occurred, and the defendant
9 shall not be ordered to install an ignition interlock device.

10 (b) A defendant whose alcohol concentration is more than
11 .10 shall not be eligible for any temporary restricted license
12 for at least thirty days if a test was obtained, and an
13 accident resulting in personal injury or property damage
14 occurred or the defendant's alcohol concentration exceeded
15 .15. There shall be no such period of ineligibility if no
16 such accident occurred and the defendant's alcohol
17 concentration did not exceed .15. In either case, where a
18 defendant's alcohol concentration is more than .10, the
19 defendant shall be ordered to install an ignition interlock
20 device of a type approved by the commissioner of public safety
21 on all vehicles owned or operated by the defendant if the
22 defendant seeks a temporary restricted license.

23 Sec. 121. Section 321J.4, subsection 1, paragraphs a and
24 b, as enacted by 2003 Iowa Acts, House File 65, section 3, are
25 amended to read as follows:

26 a. A defendant whose alcohol concentration is .08 or more
27 but not more than .10 shall not be eligible for any temporary
28 restricted license for at least thirty days if a test was
29 obtained and an accident resulting in personal injury or
30 property damage occurred. The defendant shall be ordered to
31 install an ignition interlock device of a type approved by the
32 commissioner of public safety on all vehicles owned or
33 operated by the defendant if the defendant seeks a temporary
34 restricted license. There shall be no such period of
35 ineligibility if no such accident occurred, and the defendant

1 shall not be ordered to install an ignition interlock device.

2 b. A defendant whose alcohol concentration is more than
3 .10 shall not be eligible for any temporary restricted license
4 for at least thirty days if a test was obtained, and an
5 accident resulting in personal injury or property damage
6 occurred or the defendant's alcohol concentration exceeded
7 .15. There shall be no such period of ineligibility if no
8 such accident occurred and the defendant's alcohol
9 concentration did not exceed .15. In either case, where a
10 defendant's alcohol concentration is more than .10, the
11 defendant shall be ordered to install an ignition interlock
12 device of a type approved by the commissioner of public safety
13 on all vehicles owned or operated by the defendant if the
14 defendant seeks a temporary restricted license.

15 Sec. 122. Section 321J.4, subsection 3, paragraphs a and
16 b, as enacted by 2003 Iowa Acts, House File 65, section 3, are
17 amended to read as follows:

18 a. A defendant whose alcohol concentration is .08 or more
19 but not more than .10 shall not be eligible for any temporary
20 restricted license for at least thirty days if a test was
21 obtained and an accident resulting in personal injury or
22 property damage occurred. The defendant shall be ordered to
23 install an ignition interlock device of a type approved by the
24 commissioner of public safety on all vehicles owned or
25 operated by the defendant if the defendant seeks a temporary
26 restricted license. There shall be no such period of
27 ineligibility if no such accident occurred, and the defendant
28 shall not be ordered to install an ignition interlock device.

29 b. A defendant whose alcohol concentration is more than
30 .10 shall not be eligible for any temporary restricted license
31 for at least thirty days if a test was obtained, and an
32 accident resulting in personal injury or property damage
33 occurred or the defendant's alcohol concentration exceeded
34 .15. There shall be no such period of ineligibility if no
35 such accident occurred and the defendant's alcohol

1 concentration did not exceed .15. In either case, where a
2 defendant's alcohol concentration is more than .10, the
3 defendant shall be ordered to install an ignition interlock
4 device of a type approved by the commissioner of public safety
5 on all vehicles owned or operated by the defendant if the
6 defendant seeks a temporary restricted license.

7 Sec. 123. Section 321J.12, subsection 2, paragraphs a and
8 b, as enacted by 2003 Iowa Acts, House File 65, section 5, are
9 amended to read as follows:

10 a. A person whose driver's license or nonresident
11 operating privileges have been revoked under subsection 1,
12 paragraph "a", whose alcohol concentration is .08 or more but
13 not more than .10 shall not be eligible for any temporary
14 restricted license for at least thirty days after the
15 effective date of the revocation if a test was obtained and an
16 accident resulting in personal injury or property damage
17 occurred. The defendant shall be ordered to install an
18 ignition interlock device of a type approved by the
19 commissioner of public safety on all vehicles owned or
20 operated by the defendant if the defendant seeks a temporary
21 license. There shall be no such period of ineligibility if no
22 such accident occurred, and the defendant shall not be ordered
23 to install an ignition interlock device.

24 b. A defendant whose alcohol concentration is more than
25 .10 shall not be eligible for any temporary restricted license
26 for at least thirty days if a test was obtained, and an
27 accident resulting in personal injury or property damage
28 occurred or the defendant's alcohol concentration exceeded
29 .15. There shall be no such period of ineligibility if no
30 such accident occurred and the defendant's alcohol
31 concentration did not exceed .15. In either case, where a
32 defendant's alcohol concentration is more than .10, the
33 defendant shall be ordered to install an ignition interlock
34 device of a type approved by the commissioner of public safety
35 on all vehicles owned or operated by the defendant if the

1 defendant seeks a temporary restricted license.

2 Sec. 124. Section 331.605C, subsections 1 and 2, if
3 enacted by 2003 Iowa Acts, Senate File 453, are amended to
4 read as follows:

5 1. For the fiscal year beginning July 1, 2003, and ending
6 June 30, 2004, the recorder shall collect a fee of five
7 dollars for each recorded transaction, regardless of the
8 number of pages, for which a fee is paid pursuant to section
9 331.604 to be used for the purposes of planning and
10 implementing electronic recording and electronic transactions
11 in each county and developing county and statewide internet
12 websites to provide electronic access to records and
13 information.

14 2. Beginning July 1, 2004, the recorder shall collect a
15 fee of one dollar for each recorded transaction, regardless of
16 the number of pages, for which a fee is paid pursuant to
17 section 331.604 to be used for the purpose of paying the
18 county's ongoing costs of maintaining the systems developed
19 and implemented under subsection 1.

20 Sec. 125. Section 331.605C, subsection 4, if enacted by
21 2003 Iowa Acts, Senate File 453, is amended to read as
22 follows:

23 4. The state local electronic government electronic
24 transaction fund is established in the office of the treasurer
25 of state under the control of the treasurer or state. Moneys
26 deposited into the fund are not subject to section 8.33.
27 Notwithstanding section 12C.7, interest or earnings on moneys
28 in the state local electronic government electronic
29 transaction fund shall be credited to the fund. Moneys in the
30 state local electronic government electronic transaction fund
31 are not subject to transfer, appropriation, or reversion to
32 any other fund, or any other use except as provided in this
33 subsection. The treasurer of state shall enter into a
34 contract with the Iowa state association of counties affiliate
35 representing county recorders to develop, implement, and

1 maintain hold the fund for the development, implementation,
2 and maintenance of a statewide internet website for purposes
3 of providing electronic access to records and information
4 recorded or filed by county recorders. On a monthly basis,
5 the county treasurer shall pay one dollar of each fee
6 collected pursuant to subsection 1 to the treasurer of state
7 for deposit into the state local electronic government
8 electronic transaction fund. Moneys credited to the state
9 local electronic government electronic transaction fund are
10 appropriated to the treasurer of state to be used for contract
11 costs. This subsection is repealed June 30, 2004.

12 Sec. 126. Section 422.45, Code 2003, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 64. The gross receipts from noncustomer
15 point of sale or noncustomer automated teller machine access
16 or service charges assessed by a financial institution. For
17 purposes of this subsection, "financial institution" means the
18 same as defined in section 527.2.

19 Sec. 127. Section 423.4, Code 2003, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 9A. Vehicles subject to registration
22 which are transferred from a corporation that is primarily
23 engaged in the business of leasing vehicles subject to
24 registration to a corporation that is primarily engaged in the
25 business of leasing vehicles subject to registration when the
26 transferor and transferee corporations are part of the same
27 controlled group for federal income tax purposes.

28 Sec. 128. Section 435.26A, subsections 2 and 5, as enacted
29 by 2003 Iowa Acts, Senate File 134, section 7, are amended to
30 read as follows:

31 2. Upon receipt of a certificate of title from a
32 manufactured home owner, a county treasurer shall notify the
33 department of transportation that the certificate of title has
34 been surrendered, remove the registration of title from the
35 county treasurer's records, and destroy the certificate of

1 title.

2 The manufactured home owner or the owner's representative
3 shall provide to the county recorder the identifying data of
4 the manufactured home, including the owner's name, the name of
5 the manufacturer, the model name, the year of manufacture, and
6 the serial number of the home, along with the legal
7 description of the real estate on which the manufactured home
8 is located. In addition, evidence shall be provided of the
9 surrender of the certificate of title. After the surrender of
10 the certificate of title of a manufactured home under this
11 section, conveyance of an interest in the manufactured home
12 shall not require transfer of title so long as the
13 manufactured home remains on the same real estate site.

14 5. An owner of a manufactured home who has surrendered a
15 certificate of title under this section and requires another
16 certificate of title for the manufactured home is required to
17 apply for a bonded certificate of title under chapter-32±
18 section 321.42. If supporting documents for the reissuance of
19 a title are not available or sufficient, the procedure for the
20 reissuance of a title specified in the rules of the department
21 of transportation shall be used.

22 Sec. 129. Section 452A.2, Code 2003, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 20A. "Nonterminal storage facility" means
25 a facility where motor fuel or special fuel, other than
26 liquefied petroleum gas, is stored that is not supplied by a
27 pipeline or a marine vessel. "Nonterminal storage facility"
28 includes a facility that manufactures products such as
29 alcohol, biofuel, blend stocks, or additives which may be used
30 as motor fuel or special fuel, other than liquefied petroleum
31 gas, for operating motor vehicles or aircraft.

32 Sec. 130. Section 453A.2, Code 2003, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 5B. A tobacco compliance employee
35 training fund is created in the office of the treasurer of

1 state. The fund shall consist of civil penalties assessed by
2 the Iowa department of public health under section 453A.22,
3 for violations of this section. Moneys in the fund are
4 appropriated to the alcoholic beverages division of the
5 department of commerce and shall be used to develop and
6 administer the tobacco compliance employee training program
7 under section 453A.2A. Moneys deposited in the fund shall not
8 be transferred, used, obligated, appropriated, or otherwise
9 encumbered except as provided in this subsection.

10 Notwithstanding section 8.33, any unexpended balance in the
11 fund at the end of the fiscal year shall be retained in the
12 fund.

13 Sec. 131. Section 453C.1, subsection 10, Code 2003, is
14 amended to read as follows:

15 10. "Units sold" means the number of individual cigarettes
16 sold in the state by the applicable tobacco product
17 manufacturer, whether directly or through a distributor,
18 retailer, or similar intermediary or intermediaries, during
19 the year in question, as measured by excise taxes collected by
20 the state on packs or roll-your-own tobacco containers bearing
21 ~~the excise tax stamp of the state.~~ The department of revenue
22 and finance shall adopt rules as are necessary to ascertain
23 the amount of state excise tax paid on the cigarettes of such
24 tobacco product manufacturer for each year.

25 Sec. 132. Section 453C.2, subsection 2, paragraph b,
26 subparagraph (2), Code 2003, is amended to read as follows:

27 (2) To the extent that a tobacco product manufacturer
28 establishes that the amount the manufacturer was required to
29 place into escrow on account of units sold in the state in a
30 particular year was greater than ~~the state's allocable share~~
31 ~~of the total payments that such manufacturer would have been~~
32 ~~required to make in that year under the master settlement~~
33 agreement the master settlement agreement payments, as
34 determined pursuant to section IX(i) of that agreement
35 including after final determination of all adjustments, that

1 such manufacturer would have been required to make on account
2 of such units sold had such manufacturer been a participating
3 manufacturer, ~~as such payments are determined pursuant to~~
4 ~~section IX(i)(2) of the master settlement agreement and before~~
5 ~~any of the adjustments or offsets described in section~~
6 ~~IX(i)(3) of that agreement other than the inflation~~
7 adjustment, the excess shall be released from escrow and
8 revert back to such tobacco product manufacturer.

9 Sec. 133. Section 455D.9, Code 2003, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 1A. Yard waste may be accepted by a
12 sanitary landfill for land disposal if the sanitary landfill
13 operates an active methane collection system that produces
14 electricity.

* 15 Sec. 134. Section 476.33, Code 2003, is amended by adding
16 the following new subsection:

17 NEW SUBSECTION. 5. a. The board shall adopt rules that
18 require the board, in a rate regulatory proceeding under
19 sections 476.3 and 476.6, to consider both of the following
20 for inclusion in rates:

21 (1) Capital infrastructure investments that will not
22 produce significant additional revenues and will be in service
23 in Iowa within nine months after the conclusion of the test
24 year.

25 (2) Cost of capital changes that will occur within nine
26 months after the conclusion of the test year that are
27 associated with a new generating plant that has been the
28 subject of a ratemaking principles proceeding pursuant to
29 section 476.53.

30 b. This subsection is repealed effective July 1, 2007.
31 However, any utilities board proceeding that is pending on
32 July 1, 2007, that is being conducted pursuant to section
33 476.3 or 476.6 shall be completed as if this section had not
34 been repealed. Upon repeal, the board may still consider the
35 adjustments addressed in this subsection, but shall not be

1 required to consider them.

2 Sec. 135. Section 505.7, Code 2003, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 9. The commissioner may retain funds
5 collected during the fiscal year beginning July 1, 2003,
6 pursuant to any settlement, enforcement action, or other legal
7 action authorized under federal or state law for the purpose
8 of reimbursing costs and expenses of the division.

9 Sec. 136. Section 518.18, unnumbered paragraph 2, Code
10 2003, is amended to read as follows:

11 1. ~~Two~~ The applicable percent of the gross amount of
12 premiums received during the preceding calendar year, after
13 deducting the amount returned upon the canceled policies,
14 certificates, and rejected applications; and after deducting
15 premiums paid for windstorm or hail reinsurance on properties
16 specifically reinsured, ~~provided, however, that.~~ However, the
17 reinsurer of such windstorm or hail risks shall pay ~~two~~ the
18 applicable percent of the gross amount of reinsurance premiums
19 received upon such risks after deducting the amounts returned
20 upon canceled policies, certificates, and rejected
21 applications. For purposes of this section, "applicable
22 percent" means the same as specified in section 432.1,
23 subsection 4.

24 2. Except as provided in subsection 3, the premium tax
25 shall be paid on or before March 1 of the year following the
26 calendar year for which the tax is due. The commissioner of
27 insurance may suspend the certificate of authority of a county
28 mutual insurance association that fails to pay its premium tax
29 on or before the due date.

30 3. a. Each county mutual insurance association
31 transacting business in this state whose Iowa premium tax
32 liability for the preceding calendar year was one thousand
33 dollars or more shall remit on or before June 1, on a
34 prepayment basis, an amount equal to one-half of the premium
35 tax liability for the preceding calendar year.

1 b. In addition to the prepayment amount in paragraph "a",
2 each association shall remit on or before June 30, on a
3 prepayment basis, an additional amount equal to the following
4 percent of the premium tax liability for the preceding
5 calendar year as follows:

6 (1) For prepayment in the 2003 and 2004 calendar years,
7 eleven percent.

8 (2) For prepayment in the 2005 calendar year, twenty-six
9 percent.

10 (3) For prepayment in the 2006 and subsequent calendar
11 years, fifty percent.

12 c. The sums prepaid by a county mutual insurance
13 association under this subsection shall be allowed as credits
14 against its premium tax liability for the calendar year during
15 which the payments are made. If a prepayment made under this
16 subsection exceeds the annual premium tax liability, the
17 excess shall be allowed as a credit against subsequent
18 prepayment or tax liabilities. The commissioner of insurance
19 may suspend the certificate of authority of an association
20 that fails to make a prepayment on or before the due date.

21 Sec. 137. Section 518A.35, Code 2003, is amended to read
22 as follows:

23 518A.35 ANNUAL TAX.

24 1. A state mutual insurance association doing business
25 under this chapter shall on or before the first day of March,
26 each year, pay to the director of revenue and finance, or a
27 depository designated by the director, a sum equivalent to two
28 the applicable percent of the gross receipts from premiums and
29 fees for business done within the state, including all
30 insurance upon property situated in the state without
31 including or deducting any amounts received or paid for
32 reinsurance. However, a company reinsuring windstorm or hail
33 risks written by county mutual insurance associations is
34 required to pay a two the applicable percent tax on the gross
35 amount of reinsurance premiums received upon such risks, but

1 after deducting the amount returned upon canceled policies and
2 rejected applications covering property situated within the
3 state, and dividends returned to policyholders on property
4 situated within the state. For purposes of this section,
5 "applicable percent" means the same as specified in section
6 432.1, subsection 4.

7 2. Except as provided in subsection 3, the premium tax
8 shall be paid on or before March 1 of the year following the
9 calendar year for which the tax is due. The commissioner of
10 insurance may suspend the certificate of authority of a state
11 mutual insurance association that fails to pay its premium tax
12 on or before the due date.

13 3. a. Each state mutual insurance association transacting
14 business in this state whose Iowa premium tax liability for
15 the preceding calendar year was one thousand dollars or more
16 shall remit on or before June 1, on a prepayment basis, an
17 amount equal to one-half of the premium tax liability for the
18 preceding calendar year.

19 b. In addition to the prepayment amount in paragraph "a",
20 each association shall remit on or before June 30, on a
21 prepayment basis, an additional amount equal to the following
22 percent of the premium tax liability for the preceding
23 calendar year as follows:

24 (1) For prepayment in the 2003 and 2004 calendar years,
25 eleven percent.

26 (2) For prepayment in the 2005 calendar year, twenty-six
27 percent.

28 (3) For prepayment in the 2006 and subsequent calendar
29 years, fifty percent.

30 c. The sums prepaid by a state mutual insurance
31 association under this subsection shall be allowed as credits
32 against its premium tax liability for the calendar year during
33 which the payments are made. If a prepayment made under this
34 subsection exceeds the annual premium tax liability, the
35 excess shall be allowed as a credit against subsequent

1 prepayment or tax liabilities. The commissioner of insurance
2 may suspend the certificate of authority of an association
3 that fails to make a prepayment on or before the due date.

4 Sec. 138. 2003 Iowa Acts, Senate File 453, section 30, if
5 enacted, is amended by striking the section and inserting in
6 lieu thereof the following:

7 SEC. 30. CHARGE FOR RENT. For the fiscal year beginning
8 July 1, 2003, and ending June 30, 2004, the department of
9 administrative services, if established in 2003 Iowa Acts,
10 House File 534, shall transfer \$900,000 to the general fund of
11 the state from the rent fund if established under section
12 8A.123 in 2003 Iowa Acts, House File 534.

13 Sec. 139. 2003 Iowa Acts, Senate File 453, section 35, if
14 enacted, is amended to read as follows:

15 SEC. 35. CHARTER AGENCY APPROPRIATIONS.

16 1. Notwithstanding any provision of law to the contrary,
17 the total operating appropriations reductions as allowed under
18 section 7J.1 from the general fund of the state to those
19 departments and agencies designated as charter agencies and
20 additional revenue to the general fund of the state attributed
21 to the reinvention process as determined by the department of
22 management above that already committed to the general fund of
23 the state generated for the fiscal year beginning July 1,
24 2003, and ending June 30, 2004, as provided by the
25 appropriation to those agencies as enacted by the Eightieth
26 General Assembly, 2003 Regular Session, shall be reduced by
27 total \$15,000,000. The department of management shall apply
28 the appropriation reductions, with a target of a 10-percent
29 reduction for each charter agency, as necessary to which along
30 with additional generated revenue shall achieve the overall
31 reduction amount and shall make this information available to
32 the legislative fiscal committee and the legislative fiscal
33 bureau. It is the intent of the general assembly that
34 appropriations to a charter agency in subsequent fiscal years
35 shall be similarly adjusted from the appropriation that would

1 ~~otherwise have been enacted.~~

2 2. There is appropriated from the general fund of the
3 state to the department of management for the fiscal year
4 beginning July 1, 2003, and ending June 30, 2004, the
5 following amount, or so much thereof as is necessary, to be
6 used for the purposes designated:

7 For deposit in the charter agency loan grant fund created
8 in section 7J.2:

9 \$ 3,000,000

10 ~~3.--For the fiscal year beginning July 1, 2003, and ending~~
11 ~~June 30, 2004, if the actual amount of revenue received by a~~
12 ~~charter agency exceeds the revenue amount budgeted for that~~
13 ~~charter agency by the governor and the general assembly, the~~
14 ~~charter agency may consider the excess amount to be repayment~~
15 ~~receipts as defined in section 8.2.~~

16 Sec. 140. Notwithstanding section 8.33, unencumbered and
17 unobligated funds remaining from the appropriation made in
18 1996 Iowa Acts, chapter 1218, section 13, subsection 2,
19 paragraph "a", subparagraph (2), as amended by 1997 Iowa Acts,
20 chapter 215, section 3, and from the appropriation made in
21 1997 Iowa Acts, chapter 215, section 4, subsection 1, shall
22 not revert but shall be available for the purposes designated
23 in those provisions until the close of the fiscal year
24 beginning July 1, 2003.

25 Sec. 141. 2003 Iowa Acts, Senate File 453, section 49,
26 subsection 1, unnumbered paragraph 1, if enacted, is amended
27 to read as follows:

28 The department of human services shall establish a work
29 group in cooperation with representatives of the insurance
30 industry and members of the medical assistance advisory
31 council to develop a plan for the redesign of the medical
32 assistance program. In developing the redesign plan, the work
33 group shall consider all of the following:

34 Sec. 142. 2003 Iowa Acts, Senate File 453, section 121, if
35 enacted, is amended to read as follows:

1 SEC. 121. EFFECTIVE DATE. This division of this Act,
2 creating the Iowa lottery authority, takes effect September
3 July 1, 2003.

4 Sec. 143. Sections 266.8, 266.24, 266.25, and 266.26, Code
5 2003, are repealed.

6 Sec. 144. REPORT ON FEDERAL ELECTION LAW IMPLEMENTATION.
7 The state committee, if formed, shall develop a plan for
8 compliance with the federal Help America Vote Act, Pub. L. No.
9 107-252, and the state committee, in conjunction with the
10 state commissioner of elections, shall provide quarterly
11 updates to the Senate and House of Representatives standing
12 committees on government oversight on the status of the
13 implementation of Pub. L. No. 107-252.

14 Sec. 145. SALE OF DEPARTMENT OF CORRECTIONS' REAL
15 PROPERTY.

16 1. Immediately after the effective date of this section,
17 the department of corrections shall develop a plan to sell, at
18 market value, the twenty-acre tract of undeveloped land
19 adjacent to the Iowa correctional institution for women to any
20 municipality with a population of less than twenty thousand
21 persons. The plan shall include the sale of the tract of land
22 within a commercially reasonable time. The sale shall be
23 negotiated by the department and shall be handled in a manner
24 that is financially beneficial to the department. The
25 department shall as a condition of the sale to the
26 municipality require that the land not be sold by the
27 municipality for a period of ninety-nine years unless the land
28 is resold back to the state. Appraisals conducted by the
29 department of the value of the land shall be made available to
30 the public immediately following the sale of the tract of
31 land. If the department is unable to negotiate a financially
32 beneficial sale, the tract of land shall not be sold, and the
33 department shall provide the legislative fiscal bureau with
34 the reasons the sale did not occur.

35 2. The proceeds from the sale of the property as provided

1 in subsection 1 shall be retained by the department of
2 corrections to be used for correctional facilities. The costs
3 incident to the sale of the tract of land including, but not
4 limited to, appraisals, invitations for offers, abstracts, and
5 other necessary costs, may be paid from the proceeds of the
6 sale or from moneys appropriated for support and maintenance
7 to the institution at which the real estate is located.

8 3. The provisions of section 904.317 shall not apply to
9 the sale of the tract of land sold in accordance with this
10 section.

11 Sec. 146. SALES AND USE TAX REFUND.

12 1. Notwithstanding the one-year application period
13 provided for in section 422.45, subsection 7, paragraph "b",
14 an application by a city with a population between 550 and 625
15 located entirely in a county with a population between 39,750
16 and 41,750 for a refund of sales, services, or use tax paid
17 upon any goods, wares, or merchandise, or services rendered,
18 furnished, or performed and used in the performance of
19 contracts involving a street construction project and a sewer
20 project is considered timely filed under section 422.45,
21 subsection 7, if the application for refund is filed with the
22 department of revenue and finance on or before August 1, 2003.

23 2. Notwithstanding the amount applied for under subsection
24 1, the amount of a refund paid under this section shall not
25 exceed \$15,000.

26 Sec. 147. SCHOOL DISTRICT REIMBURSEMENT CLAIM.

27 1. Any school district located in a county with a
28 population between 11,550 and 12,000 is authorized to refile a
29 claim for state reimbursement of the costs of providing
30 vocational education programs at the secondary level in its
31 district notwithstanding the denial of its previously filed
32 claim with the state appeal board if the claim is filed by
33 October 1, 2003. Such claim shall be considered timely filed
34 notwithstanding any provision of law.

35 2. If the claim filed pursuant to subsection 1 is a valid

1 claim for state reimbursement, the claim shall be paid subject
2 to the following:

3 a. The amount of costs reimbursed shall not exceed 6.5
4 percent.

5 b. Any amount reimbursed pursuant to any previously filed
6 claim relating to the same costs shall not be included.

7 c. The total amount reimbursed under this section shall
8 not exceed \$6,000.

9 Sec. 148. COORDINATION OF PUBLIC TRANSPORTATION STUDY.

10 The state department of transportation shall conduct a study
11 and prepare a report pertaining to administrative efficiencies
12 that may be gained by the coordination of transit management
13 and maintenance systems in the areas of school transportation,
14 public transit, and other forms of public transportation. The
15 report shall be provided to the general assembly by December
16 31, 2003.

17 Sec. 149. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN
18 SERVICES. To the extent that, pursuant to law enacted by the
19 Eightieth General Assembly, 2003 Session, supplemental payment
20 adjustments are implemented for physician services provided to
21 medical assistance program participants at publicly owned
22 acute care hospitals, the department of human services shall
23 not, directly or indirectly, recoup the supplemental payment
24 adjustments for any reason, unless an amount equivalent to the
25 amount of adjustment funds that were transferred to the
26 department by the state university of Iowa college of medicine
27 is transferred by the department to the qualifying physicians.

28 Sec. 150. UTILITIES BOARD REVIEW. The utilities board
29 shall initiate and coordinate a review of current ratemaking
30 procedures to determine whether different procedures would be
31 cost-effective and would result in rates that more accurately
32 reflect a utility's cost of providing service to its customers
33 in Iowa. The board shall allow the consumer advocate division
34 of the department of justice, the rate-regulated utilities,
35 and other interested persons to participate in its review.

1 The board shall report the results of its review to the
2 general assembly, with recommendations as appropriate, on or
3 before January 5, 2004.

4 Sec. 151. USE OF TEAM-BASED VARIABLE PAY MONEYS FOR FY
5 2003-2004. Notwithstanding section 284.13, subsection 1,
6 paragraph a, of the moneys reserved for purposes of team-based
7 variable pay for the fiscal year beginning July 1, 2003, and
8 ending June 30, 2004, the sum of two hundred thousand dollars
9 shall be used for purposes of the reading instruction pilot
10 program established pursuant to 2003 Iowa Acts, House File
11 549, if enacted.

12 Sec. 152. FULL-SIZE OFF-HIGHWAY VEHICLE REGISTRATION
13 PROGRAM -- PLAN. The department of natural resources and the
14 state department of transportation, in consultation with the
15 Iowa association of four wheel drive clubs, shall develop a
16 plan for the establishment of a registration program for full-
17 size off-highway vehicles for the purposes of regulating the
18 recreational use of full-size off-highway vehicles and
19 establishing a full-size off-highway vehicle recreation area
20 in the state. The plan shall include an analysis of the
21 number of full-size off-highway vehicles expected to be
22 registered prior to the establishment of a full-size off-
23 highway vehicle recreation area and the number of
24 registrations expected after the establishment of such a
25 facility. The plan shall also include optimum locations for a
26 full-size off-highway vehicle recreation area, estimated
27 costs, if any, for maintenance of the area, and any other
28 issues the departments and the association deem to be of
29 importance in the planning process. The plan, which shall
30 include any proposed legislation for implementation of the
31 plan, shall be submitted to the legislative services agency
32 and the general assembly no later than January 1, 2004.

33 Sec. 153. ELIMINATION OF POSITION -- IOWA LAW ENFORCEMENT
34 ACADEMY DIRECTOR. The merit position of director of the Iowa
35 law enforcement academy referred to in section 80B.5, Code

1 2003, is eliminated effective April 30, 2004.

2 Sec. 154. SEVERABILITY.

3 1. If this entire Act or any portion of section 453C.2,
4 subsection 2, paragraph "b", subparagraph (2), as amended in
5 this Act, is held by a court of competent jurisdiction to be
6 unconstitutional, section 453C.2, subsection 2, paragraph "b",
7 subparagraph (2), is repealed in its entirety.

8 2. If section 453C.2, subsection 2, paragraph "b",
9 subparagraph (2), is repealed pursuant to subsection 1 and a
10 court of competent jurisdiction subsequently finds that
11 section 453C.2, subsection 2, paragraph "b", is
12 unconstitutional due to such repeal, section 453C.2,
13 subsection 2, paragraph "b", subparagraph (2), Code 2003,
14 shall be restored.

15 3. Any holding of unconstitutionality or any repeal of
16 section 453C.2, subsection 2, paragraph "b", subparagraph (2),
17 as amended in this Act, or of section 453C.2, subsection 2,
18 paragraph "b", subparagraph (2), Code 2003, shall not affect,
19 impair, or invalidate any other portion of section 453C.2 or
20 the application of that section to any other person or
21 circumstance, and the remaining portions of section 453C.2,
22 shall continue in full force and effect.

23 Sec. 155. FEDERAL HOUSING MONEYS. Any federal moneys
24 received by the department of economic development for the
25 community development block grant program that are allocated
26 for housing and any federal moneys received for the HOME
27 investment partnership program shall be coordinated with
28 projects within the housing trust fund established in section
29 16.181, if enacted.

30 Sec. 156. SMALLPOX VACCINATIONS. It is the intent of the
31 general assembly that public safety workers, smallpox response
32 teams, and others who will be required to be vaccinated
33 pursuant to the federal Homeland Security Act be protected
34 from both health-related and other results of the federally
35 required vaccination. The emergency management division of

1 the Iowa department of public defense and local governments
2 should work with employees in the public safety areas or
3 response teams to achieve the following:

4 1. Vaccinations should be given only on a voluntary basis.

5 2. Extensive screening should be employed to protect those
6 workers who would be at risk from current health conditions if
7 vaccinated.

8 3. Reprisals or discrimination for workers not voluntarily
9 receiving vaccinations should be prohibited.

10 4. Public employers should protect employees from loss of
11 income or seniority as a result of side effects from
12 vaccinations. Homeland security moneys received by the
13 emergency management division of the Iowa department of public
14 defense from the federal government should include a set-aside
15 to purchase supplemental insurance for public safety or
16 response employees to cover those reactions not covered by
17 traditional employer-provided health insurance.

18 5. Disability or long-term reactions from vaccinations
19 should be considered a work-related injury and should be
20 covered by local or state policies governing disability.

21 6. Vaccinations should be scheduled at staggered times to
22 allow for normal loss of staff time because of vaccination-
23 related illnesses without seriously hampering public safety
24 service.

25 7. Vaccinations administered in Iowa should meet the
26 requirements of the federal Needlestick Safety and Prevention
27 Act of 2000 that requires safety features in the use of
28 needles to administer medicine.

29 8. The emergency management division of the Iowa
30 department of public defense should coordinate efforts to
31 ensure adequate supplies of vaccinia immune globulin and
32 cidofovir and other appropriate medical care and
33 pharmaceuticals to protect those employees who suffer
34 reactions to vaccinations.

35 Sec. 157. CODE EDITOR DIRECTIVE. The Code editor shall

1 change the name of the department of public defense, emergency
2 management division, to the department of public defense,
3 homeland security and emergency management division, in
4 chapter 29C and elsewhere throughout the Code, including
5 references to the division made in law enacted by the
6 Eightieth General Assembly, 2003 Regular Session and other
7 enactments.

8 Sec. 158. RECORDING AND TRANSACTION FEE REPORT. The
9 treasurer of state shall submit a report to the governor and
10 general assembly on or before December 1, 2003, detailing the
11 amount of fees collected statewide pursuant to section 331.604
12 in each fiscal year of the period beginning July 1, 2000, and
13 ending June 30, 2003, and the amount of electronic transaction
14 fees collected statewide for the period beginning July 1,
15 2003, and ending September 30, 2003, pursuant to section
16 331.605C, if enacted by 2003 Iowa Acts, Senate File 453,
17 section 25.

18 Sec. 159. EFFECTIVE DATES. The following provisions of
19 this division of this Act, being deemed of immediate
20 importance, take effect upon enactment:

21 1. The amendments to sections 8.23, 8.31, and 8.57 which
22 are first applicable to appropriations made for the fiscal
23 year beginning July 1, 2003.

24 2. The amendment to section 12E.12.

25 3. The amendments to sections 15E.42, 15E.43, 15E.45, and
26 15E.51, which apply retroactively to January 1, 2002, for tax
27 years beginning on or after that date.

28 4. The amendment to section 15E.193B.

29 5. The amendment to section 435.26A.

30 6. The amendment to section 453A.2, which shall only take
31 effect if 2003 Iowa Acts, Senate File 401, is enacted by the
32 Eightieth General Assembly, 2003 Regular Session.

33 7. The amendments to sections 453C.1 and 453C.2 and the
34 related severability provision.

35 8. The amendments to sections 518.18 and 518A.35.

1 9. The section directing the department of corrections to
2 develop a plan for selling certain land.

3 10. The section relating to the sales and use tax refund.

4 11. The section relating to the school district
5 reimbursement claim.

6 The sections of this division of this Act amending section
7 80B.5 and enacting section 80B.5A are applicable to the
8 appointment of the director of the Iowa law enforcement
9 academy for the term beginning May 1, 2004.

10 Section 29C.8, subsection 3, paragraph "f", as enacted in
11 this division of this Act, and the amendment to section
12 29C.20, subsection 1, as enacted in this division of this Act,
13 take effect July 1, 2004.

14 DIVISION VIII

15 MEDICAL ASSISTANCE PROGRAM

16 Sec. 160. Section 135C.31A, if enacted by 2003 Iowa Acts,
17 House File 619, section 2, is amended to read as follows:

18 135C.31A ASSESSMENT OF RESIDENTS -- PROGRAM ELIGIBILITY.

19 Beginning July 1, 2003, a health care facility receiving
20 reimbursement through the medical assistance program under
21 chapter 249A shall assist the Iowa commission of veterans
22 affairs in ~~determining, prior to the initial~~ identifying, upon
23 admission of a resident, the prospective resident's
24 eligibility for benefits through the federal department of
25 veterans affairs. The health care facility shall also assist
26 the Iowa commission of veterans affairs in determining such
27 eligibility for residents residing in the facility on July 1,
28 2003. The department of inspections and appeals, in
29 cooperation with the department of human services, shall adopt
30 rules to administer this section, including a provision that
31 ensures that if a resident is eligible for benefits through
32 the federal department of veterans affairs or other third-
33 party payor, the payor of last resort for reimbursement to the
34 health care facility is the medical assistance program. This
35 section shall not apply to the admission of an individual to a

1 state mental health institute for acute psychiatric care.

2 Sec. 161. Section 249A.20A, if enacted by 2003 Iowa Acts,
3 House File 619, section 3, is amended by adding the following
4 new subsection:

5 NEW SUBSECTION. 5A. The department shall adopt rules to
6 provide a procedure under which the department and the
7 pharmaceutical and therapeutics committee may disclose
8 information relating to the prices manufacturers or
9 wholesalers charge for pharmaceuticals. The procedures
10 established shall comply with 42 U.S.C. § 1396r-8 and with
11 chapter 550.

12 Sec. 162. Section 249A.20B, if enacted by 2003 Iowa Acts,
13 House File 619, section 4, is amended by adding the following
14 new subsection:

15 NEW SUBSECTION. 5A. The department of human services
16 shall provide a reimbursement to nursing facilities under this
17 section. The reimbursement amount shall be calculated as a
18 per patient day amount and shall be paid to nursing facilities
19 in addition to the reimbursement payment specified in 2001
20 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
21 "c".

22 Sec. 163. 2003 Iowa Acts, House File 619, section 5, if
23 enacted, is amended by striking the section and inserting in
24 lieu thereof the following:

25 SEC. 5. CASE MANAGEMENT PROGRAM FOR FRAIL ELDER.

26 1. The general assembly finds that the existing case
27 management program for frail elders administered by the
28 department of elder affairs is an important component of the
29 long-term care system in this state. The program emphasizes
30 the independence and dignity of the individual while providing
31 services in a cost-effective manner.

32 2. The purposes of the case management program for frail
33 elders include all of the following:

34 a. To provide planning, policy development, coordination,
35 and administrative oversight.

1 b. To provide assistance in the form of assessment and
2 care coordination under circumstances in which an elder or the
3 elder's caregiver is experiencing diminished functional
4 capacity or other conditions that require the provision of
5 services by professional service providers.

6 c. To maintain a system that focuses on the delivery of
7 home and community-based services that emphasize individual
8 independence, individual needs and desires, and consumer-
9 driven quality of services.

10 3. It is the intent of the general assembly that the
11 department of elder affairs in collaboration with the
12 department of human services, area agencies on aging, advocacy
13 groups, industry representatives, and consumers submit
14 recommendations to the general assembly by October 1, 2003,
15 regarding the redesigning of the case management program for
16 the frail elderly including preadmission screening
17 methodologies, level of care determinations and ongoing
18 methodologies for the coordination, provision, and delivery of
19 home and community-based services.

20 4. It is also the intent of the general assembly that the
21 department of elder affairs and the department of human
22 services coordinate efforts to resolve issues relating to
23 level of care determinations no later than October 1, 2003.

24 Sec. 164. 2003 Iowa Acts, House File 619, section 7,
25 subsection 4, paragraph b, if enacted, is amended to read as
26 follows:

27 b. Pharmacies and providers that are enrolled in the
28 medical assistance program shall make available drug
29 acquisition cost information, product availability,
30 information, and other information deemed necessary by the
31 department for the determination of reimbursement rates and
32 the efficient operation of the pharmacy benefit. Pharmacies
33 and providers shall produce and submit the requested
34 information in the manner and format requested by the
35 department or its designee at no cost to the department or

1 designee. Pharmacies and providers shall submit information
2 to the department or its designee within thirty days following
3 receipt of a request for information unless the department or
4 its designee grants an extension upon written request of the
5 pharmacy or provider. Notwithstanding the required provision
6 of information by pharmacies and providers under this
7 paragraph, if the department is able to obtain any of the
8 information required to be provided under this paragraph in an
9 alternative manner, through which the department is ensured of
10 the validity and accuracy of the information and of the timely
11 submission of the information, the department may instead
12 obtain the information in the alternative manner. Chapter 550
13 shall apply to the information provided by pharmacies and
14 providers under this paragraph.

15 Sec. 165. 2003 Iowa Acts, House File 619, section 9, if
16 enacted, is amended to read as follows:

17 SEC. 9. NURSING FACILITY REIMBURSEMENT. Notwithstanding
18 2001 Iowa Acts, chapter 192, section 4, subsection 2,
19 paragraph "c", and subsection 3, paragraph "a", subparagraph
20 (2), if projected state fund expenditures for reimbursement of
21 nursing facilities for the fiscal year beginning July 1, 2003,
22 in accordance with the reimbursement rate specified in 2001
23 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
24 "c", exceeds exceed \$147,252,856, the department shall adjust
25 the inflation factor of the reimbursement rate calculation to
26 provide reimbursement within the amount projected specified in
27 this section. The department, in consultation with nursing
28 facility representatives, shall review the projections on a
29 quarterly basis to determine if an interim adjustment is
30 necessary in order to provide reimbursement within the amount
31 specified in this section. In reviewing the projections, the
32 department shall consider the savings from the reduction in
33 bed hold payments, elimination of crossover claims, and
34 increases in Medicare part A utilization.

35 Sec. 166. 2003 Iowa Acts, House File 619, section 12,

1 subsections 2 and 3, if enacted, are amended to read as
2 follows:

3 2. The department of human services, in cooperation with
4 the department's fiscal agent and in consultation with a
5 chronic care ~~management-resource-group~~ consortium, shall
6 profile medical assistance recipients within a select number
7 of disease diagnosis categories. The assessment shall focus
8 on those diagnosis areas that present the greatest opportunity
9 for impact to improved care and cost reduction.

10 3. The department of human services, in consultation with
11 a chronic care ~~management-resource-group~~ consortium, shall
12 conduct a chronic disease management pilot project for a
13 select number of individuals who are participants in the
14 medical assistance program. The project shall focus on a
15 select number of chronic diseases which may include congestive
16 heart failure, diabetes, and asthma. The initial pilot
17 project shall be implemented by October 1, 2003.

18 Sec. 167. 2003 Iowa Acts, House File 619, section 12,
19 subsection 4, if enacted, is amended by striking the
20 subsection and inserting in lieu thereof the following:

21 4. The department of human services may procure a sole
22 source contract with a vendor to manage individuals with
23 select chronic diseases following the conclusion of the
24 profiling of medical assistance recipients. The management of
25 chronic diseases for individuals under this subsection may be
26 coordinated with the pilot project established in subsection
27 3.

28 Sec. 168. 2002 Iowa Acts, Second Extraordinary Session,
29 chapter 1003, section 110, is amended by adding the following
30 new paragraph:

31 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, up
32 to \$2,400,000 of the funds appropriated in this section that
33 remain unencumbered or unobligated at the close of the fiscal
34 year shall not revert but shall remain available in the
35 succeeding fiscal year to be used for additional field

1 operations, full-time equivalent positions and general
2 administration. Four hundred thousand dollars of this amount
3 shall be used for eight full-time equivalent positions to
4 provide a case manager in each of the judicial districts to
5 provide coordination of services for families that have a
6 history of methamphetamine abuse and \$400,000 of this amount
7 shall be used for general administration.

8 Sec. 169. VETERANS -- DIRECTIVE. The commission of
9 veterans affairs shall work with the commandant of the Iowa
10 veterans home, the department of human services, and the
11 department of inspections and appeals to identify the
12 residents of health care facilities who may be eligible for
13 benefits through the federal department of veterans affairs
14 pursuant to section 135C.31A, if enacted by 2003 Iowa Acts,
15 House File 619.

16 Sec. 170. The section of this division of this Act
17 amending 2002 Iowa Acts, Second Extraordinary Session, chapter
18 1003, section 110, relating to certain federal temporary
19 assistance for needy families block grant funding, takes
20 effect upon enactment.

21 DIVISION IX

22 Sec. 171. PURPOSE AND DEFINITIONS.

23 1. PURPOSE. The general assembly finds that the Iowa
24 communications network is a valuable state asset that has
25 served the people of the state well, but which requires
26 significant ongoing financial support from the state in the
27 form of annual appropriations. The operation of a
28 telecommunications network is a function that can be and
29 generally is conducted by private enterprise. It is in the
30 public interest to sell the Iowa communications network to a
31 qualified private business enterprise that will commit to
32 provide the same secure low-cost high-quality service to state
33 and federal agencies and military installations now provided
34 by the network. Through such a sale, the state would
35 eliminate the need for ongoing annual appropriations while

1 preserving the key benefits enjoyed by the state under the
2 present state ownership of the network. The state also
3 expects to obtain sufficient proceeds from such a sale to
4 cover existing obligations and to realize additional proceeds
5 above the level of such obligations. Given the current
6 depressed state of the telecommunications industry, the state
7 can reasonably be expected to maximize sales proceeds by
8 allowing a purchaser a period of time in which to assemble
9 financing for its purchase. During the interim between
10 enactment of this division of this Act and completion of a
11 sale, the services of a private-enterprise manager with
12 experience operating telecommunications networks can
13 reasonably be expected to reduce the costs of operating the
14 Iowa communications network, thereby lowering annual
15 appropriations.

16 2. DEFINITIONS. As used in this division of this Act,
17 unless the context otherwise requires:

18 a. "Board" means the state network privatization board.

19 b. "Commission" means the Iowa telecommunications and
20 technology commission established in section 8D.3 to oversee
21 the operations of the network.

22 c. "Management contract" means an agreement between the
23 board and the manager for services to oversee and operate the
24 network on behalf of the state.

25 d. "Manager" means the private entity selected by the
26 board to oversee and operate the network on behalf of the
27 state.

28 e. "Network" means the Iowa or state communications
29 network as defined in section 8D.2.

30 f. "Out-of-pocket expenses" means moneys paid to an
31 unaffiliated third party for engineering, legal, consulting,
32 or other services or goods by a manager or purchaser.

33 g. "Purchaser" means the entity that is selected by the
34 board to purchase the network from the state.

35 h. "Required third-party approval" means any consent,

1 conveyance, approval, or waiver that must be granted by a
2 private, governmental, or quasi-governmental third party in
3 order for the purchaser to receive clear title to all network
4 assets and the right to use the network assets free of adverse
5 claims. Required third-party approvals include but are not
6 limited to all of the following:

7 (1) Approvals of assignments to the purchaser of the
8 state's rights under leases or contracts between the state and
9 the third party.

10 (2) Conveyance to the purchaser of property that the third
11 party currently leases to the state on a term with less than
12 fifteen years remaining.

13 (3) Release of restrictions in contracts that require that
14 the state operate the network.

15 i. "Sales contract" means the contract between the state
16 as seller, represented by the board, and the purchaser, for
17 sale of the network to the purchaser.

18 Sec. 172. STATE NETWORK PRIVATIZATION BOARD CREATED --
19 DUTIES.

20 1. A state network privatization board is created. The
21 board shall consist of the following members:

22 a. A chairperson member appointed by the legislative
23 council, subject to confirmation by the senate.

24 b. A member, who shall not be of the same political party
25 as the chairperson, appointed by the governor subject to
26 confirmation by the senate.

27 c. The adjutant general or the adjutant general's
28 designee.

29 2. The board shall do all of the following:

30 a. Issue a request for proposals from qualified entities
31 interested in serving as the manager of the network. This
32 request for proposals shall be issued by July 1, 2004, and
33 responses to the request for proposals shall be due by August
34 1, 2004.

35 b. Select a manager and enter into a management contract

1 with the manager by October 1, 2004. The management contract
2 shall provide for the continuation of all services currently
3 being provided to state and federal agencies and military
4 installations pursuant to chapter 8D, at the rates specified
5 therein, for the duration of the contract. The contract shall
6 also specify the manager's authority in relation to the duties
7 of the commission during the period between execution of the
8 management contract and closing of the sale of the network.
9 The commission shall establish a dispute resolution process
10 regarding rate increases, quality of service issues, and other
11 areas of dispute involving network subscribers. The
12 commission shall also make recommendations regarding
13 imposition of an ongoing dispute resolution and appeals
14 process commencing with the closing of the sale of the
15 network.

16 c. Issue a request for proposals from qualified entities
17 for the purchase of the network. This request for proposals
18 shall be issued by January 1, 2005, and responses to the
19 request for proposals shall be due by May 1, 2005.

20 d. Utilizing the criteria set forth in sections 173 and
21 174 of this Act, select a purchaser and enter into a sales
22 contract with the purchaser by October 1, 2005.

23 e. Immediately upon execution of the management contract
24 and the sales contract by the majority of the board, transmit
25 the executed contract to the general assembly and to the
26 governor. The board shall have full authority to enter into
27 the management contract and the sales contract on behalf of
28 the state, provided that the general assembly by legislation
29 enacted regarding the specific purchase and approved by the
30 governor, within thirty days after transmittal to the general
31 assembly and the governor in the case of the management
32 contract, and within sixty days after transmittal to the
33 general assembly and the governor in the case of the sales
34 contract, may disapprove the board's action, in which case the
35 disapproved contract shall have no force and effect. In the

1 event of such disapproval, the state shall pay the manager or
2 the purchaser, as the case may be, reasonable out-of-pocket
3 expenses incurred in preparing a proposal and performing prior
4 to disapproval, but such expenses shall not exceed two hundred
5 thousand dollars in the case of disapproval of the management
6 contract and five hundred thousand dollars in the case of
7 disapproval of the sales contract.

8 f. Cause the sales contract to require closing by October
9 1, 2007, allowing time for the state to obtain third-party
10 approvals as required by section 176 of this Act, including
11 the filing of any necessary eminent domain actions, and for
12 the purchaser to secure financing.

13 g. Execute all necessary documents relating to the closing
14 of the sale of the network. The board may direct any other
15 applicable official to assist in the execution of necessary
16 documents relating to the closing.

17 h. Require by written directive that all state officials
18 provide information and records concerning the network to the
19 board, to the manager, or to a person submitting a proposal to
20 purchase the network, whenever the board requires such
21 provision of such records and other information.

22 i. Take all other steps necessary and proper as needed to
23 carry out its responsibilities enumerated in this subsection.
24 The board may adopt necessary rules pursuant to chapter 17A to
25 administer this division of this Act.

26 Sec. 173. MINIMUM QUALIFICATIONS OF PURCHASER. The
27 purchaser shall meet the following requirements:

28 1. The principal place of business of the purchaser and
29 any parent of the purchaser shall be located in the state of
30 Iowa.

31 2. For national security reasons, and because of the
32 extensive military use of the network, the purchaser shall
33 possess national security approval.

34 Sec. 174. CRITERIA FOR SELECTION OF PURCHASER. After
35 issuing a request for proposals for the purchase of the

1 network and considering the proposals received, the board
2 shall select the highest and best offer for purchase of the
3 network from those persons submitting proposals which meet all
4 of the following criteria:

5 1. Satisfy the minimum qualifications of this division of
6 this Act.

7 2. Submit a proposal in compliance with the request for
8 proposals.

9 3. Demonstrate a likelihood of being able to obtain any
10 financing necessary to close the transaction. However, the
11 board shall not require that the purchaser have a commitment
12 for financing to award the contract, but shall allow the
13 purchaser at least one year to obtain any necessary financing.
14 The board may also in its discretion consider proposals
15 involving financing of the sale by the state.

16 4. Agree to continue all services currently being provided
17 to state and federal agencies and military installations for
18 the next ten years, with any annual rate increase not to
19 exceed five percent per year, provided that the purchaser
20 shall not be required to supply at such restricted prices a
21 quantity or quality of service greater than that provided by
22 the network as of execution of the contract for sale of the
23 network.

24 Sec. 175. CLOSING OF SALE. Any debt of the state related
25 to the network or other liens against network assets shall be
26 discharged out of the state's proceeds of closing, so that the
27 purchaser receives marketable title to the network. The
28 purchaser shall receive bills of sale, in the case of personal
29 property, and deeds, in the case of real property,
30 transferring all network assets to the purchaser. The state
31 shall also transfer its interest in right-of-way and leases
32 and easements for uses of rights-of-way.

33 Sec. 176. THIRD-PARTY APPROVALS.

34 1. The state shall exercise all reasonable efforts to
35 obtain each required third-party approval, including where

1 necessary by use of eminent domain proceedings. To the extent
2 feasible, the state may pay the costs of obtaining required
3 third-party approvals out of the proceeds of sale rather than
4 from the general fund of the state. In the event the state
5 fails to obtain a required third-party approval, the purchaser
6 may terminate the sales contract without penalty and shall be
7 reimbursed by the state for reasonable out-of-pocket expenses
8 incurred in preparing its proposal and fulfilling its
9 obligations under the sales contract, not to exceed two
10 million dollars.

11 2. The board and the purchaser shall develop a list of
12 required third-party approvals and persons who may have claims
13 that would constitute required third-party approvals if valid.
14 The board shall mail to each person on the list at their last
15 known address a notice that provides a description of the sale
16 and invites the recipient to submit a claim on a form
17 developed by the board by a deadline set by the board. The
18 claim or interest of any person who fails to timely file a
19 claim shall be deemed discharged and forfeited, and such
20 person shall be forever barred and estopped from taking any
21 action against the state or purchaser that would in any way
22 interfere with the purchaser's use of the network. In
23 addition, the board shall publish the notice in newspapers of
24 general circulation in the state of Iowa, and failure to file
25 a timely claim shall bar all persons whose rights could
26 constitutionally be affected by such notice, just as if such
27 person had been mailed notice.

28 3. Any eminent domain or other proceeding to obtain a
29 required third-party approval shall be promptly filed by the
30 attorney general at the request of the board and shall be
31 added to the calendar of any trial or appellate court of this
32 state so that the deadline in section 172 of this Act for
33 closing the sale can be met.

34 Sec. 177. REMOVAL OF RESTRICTIONS -- REPEAL OF CHAPTER 8D.
35 Chapter 8D is repealed, effective as of the date of the

1 closing of the sale of the network under this division of this
2 Act, as certified by the chairperson of the board to the
3 governor.

4 Sec. 178. ASSISTANCE OF OTHER STATE AGENCIES.

5 1. The attorney general shall provide legal advice to the
6 board.

7 2. All other state agencies shall provide whatever
8 assistance may reasonably be required by the board in carrying
9 out its duties under this division of this Act.

10 DIVISION X

11 GOVERNMENT ORGANIZATION REVIEW COMMITTEE

12 Sec. 179. Section 331.264, subsection 1, unnumbered
13 paragraph 1, and paragraphs a through d, if enacted by 2003
14 Iowa Acts, Senate File 390, section 25, is amended to read as
15 follows:

16 A local government organization review committee may be
17 created in a county having a population in excess of one
18 hundred thousand. The committee shall be composed of the
19 following members:

20 a. Three city council members appointed by the city
21 council of each participating city with a population of
22 twenty-five thousand or more.

23 b. Three county supervisors appointed by the county board
24 of supervisors.

25 c. One city council member appointed by each participating
26 city with a population of less than twenty-five thousand.

27 d. One member shall be appointed by each state legislator
28 whose legislative district is located in the county if a
29 majority of the constituents of that legislative district
30 reside in the county. However, if a county does not have a
31 state representative's legislative district which has a
32 majority of a state representative's constituency residing in
33 the county, the state representative having the largest
34 plurality of constituents residing in the county shall appoint
35 a member. The member appointed by each state legislator shall

1 be a person who is not holding elected office and who is a
2 resident of the legislative district of the state legislator.

3 If any-portion more than one-half of the population of a
4 legislative district is in the unincorporated area of the
5 county, the member appointed by that legislator shall be a
6 resident of the unincorporated area of the county.

7 Sec. 180. EFFECTIVE DATE. This division of this Act,
8 being deemed of immediate importance, takes effect upon
9 enactment.

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Lamberti
Kramer
Dvorsky

SSB 1207
Appropriations Succeeded By
SENATE FILE _____ /HF 458

BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON LAMBERTI)

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

A BILL FOR

1 An Act relating to public expenditure and regulatory matters,
2 compensating public employees, making and reducing
3 appropriations, providing for related matters, making
4 penalties applicable, and providing effective dates.

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

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DIVISION I

MH/MR/DD ALLOWED GROWTH

Section 1. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS -- FISCAL YEAR 2004-2005.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... \$ 23,738,749

2. The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2004-2005, and is allocated as follows:

a. For distribution as provided by law:

..... \$ 21,738,749

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

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

DIVISION II

STANDING APPROPRIATIONS -- REDUCTIONS

Sec. 2. GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2003, and ending June 30, 2004, are reduced by the following amount:

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

Sec. 3. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding section 8.56, subsection 4, there is appropriated from the

1 cash reserve fund to the rebuild Iowa infrastructure fund
2 created in section 8.57 for the fiscal year beginning July 1,
3 2002, and ending June 30, 2003, the following amount:

4 \$ 2,150,000

5 Sec. 4. ENVIRONMENT FIRST FUND. Notwithstanding the
6 amount of the standing appropriation from the rebuild Iowa
7 infrastructure fund under section 8.57A, subsection 4, there
8 is appropriated from the rebuild Iowa infrastructure fund to
9 the environment first fund, in lieu of the appropriation made
10 in section 8.57A, for the fiscal year beginning July 1, 2002,
11 and ending June 30, 2003, the following amount:

12 \$ 18,445,000

13 Sec. 5. AT-RISK CHILDREN PROGRAMS. Notwithstanding the
14 standing appropriation in section 279.51, subsection 1, the
15 amount appropriated from the general fund of the state under
16 section 279.51, subsection 1, to the department of education
17 for the fiscal year beginning July 1, 2003, and ending June
18 30, 2004, is reduced by the following amount:

19 \$ 1,000,000

20 The amount of the reduction in this section shall be
21 prorated among the programs specified in section 279.51,
22 subsection 1, paragraphs "a", "b", and "c".

23 Sec. 6. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.

24 Notwithstanding section 312.2, subsection 14, the amount
25 appropriated from the general fund of the state under section
26 312.2, subsection 14, to the state department of
27 transportation for public transit assistance under chapter
28 324A for the fiscal year beginning July 1, 2003, and ending
29 June 30, 2004, is reduced by the following amount:

30 \$ 1,298,675

31 Sec. 7. Section 294A.25, subsection 1, Code 2003, is
32 amended to read as follows:

33 1. For the fiscal year beginning July 1, ~~2000~~ 2003, and
34 for each succeeding year, there is appropriated from the
35 general fund of the state to the department of education the

1 amount of eighty fifty-six million eight hundred ninety-one
2 thousand three hundred thirty-six dollars to be used to
3 improve teacher salaries. The moneys shall be distributed as
4 provided in this section.

5 Sec. 8. EFFECTIVE DATE. The sections of this division of
6 this Act relating to the appropriations made to the rebuild
7 Iowa infrastructure fund and environment first fund for the
8 fiscal year beginning July 1, 2002, being deemed of immediate
9 importance, take effect upon enactment.

10 DIVISION III

11 STANDING APPROPRIATIONS -- LIMITATIONS

12 Sec. 9. Notwithstanding the standing appropriations in the
13 following designated sections for the fiscal year beginning
14 July 1, 2003, and ending June 30, 2004, the amounts
15 appropriated from the general fund of the state pursuant to
16 those sections for the following designated purposes shall not
17 exceed the following amounts:

18 1. For compensation of officers and enlisted persons and
19 their expenses while on state active duty as authorized in
20 section 29A.27:

21 \$ 432,450

22 2. For payment for nonpublic school transportation under
23 section 285.2:

24 \$ 7,799,550

25 If total approved claims for reimbursement for nonpublic
26 school pupil transportation claims exceed the amount
27 appropriated in this section, the department of education
28 shall prorate the amount of each claim.

29 3. For printing cigarette tax stamps under section 453A.7:

30 \$ 110,055

31 4. For the state's share of the cost of the peace
32 officers' retirement benefits under section 411.20:

33 \$ 2,816,189

34 5. For payment of livestock production credit refunds
35 under section 422.121:

1 \$ 1,815,735
 2 6. For reimbursement for the homestead property tax credit
 3 under section 425.1:
 4 \$105,585,004
 5 7. For reimbursement for the agricultural land and family
 6 farm tax credits under section 426.1:
 7 \$ 35,497,624
 8 8. For reimbursement for the military service tax credit
 9 under section 426A.1A:
 10 \$ 2,569,712
 11 9. For administration expenses of the state unemployment
 12 compensation law under chapter 96:
 13 \$ 450,000
 14 10. For payment of certain interest costs due the federal
 15 government under the federal Cash Management and Improvement
 16 Act under section 421.31:
 17 \$ 550,000
 18 11. For funding the state's deferred compensation program
 19 established for state employees under section 509A.12:
 20 \$ 56,501
 21 Sec. 10. ELDERLY AND DISABLED CREDIT. Notwithstanding the
 22 standing appropriation in section 425.39, the amount
 23 appropriated from the general fund of the state under section
 24 425.39, for the fiscal year beginning July 1, 2003, and ending
 25 June 30, 2004, for purposes of implementing the elderly and
 26 disabled credit and reimbursement portion of the extraordinary
 27 property tax and reimbursement division of chapter 425, shall
 28 not exceed \$16,651,800. The director shall pay, in full, all
 29 claims to be paid during the fiscal year beginning July 1,
 30 2003, for reimbursement of rent constituting property taxes
 31 paid. If the amount of claims for credit for property taxes
 32 due to be paid during the fiscal year beginning July 1, 2003,
 33 exceeds the amount remaining after payment to renters, the
 34 director of revenue and finance shall prorate the payments to
 35 the counties for the property tax credit. In order for the

1 director to carry out the requirements of this section,
2 notwithstanding any provision to the contrary in sections
3 425.16 through 425.39, claims for reimbursement for rent
4 constituting property taxes paid filed before May 1, 2004,
5 shall be eligible to be paid in full during the fiscal year
6 ending June 30, 2004, and those claims filed on or after May
7 1, 2004, shall be eligible to be paid during the fiscal year
8 beginning July 1, 2004, and the director is not required to
9 make payments to counties for the property tax credit before
10 June 15, 2004.

11 DIVISION IV

12 REVENUE ADJUSTMENTS -- APPROPRIATIONS

13 Sec. 11. IOWA ECONOMIC EMERGENCY AND RESERVE FUNDS --
14 EARNINGS. Notwithstanding section 8.55, subsection 4, and
15 section 8.56, subsection 1, for the fiscal year beginning July
16 1, 2003, and ending June 30, 2004, the interest and earnings
17 on moneys deposited in the Iowa economic emergency fund and
18 the cash reserve fund shall be credited to the general fund of
19 the state.

20 Sec. 12. USE OF REVERSIONS. Notwithstanding section 8.62,
21 if on June 30, 2004, a balance of an operational
22 appropriation, as defined in section 8.62, remains unexpended
23 or unencumbered, the balance shall revert to the general fund
24 of the state as provided in section 8.33.

25 Sec. 13. KEEP IOWA BEAUTIFUL FUND. For the fiscal years
26 beginning July 1, 2002, and July 1, 2003, moneys credited to
27 the keep Iowa beautiful fund in accordance with section
28 422.12A are appropriated to the state department of
29 transportation to be used for the purposes provided in section
30 314.28.

31 Sec. 14. ENDOWMENT FOR IOWA'S HEALTH. For the fiscal year
32 beginning July 1, 2003, and ending June 30, 2004, of the
33 \$70,000,000 to be deposited in the endowment for Iowa's health
34 account of the tobacco settlement trust fund under 2001 Iowa
35 Acts, chapter 174, section 1, subsection 1, the following

1 amount shall instead be deposited in the general fund of the
2 state:

3 \$ 20,000,000

4 Sec. 15. JUNIOR OLYMPICS. There is appropriated from the
5 general fund of the state to the department of economic
6 development for the fiscal year beginning July 1, 2003, and
7 ending June 30, 2004, the following amount, or so much thereof
8 as is necessary, to be used for the purpose designated:

9 For providing assistance to a city or nonprofit
10 organization hosting the national junior olympics:

11 \$ 50,000

12 Sec. 16. Section 8.55, subsection 2, paragraph c, Code
13 2003, is amended to read as follows:

14 c. Notwithstanding paragraph "a", any moneys in excess of
15 the maximum balance in the economic emergency fund after the
16 distribution of the surplus in the general fund of the state
17 at the conclusion of each fiscal year and after the
18 appropriate amount has been transferred pursuant to paragraph
19 "b", shall not be transferred to the general fund of the state
20 but shall be transferred to the senior living trust fund. The
21 total amount transferred, in the aggregate, under this
22 paragraph for all fiscal years shall not exceed fifty-one one
23 hundred eighteen million five-hundred-thousand dollars.

24 Sec. 17. Section 8.57, subsection 1, paragraph a,
25 unnumbered paragraph 1, Code Supplement 2001, as enacted by
26 2002 Iowa Acts, Second Extraordinary Session, chapter 1001,
27 section 28, is amended to read as follows:

28 The "cash reserve goal percentage" for fiscal years
29 beginning on or after July 1, ~~2003~~ 2004, is seven and one-half
30 percent of the adjusted revenue estimate. For each fiscal
31 year ~~beginning-on-or-after-July-1, 2003~~, in which the
32 appropriation of the surplus existing in the general fund of
33 the state at the conclusion of the prior fiscal year pursuant
34 to paragraph "b" was not sufficient for the cash reserve fund
35 to reach the cash reserve goal percentage for the current

1 fiscal year, there is appropriated from the general fund of
2 the state an amount to be determined as follows:

3 Sec. 18. Section 260G.4B, subsection 1, Code 2003, is
4 amended to read as follows:

5 1. The total amount of program job credits from all
6 employers which shall be allocated for all accelerated career
7 education programs in the state in any one fiscal year shall
8 not exceed the sum of three million dollars in the fiscal year
9 beginning July 1, 2000, three million dollars in the fiscal
10 year beginning July 1, 2001, three million dollars in the
11 fiscal year beginning July 1, 2002, four million dollars in
12 the fiscal year beginning July 1, 2003, and six million
13 dollars in the fiscal year beginning July 1, ~~2003~~ 2004, and
14 every fiscal year thereafter. Any increase in program job
15 credits above the six-million-dollar limitation per fiscal
16 year shall be developed, based on recommendations in a study
17 which shall be conducted by the department of economic
18 development of the needs and performance of approved programs
19 in the fiscal years beginning July 1, 2000, and July 1, 2001.
20 The study's findings and recommendations shall be submitted to
21 the general assembly by the department by December 31, 2002.
22 The study shall include but not be limited to an examination
23 of the quality of the programs, the number of program
24 participant placements, the wages and benefits in program
25 jobs, the level of employer contributions, the size of
26 participating employers, and employer locations. A community
27 college shall file a copy of each agreement with the
28 department of economic development. The department shall
29 maintain an annual record of the proposed program job credits
30 under each agreement for each fiscal year. Upon receiving a
31 copy of an agreement, the department shall allocate any
32 available amount of program job credits to the community
33 college according to the agreement sufficient for the fiscal
34 year and for the term of the agreement. When the total
35 available program job credits are allocated for a fiscal year,

1 the department shall notify all community colleges that the
2 maximum amount has been allocated and that further program job
3 credits will not be available for the remainder of the fiscal
4 year. Once program job credits have been allocated to a
5 community college, the full allocation shall be received by
6 the community college throughout the fiscal year and for the
7 term of the agreement even if the statewide program job credit
8 maximum amount is subsequently allocated and used.

9 Sec. 19. 2001 Iowa Acts, chapter 174, section 1,
10 subsection 2, as amended by 2002 Iowa Acts, chapter 1174,
11 section 8, is amended to read as follows:

12 2. There is appropriated from the general fund of the
13 state to the endowment for Iowa's health account of the
14 tobacco settlement trust fund created in section 12E.12, for
15 the designated fiscal years, the following amounts, to be used
16 for the purposes specified in section 12E.12 for the endowment
17 for Iowa's health account:

18	FY 2001-2002	\$ 7,248,000
19	FY 2003-2004	\$ 28,251,000
20		<u>0</u>
21	FY 2004-2005	\$ 29,785,000
22	FY 2005-2006	\$ 29,562,000
23	FY 2006-2007	\$ 17,773,000

24 Sec. 20. 2002 Iowa Acts, Second Extraordinary Session,
25 chapter 1001, section 33, is amended to read as follows:

26 SEC. 33. EFFECTIVE DATE -- APPLICABILITY. The amendments
27 to the following designated Code provisions in this division
28 of this Act take effect July 1, ~~2003~~ 2004:

- 29 1. Section 8.55, subsection 2, paragraph "a".
- 30 2. Section 8.56, subsection 4, paragraph "b".
- 31 3. Section 8.57, subsection 1, paragraph "a".

32 RACING AND GAMING COMMISSION

33 Sec. 21. 2002 Iowa Acts, Second Extraordinary Session,
34 chapter 1003, section 9, subsection 1, is amended to read as
35 follows:

1 1. RACETRACK REGULATION

2 There is appropriated from the general fund of the state to
3 the racing and gaming commission of the department of
4 inspections and appeals for the fiscal year beginning July 1,
5 2002, and ending June 30, 2003, the following amount, or so
6 much thereof as is necessary, to be used for the purposes
7 designated:

8	For salaries, support, maintenance, and miscellaneous	
9	purposes for the regulation of pari-mutuel racetracks, and for	
10	not more than the following full-time equivalent positions:	
11	.....	\$ 2,083,762
12		<u>2,163,762</u>
13	..... FTEs	24.78

14 Of the funds appropriated in this subsection, \$85,576 shall
15 be used to conduct an extended harness racing season.

16 Sec. 22. EFFECTIVE DATE. The following provisions of this
17 division of this Act, being deemed of immediate importance,
18 take effect upon enactment:

19 1. The section appropriating moneys from the keep Iowa
20 beautiful fund.

21 2. The section amending 2002 Iowa Acts, Second
22 Extraordinary Session, chapter 1003, section 9, relating to
23 racetrack regulation.

24 DIVISION V

25 COMPENSATION AND BENEFITS

26 Sec. 23. COLLECTIVE BARGAINING AGREEMENTS FUNDED --
27 GENERAL FUND. There is appropriated from the general fund of
28 the state to the salary adjustment fund for distribution by
29 the department of management to the various state departments,
30 boards, commissions, councils, and agencies, and to the state
31 board of regents for those persons employed at the state
32 school for the deaf and the Iowa braille and sight saving
33 school, for the fiscal year beginning July 1, 2003, and ending
34 June 30, 2004, the amount of \$25,000,000, or so much thereof
35 as may be necessary, to fully fund annual pay adjustments,

1 expense reimbursements, and related benefits implemented
2 pursuant to the following:

3 1. The collective bargaining agreement negotiated pursuant
4 to chapter 20 for employees in the blue collar bargaining
5 unit.

6 2. The collective bargaining agreement negotiated pursuant
7 to chapter 20 for employees in the public safety bargaining
8 unit.

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

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

13 5. The collective bargaining agreement negotiated pursuant
14 to chapter 20 for employees in the professional fiscal and
15 staff bargaining unit.

16 6. The collective bargaining agreement negotiated pursuant
17 to chapter 20 for employees in the clerical bargaining unit.

18 7. The collective bargaining agreement negotiated pursuant
19 to chapter 20 for employees in the professional social
20 services bargaining unit.

21 8. The collective bargaining agreement negotiated pursuant
22 to chapter 20 for employees in the community-based corrections
23 bargaining unit.

24 9. The collective bargaining agreements negotiated
25 pursuant to chapter 20 for employees in the judicial branch of
26 government bargaining units.

27 10. The annual pay adjustments, related benefits, and
28 expense reimbursements referred to in the sections of this
29 division of this Act for employees not covered by a collective
30 bargaining agreement.

31 Sec. 24. NONCONTRACT STATE EMPLOYEES -- GENERAL.

32 1. a. For the fiscal year beginning July 1, 2003, the
33 maximum salary levels of all pay plans provided for in section
34 19A.9, subsection 2, as they exist for the fiscal year ending
35 June 30, 2003, shall be increased by 2 percent for the pay

1 period beginning June 20, 2003, and any additional changes in
2 the pay plans shall be approved by the governor.

3 b. For the fiscal year beginning July 1, 2003, employees
4 may receive a step increase or the equivalent of a step
5 increase.

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

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

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

25 5. The policies for implementation of this section shall
26 be approved by the governor.

27 Sec. 25. STATE EMPLOYEES -- STATE BOARD OF REGENTS.

28 1. Funds from the appropriation made in this division of
29 this Act from the general fund of the state to the salary
30 adjustment fund shall be allocated by the department of
31 management to the state board of regents for the purposes of
32 providing increases for state board of regents employees at
33 the state school for the deaf and the Iowa braille and sight
34 saving school who are addressed by that appropriation and
35 employees of the schools who are not covered by a collective

1 bargaining agreement.

2 2. The state board of regents office and the state
3 university of Iowa, Iowa state university of science and
4 technology, and the university of northern Iowa shall provide
5 from available sources pay adjustments, expense
6 reimbursements, and related benefits to fully fund the
7 following:

8 a. The collective bargaining agreement negotiated pursuant
9 to chapter 20 for employees in the university of northern Iowa
10 faculty bargaining unit.

11 b. The collective bargaining agreement negotiated pursuant
12 to chapter 20 for employees in the patient care bargaining
13 unit.

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

16 d. The collective bargaining agreement negotiated pursuant
17 to chapter 20 for employees in the state university of Iowa
18 graduate student bargaining unit.

19 e. The collective bargaining agreement negotiated pursuant
20 to chapter 20 for employees in the state university of Iowa
21 hospital and clinics tertiary health care bargaining unit.

22 f. The collective bargaining agreement negotiated pursuant
23 to chapter 20 for employees in the blue collar bargaining
24 unit.

25 g. The collective bargaining agreement negotiated pursuant
26 to chapter 20 for employees in the public safety bargaining
27 unit.

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

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

32 j. The collective bargaining agreement negotiated pursuant
33 to chapter 20 for employees in the professional fiscal and
34 staff bargaining unit.

35 k. The collective bargaining agreement negotiated pursuant

1 to chapter 20 for employees in the clerical bargaining unit.

2 1. The annual pay adjustments, related benefits, and
3 expense reimbursements referred to in the sections of this
4 division of this Act for employees not covered by a collective
5 bargaining agreement.

6 Sec. 26. APPROPRIATIONS FROM ROAD FUNDS.

7 1. There is appropriated from the road use tax fund to the
8 salary adjustment fund for the fiscal year beginning July 1,
9 2003, and ending June 30, 2004, the following amount, or so
10 much thereof as may be necessary, to be used for the purpose
11 designated:

12 To supplement other funds appropriated by the general
13 assembly:

14 \$ 3,000,000

15 2. There is appropriated from the primary road fund to the
16 salary adjustment fund, for the fiscal year beginning July 1,
17 2003, and ending June 30, 2004, the following amount, or so
18 much thereof as may be necessary, to be used for the purpose
19 designated:

20 To supplement other funds appropriated by the general
21 assembly:

22 \$ 12,000,000

23 3. Except as otherwise provided in this division of this
24 Act, the amounts appropriated in subsections 1 and 2 shall be
25 used to fund the annual pay adjustments, expense
26 reimbursements, and related benefits for public employees as
27 provided in this division of this Act.

28 Sec. 27. SPECIAL FUNDS -- AUTHORIZATION. To departmental
29 revolving, trust, or special funds, except for the primary
30 road fund or the road use tax fund, for which the general
31 assembly has established an operating budget, a supplemental
32 expenditure authorization is provided, unless otherwise
33 provided, in an amount necessary to fund salary adjustments as
34 otherwise provided in this division of this Act.

35 Sec. 28. GENERAL FUND SALARY MONEYS. Funds appropriated

1 from the general fund of the state in this division of this
2 Act relate only to salaries supported from general fund
3 appropriations of the state except for employees of the state
4 board of regents at the state school for the deaf and the Iowa
5 braille and sight saving school. The funds appropriated from
6 the general fund of the state for employees at the state
7 school for the deaf and the Iowa braille and sight saving
8 school of the state board of regents shall exclude general
9 university indirect costs and general university federal
10 funds.

11 Sec. 29. FEDERAL FUNDS APPROPRIATED. All federal grants
12 to and the federal receipts of the agencies affected by this
13 division of this Act which are received and may be expended
14 for purposes of this division of this Act are appropriated for
15 those purposes and as set forth in the federal grants or
16 receipts.

17 Sec. 30. STATE TROOPER MEAL ALLOWANCE. The sworn peace
18 officers in the department of public safety who are not
19 covered by a collective bargaining agreement negotiated
20 pursuant to chapter 20 shall receive the same per diem meal
21 allowance as the sworn peace officers in the department of
22 public safety who are covered by a collective bargaining
23 agreement negotiated pursuant to chapter 20.

24 Sec. 31. SALARY MODEL COORDINATOR. Of the funds
25 appropriated in this division of this Act from the general
26 fund of the state, \$126,767 for the fiscal year beginning July
27 1, 2003, is allocated to the department of management for
28 salary and support of the salary model coordinator who shall
29 work in conjunction with the legislative fiscal bureau to
30 maintain the state's salary model used for analyzing,
31 comparing, and projecting state employee salary and benefit
32 information, including information relating to employees of
33 the state board of regents. The department of revenue and
34 finance, the department of personnel, the five institutions
35 under the jurisdiction of the state board of regents, the

1 eight judicial district departments of correctional services,
2 and the state department of transportation shall provide
3 salary data to the department of management and the
4 legislative fiscal bureau to operate the state's salary model.
5 The format and frequency of provision of the salary data shall
6 be determined by the department of management and the
7 legislative fiscal bureau. The information shall be used in
8 collective bargaining processes under chapter 20 and in
9 calculating the funding needs contained within the annual
10 salary adjustment legislation. A state employee organization
11 as defined in section 20.3, subsection 4, may request
12 information produced by the model, but the information
13 provided shall not contain information attributable to
14 individual employees.

15 DIVISION VI

16 CORRECTIVE PROVISIONS

17 Sec. 32. Section 8A.202, subsection 2, paragraph e, if
18 enacted by 2003 Iowa Acts, House File 534, is amended by
19 striking the paragraph and inserting in lieu thereof the
20 following:

21 e. Developing and maintaining an electronic repository for
22 public access to reference copies of agency mandated reports,
23 newsletters, and publications in conformity with section
24 304B.10, subsection 1, paragraph "h". The department shall
25 develop technical standards for an electronic repository in
26 consultation with the state librarian and the state archivist.

27 Sec. 33. Section 99E.9, subsection 2, Code 2003, as
28 amended by 2003 Iowa Acts, House File 171, section 31, is
29 amended to read as follows:

30 2. Subject to the approval of the board, the commissioner
31 may enter into contracts for the operation and marketing of
32 the lottery, except that the board may by rule designate
33 classes of contracts other than major procurements which do
34 not require prior approval by the board. A major procurement
35 shall be as the result of competitive bidding with the

1 contract being awarded to the responsible vendor submitting
2 the lowest and best proposal. However, before a contract for
3 a major procurement is awarded, the division of criminal
4 investigation of the department of public safety shall conduct
5 a thorough background investigation of the vendor to whom the
6 contract is to be awarded. The commissioner and board shall
7 consult with the division of criminal investigation and shall
8 provide, by rule, for the scope of the thorough background
9 investigations and due diligence with regard to the background
10 investigations to be conducted in connection with major
11 procurements. The vendor shall submit to the division of
12 criminal investigation appropriate investigation
13 authorizations to facilitate this investigation. The
14 background investigation by the division of criminal
15 investigation may include a national criminal history record
16 check through the federal bureau of investigation. The
17 screening of vendors or their employees through the federal
18 bureau of investigation shall be conducted by submission of
19 fingerprints through the state criminal history repository to
20 the federal bureau of investigation. As used in this
21 subsection, "major procurement" means consulting agreements
22 and the major procurement contract with a business
23 organization for the printing of tickets, or for purchase or
24 lease of equipment or services essential to the operation of a
25 lottery game.

26 Sec. 34. Section 135.150, subsection 3, as enacted by 2003
27 Iowa Acts, House File 396, section 1, is amended to read as
28 follows:

29 3. "Director" means the director ~~or the director's~~
30 designee of public health or the director's designee.

31 Sec. 35. Section 135.154, subsection 7, as enacted by 2003
32 Iowa Acts, House File 396, section 5, is amended to read as
33 follows:

34 7. Treat or order that individuals exposed to or infected
35 with disease receive treatment or prophylaxis. Treatment or

1 prophylaxis shall be administered by any qualified person
2 authorized to do so by the department. Treatment or
3 prophylaxis shall not be provided or ordered if the treatment
4 or prophylaxis is reasonably likely to lead to serious harm to
5 the affected individual. To prevent the spread of
6 communicable or potentially communicable disease, the
7 department may isolate or quarantine, pursuant to chapter 139A
8 and the rules implementing chapter 139A and this division of
9 this chapter, any individual who is unable or unwilling to
10 undergo treatment or prophylaxis pursuant to this section.

11 Sec. 36. Section 170.6, subsection 1, paragraph b, if
12 enacted by 2003 Iowa Acts, House File 624, is amended to read
13 as follows:

14 b. Failed to provide notice or access to the department of
15 natural resources and the department of agriculture and land
16 stewardship as required by section 170.5.

17 Sec. 37. Section 232.71B, subsection 7A, if enacted by
18 2003 Iowa Acts, House File 558, section 1, is amended to read
19 as follows:

20 7A. PROTECTIVE DISCLOSURE. If the department determines
21 that disclosure is necessary for the protection of a child,
22 the department may disclose to a subject of a child abuse
23 report referred to in section 235A.15, subsection 2, paragraph
24 "a", that an individual is listed in the child or dependent
25 adult abuse registry or is required to register with the sex
26 offender registry in accordance with chapter 692A.

27 Sec. 38. Section 235B.3, subsection 6A, if enacted by 2003
28 Iowa Acts, House File 558, section 2, is amended to read as
29 follows:

30 6A. If the department determines that disclosure is
31 necessary for the protection of a dependent adult, the
32 department may disclose to a subject of a dependent adult
33 abuse report referred to in section 235B.6, subsection 2,
34 paragraph "a", that an individual is listed in the child or
35 dependent adult abuse registry or is required to register with

1 the sex offender registry in accordance with chapter 692A.

2 Sec. 39. Section 304B.3, subsections 4, 8, and 9, if
3 enacted by 2003 Iowa Acts, House File 648, section 6, are
4 amended to read as follows:

5 4. The director of revenue ~~and-finance~~.

6 8. The director of the department of general
7 administrative services.

8 ~~9.---The-director-of-the-information-technology-department---~~

9 Sec. 40. Section 356.7, subsection 1, as amended by 2003
10 Iowa Acts, House File 650, section 1, if enacted, is amended
11 to read as follows:

12 1. The county sheriff, or a municipality operating a
13 temporary municipal holding facility or jail, may charge a
14 prisoner who is eighteen years of age or older and who has
15 been convicted of a criminal offense or sentenced for contempt
16 of court for violation of a domestic abuse order for the
17 actual administrative costs relating to the arrest and booking
18 of that prisoner, and for room and board provided to the
19 prisoner while in the custody of the county sheriff or
20 municipality. Moneys collected by the sheriff or municipality
21 under this section shall be credited ~~respectfully~~ respectively
22 to the county general fund or the city general fund and
23 distributed as provided in this section. If a prisoner who
24 has been convicted of a criminal offense or sentenced for
25 contempt of court for violation of a domestic abuse order
26 fails to pay for the administrative costs and the room and
27 board, the sheriff or municipality may file a room and board
28 reimbursement claim with the district court as provided in
29 subsection 2. The county attorney may file the reimbursement
30 claim on behalf of the sheriff and the county or the
31 municipality. The attorney for the municipality may also file
32 a reimbursement claim on behalf of the municipality. This
33 section does not apply to prisoners who are paying for their
34 room and board by court order pursuant to sections 356.26
35 through 356.35.

1 Sec. 41. Section 459.401, subsection 2, paragraph a,
2 subparagraph (3A), if enacted by 2003 Iowa Acts, House File
3 644, section 18, is amended to read as follows:

4 (3A) A commercial manure service license fee as provided
5 in section ~~359-316~~ 459.316.

6 Sec. 42. Section 505A.1, article V, section 2, paragraph
7 a, subparagraph (3), if enacted by 2003 Iowa Acts, House File
8 647, section 54, is amended to read as follows:

9 (3) Four members from those compacting states with less
10 than two percent of the market, based on the premium volume
11 described in subparagraph (1), with one selected from each of
12 the four zone regions of the national association of insurance
13 commissioners as provided in the bylaws.

14 Sec. 43. Section 508.31A, subsection 2, paragraph b, Code
15 2003, as amended by 2003 Iowa Acts, House File 647, section 7,
16 if enacted, is amended to read as follows:

17 b. A funding agreement issued pursuant to paragraph "a",
18 subparagraph (1), (2), or (3), shall be for a total amount of
19 not less than one million dollars.

20 Sec. 44. Section 692A.13, subsection 9, if enacted by 2003
21 Iowa Acts, House File 558, section 3, is amended to read as
22 follows:

23 9. If the department of human services determines that
24 disclosure is necessary for the protection of a child or a
25 dependent adult, the department may disclose to a subject of a
26 child abuse report referred to in section 235A.15, subsection
27 2, paragraph "a", or to a subject of a dependent adult abuse
28 report referred to in section 235B.6, subsection 2, paragraph
29 "a", that an individual is listed in the child or dependent
30 adult abuse registry or is required to register under this
31 chapter.

32 Sec. 45. Section 901.5, subsection 7A, paragraph d, as
33 enacted by 2003 Iowa Acts, House File 404, section 1, is
34 amended to read as follows:

35 d. Violation of a no-contact order issued under this

1 section is punishable by summary contempt proceedings. A
2 hearing in a contempt proceeding brought pursuant to this
3 subsection shall be held not less than five days and not more
4 than fifteen days after the issuance of a rule to show cause,
5 as set by the court, unless the defendant is already in
6 custody at the time of the alleged violation in which case the
7 hearing shall be held not less than five days and not more
8 than forty-five days after the issuance of the rule to show
9 cause.

10 Sec. 46. 2003 Iowa Acts, Senate File 155, section 26, is
11 repealed.

12 Sec. 47. 2003 Iowa Acts, Senate File 155, section 56, is
13 repealed.

14 Sec. 48. 2003 Iowa Acts, House File 601, section 2, is
15 amended by striking the section and inserting in lieu thereof
16 the following:

17 SEC. 2. Section 56.5, subsection 2, paragraph d, Code
18 2003, is amended by striking the paragraph.

19 Sec. 49. 2003 Iowa Acts, House File 624, section 22, if
20 enacted, is amended to read as follows:

21 SEC. 22. HUNTING PRESERVES AND GAME BREEDERS -- AUTOMATIC
22 CERTIFICATION. Any A fence enclosing farm deer kept on land
23 which is owned by a person licensed pursuant to section 484B.5
24 or 481A.61 ~~and which is enclosed with a fence~~ on the effective
25 date of this Act shall be deemed to comply with construction
26 requirements of section 170.4 and shall be automatically
27 certified by the department of agriculture and land
28 stewardship without ~~submitting~~ submission of an application.
29 The landowner is not required to notify the department of
30 natural resources concerning removal of whitetail as otherwise
31 required pursuant to section 170.5.

32 Sec. 50. 2003 Iowa Acts, House File 648, section 1, if
33 enacted, is repealed.

34 Sec. 51. CONTINGENT EFFECTIVE DATES.

35 1. The section of this division of this Act amending

1 section 8A.202, subsection 2, if enacted by 2003 Iowa Acts,
2 House File 534, takes effect if House File 648, relating to
3 the management of state archives and records, is enacted by
4 the Eightieth General Assembly, 2003 Regular Session.

5 2. The sections of this division of this Act amending
6 section 304B.3, if enacted by 2003 Iowa Acts, House File 648,
7 and repealing 2003 Iowa Acts, House File 648, section 1, if
8 enacted, take effect if House File 534, establishing a
9 department of administrative services, is enacted by the
10 Eightieth General Assembly, 2003 Regular Session.

11 3. The section of this division of this Act repealing 2003
12 Iowa Acts, Senate File 155, section 26, takes effect if 2003
13 Iowa Acts, House File 614, relating to elections, is enacted
14 by the Eightieth General Assembly, 2003 Regular Session.

15 DIVISION VII

16 MISCELLANEOUS PROVISIONS

17 Sec. 52. Section 12B.10, subsection 6, paragraph d,
18 subparagraph (4), Code 2003, is amended to read as follows:

19 (4) For investments of short-term operating funds, the
20 funds shall not be invested in investments having effective
21 maturities exceeding sixty-three months.

22 Sec. 53. Section 12B.10A, subsection 6, paragraph d,
23 subparagraph (4), Code 2003, is amended to read as follows:

24 (4) For investments of short-term operating funds, the
25 funds shall not be invested in investments having effective
26 maturities exceeding sixty-three months.

27 Sec. 54. Section 12E.12, subsection 8, Code 2003, is
28 amended to read as follows:

29 8. With respect to the payment of certain debt service,
30 the debt service to be paid shall be those installments of
31 debt service on bonds selected by the treasurer of state and
32 identified in the authority's tax certificate delivered at the
33 time of the issuance of the bonds issued pursuant to this
34 chapter, or as otherwise selected by the treasurer of state.
35 Once the bonds and the installments of debt service thereon

1 are so selected, that debt service and bonds shall not be
2 paid, or provided to be paid, from any other source including
3 the state or any of its departments or agencies. Provided,
4 however, that if funds are not appropriated to pay debt
5 service on such bonds when due, the issuing agency shall pay
6 such the debt service from any available source as provided in
7 the bond covenants for-such-bonds. To the extent that this
8 section does not allow proceeds of previously issued refunding
9 bonds to be applied for the purpose of the refunding, the
10 issuing agency may expend such proceeds to improve, remodel,
11 or repair buildings or other infrastructure upon authorization
12 of the issuing agency's authority.

13 Sec. 55. Section 15E.193B, subsection 4, Code 2003, is
14 amended to read as follows:

15 4. The eligible housing business shall complete its
16 building or rehabilitation within two years from the time the
17 business begins construction on the single-family homes and
18 dwelling units. The failure to complete construction or
19 rehabilitation within two years shall result in the eligible
20 housing business becoming ineligible and subject to the
21 repayment requirements and penalties enumerated in subsection
22 7. The department may extend the prescribed two-year
23 completion period for any project which has not been completed
24 if the department determines that completion within the two-
25 year period is impossible or impractical as a result of a
26 substantial loss caused by flood, fire, earthquake, storm, or
27 other catastrophe. For purposes of this subsection,
28 "substantial loss" means damage or destruction in an amount in
29 excess of thirty percent of the project's expected eligible
30 basis as set forth in the eligible housing business's
31 application.

32 Sec. 56. NEW SECTION. 16.181 HOUSING TRUST FUND.

33 1. a. A housing trust fund is created within the
34 authority. The moneys in the housing trust fund are annually
35 appropriated to the authority to be used for the development

1 and preservation of affordable housing for low-income people
2 in the state. Payment of interest, recaptures of awards, or
3 other repayments to the housing trust fund shall be deposited
4 in the fund. Notwithstanding section 12C.7, interest or
5 earnings on moneys in the housing trust fund or appropriated
6 to the fund shall be credited to the fund. Notwithstanding
7 section 8.33, unencumbered and unobligated moneys remaining in
8 the fund at the close of each fiscal year shall not revert but
9 shall remain available for expenditure for the same purposes
10 in the succeeding fiscal year.

11 b. Assets in the housing trust fund shall consist of all
12 of the following:

13 (1) Any assets received by the authority from the Iowa
14 housing corporation.

15 (2) Any assets transferred by the authority for deposit in
16 the housing trust fund.

17 (3) Any other moneys appropriated by the general assembly
18 and any other moneys available to and obtained or accepted by
19 the authority for placement in the housing trust fund.

20 c. The authority shall create the following programs
21 within the housing trust fund:

22 (1) Local housing trust fund program. Sixty percent of
23 available moneys in the housing trust fund shall be allocated
24 for the local housing trust fund program. Any moneys
25 remaining in the local housing trust fund program on April 1
26 of each fiscal year which have not been awarded to a local
27 housing trust fund may be transferred to the project-based
28 housing program at any time prior to the end of the fiscal
29 year.

30 (2) Project-based housing program. Forty percent of the
31 available moneys in the housing trust fund shall be allocated
32 to the project-based housing program.

33 2. a. In order to be eligible to apply for funding from
34 the local housing trust fund program, a local housing trust
35 fund must be approved by the authority and have all of the

1 following:

2 (1) A local governing board recognized by the city,
3 county, council of governments, or regional officials as the
4 board responsible for coordinating local housing programs.

5 (2) A housing assistance plan approved by the authority.

6 (3) Sufficient administrative capacity in regard to
7 housing programs.

8 (4) A local match requirement approved by the authority.

9 b. An award from the local housing trust fund program
10 shall not exceed ten percent of the balance in the program at
11 the beginning of the fiscal year plus ten percent of any
12 deposits made during the fiscal year.

13 c. By December 31 of each year, a local housing trust fund
14 receiving moneys from the local housing trust fund program
15 shall submit a report to the authority itemizing expenditures
16 of the awarded moneys.

17 3. In an area where no local housing trust fund exists, a
18 person may apply for moneys from the project-based housing
19 program.

20 4. The authority shall adopt rules pursuant to chapter 17A
21 necessary to administer this section.

22 Sec. 57. Section 25.1, Code 2003, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 4. Notwithstanding subsections 1 and 2,
25 and section 25.2, the state appeal board shall not consider
26 claims for refund of the unused portion of vehicle
27 registration fees collected under section 321.105.

28 Sec. 58. Section 28.9, subsection 2, Code 2003, is amended
29 to read as follows:

30 2. a. A school ready children grants account is created
31 in the Iowa empowerment fund under the authority of the
32 director of the department of education. Moneys credited to
33 the account shall be distributed by the department of
34 education in the form of grants to community empowerment areas
35 pursuant to criteria established by the Iowa board in

1 accordance with law.

2 b. The distribution formula utilized by the Iowa board for
3 school ready children grants in the fiscal year beginning July
4 1, 2004, and for each succeeding fiscal year, shall
5 specifically incorporate the following components:

6 (1) A minimum statewide performance baseline shall be
7 established for the core indicators of performance identified
8 pursuant to section 28.8, subsection 1, paragraph "a".

9 (2) A community empowerment area must maintain its
10 designated status in good standing and must have received
11 continued approval of its school ready children grant plan.

12 (3) The community empowerment area must identify how the
13 core indicators of performance will be addressed by the area
14 and select two or more of the core indicators that will
15 achieve a minimum percentage of improvement identified by the
16 area, subject to approval by the Iowa board. The community
17 empowerment area's data for the calendar year preceding the
18 year in which the area initially received a school ready
19 children grant shall be used as the area's baseline year.

20 (4) If an area achieves the identified percentage level of
21 improvement in the preceding calendar year, the area's minimum
22 grant amount shall be the annualized grant amount received in
23 the area's initial year of funding. The Iowa board may
24 implement provisions for averaging the performance levels over
25 two or more years and other approaches to apply the
26 requirements of this paragraph "b" in an equitable manner.

27 (5) If an area does not achieve the identified percentage
28 level of improvement in the preceding calendar year, the area
29 shall receive a reduction from the area's minimum grant
30 amount. If the identified percentage level of improvement is
31 achieved in the next succeeding calendar year, the area's
32 minimum grant amount shall be restored.

33 Sec. 59. Section 29C.8, subsection 3, Code 2003, is
34 amended by adding the following new paragraphs:

35 NEW PARAGRAPH. f. (1) Approve and support the

1 development and ongoing operations of an urban search and
2 rescue team to be deployed as a resource to supplement and
3 enhance emergency and disaster operations.

4 (2) A member of an urban search and rescue team acting
5 under the authority of the administrator or pursuant to a
6 governor's disaster proclamation as provided in section 29C.6
7 shall be considered an employee of the state under chapter 669
8 and shall be afforded protection as an employee of the state
9 under section 669.21. Disability, workers' compensation, and
10 death benefits for team members working under the authority of
11 the administrator or pursuant to the provisions of section
12 29C.6 shall be paid by the state in a manner consistent with
13 the provisions of chapter 85, 410, or 411 as appropriate,
14 depending on the status of the member.

15 NEW PARAGRAPH. g. Develop, implement, and support a
16 uniform incident command system to be used by state agencies
17 to facilitate efficient and effective assistance to those
18 affected by emergencies and disasters. This system shall be
19 consistent with the requirements of the United States
20 occupational safety and health administration and a national
21 incident management system.

22 Sec. 60. Section 29C.20, subsection 1, Code 2003, is
23 amended to read as follows:

24 1. a. A contingent fund is created in the state treasury
25 for the use of the executive council which may be expended for
26 the purpose-of-paying following purposes:

27 (1) Paying the expenses of suppressing an insurrection or
28 riot, actual or threatened, when state aid has been rendered
29 by order of the governor and-for-repairing.

30 (2) Repairing, rebuilding, or restoring state property
31 injured, destroyed, or lost by fire, storm, theft, or
32 unavoidable cause and-for-repairing.

33 (3) Repairing, rebuilding, or restoring state property
34 which that is fiberoptic cable and which that is injured or
35 destroyed by a wild animal and-for-aid-to.

1 (4) Paying the expenses incurred by and claims of an urban
2 search and rescue team when acting under the authority of the
3 administrator and the provisions of section 29C.6.

4 (5) (a) Aiding any governmental subdivision in an area
5 declared by the governor to be a disaster area due to natural
6 disasters or to expenditures necessitated by the governmental
7 subdivision toward averting or lessening the impact of the
8 potential disaster, where the effect of the disaster or action
9 on the governmental subdivision is the immediate financial
10 inability to meet the continuing requirements of local
11 government.

12 (b) Upon application by a governmental subdivision in such
13 an area, accompanied by a showing of obligations and
14 expenditures necessitated by an actual or potential disaster
15 in a form and with further information the executive council
16 requires, the aid may be made in the discretion of the
17 executive council and, if made, shall be in the nature of a
18 loan up to a limit of seventy-five percent of the showing of
19 obligations and expenditures. The loan, without interest,
20 shall be repaid by the maximum annual emergency levy
21 authorized by section 24.6, or by the appropriate levy
22 authorized for a governmental subdivision not covered by
23 section 24.6. The aggregate total of loans shall not exceed
24 one million dollars during a fiscal year. A loan shall not be
25 for an obligation or expenditure occurring more than two years
26 previous to the application.

27 b. When a state department or agency requests that moneys
28 from the contingent fund be expended to repair, rebuild, or
29 restore state property injured, destroyed, or lost by fire,
30 storm, theft, or unavoidable cause, or to repair, rebuild, or
31 restore state property which that is fiberoptic cable and
32 which that is injured or destroyed by a wild animal, or for
33 payment of the expenses incurred by and claims of an urban
34 search and rescue team when acting under the authority of the
35 administrator and the provisions of section 29C.6, the

1 executive council shall consider the original source of the
2 funds for acquisition of the property before authorizing the
3 expenditure. If the original source was other than the
4 general fund of the state, the department or agency shall be
5 directed to utilize moneys from the original source if
6 possible. The executive council shall not authorize the
7 repairing, rebuilding, or restoring of the property from the
8 disaster aid contingent fund if it determines that moneys from
9 the original source are available to finance the project.

10 Sec. 61. Section 99G.40, subsection 1, paragraph a, if
11 enacted by 2003 Iowa Acts, Senate File 453, is amended to read
12 as follows:

13 a. Submit quarterly and annual reports to the governor,
14 state auditor, and the general assembly disclosing the total
15 lottery revenues, prize disbursements, and other expenses of
16 the authority during the reporting period. The fourth quarter
17 report shall be included in the annual report made pursuant to
18 this section. The annual report shall include a complete
19 statement of lottery revenues, prize disbursements, and other
20 expenses, and recommendations for changes in the law that the
21 chief executive officer deems necessary or desirable. The
22 annual report shall be submitted within one hundred twenty
23 days after the close of the fiscal year. The chief executive
24 officer shall report immediately to the governor, the
25 treasurer of state, and the general assembly any matters that
26 require immediate changes in the law in order to prevent
27 abuses or evasions of this chapter or rules adopted or to
28 rectify undesirable conditions in connection with the
29 administration or operation of the lottery. The auditor of
30 state and the auditor's legally authorized representatives may
31 periodically examine the accounts and books of the authority,
32 including its revenues, disbursements, contracts, leases,
33 investments, and other records and papers relating to its
34 financial standing.

35 Sec. 62. Section 260C.14, Code 2003, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 20. Adopt a policy to offer not less than
3 the following options to a student who is a member of the Iowa
4 national guard or reserve forces of the United States and who
5 is ordered to active state service or federal service or duty:

6 a. Withdraw from the student's entire registration and
7 receive a full refund of tuition and mandatory fees.

8 b. Make arrangements with the student's instructors for
9 course grades, or for incompletes that shall be completed by
10 the student at a later date. If such arrangements are made,
11 the student's registration shall remain intact and tuition and
12 mandatory fees shall be assessed for the courses in full.

13 c. Make arrangements with only some of the student's
14 instructors for course grades, or for incompletes that shall
15 be completed by the student at a later date. If such
16 arrangements are made, the registration for those courses
17 shall remain intact and tuition and mandatory fees shall be
18 assessed for those courses. Any course for which arrangements
19 cannot be made for grades or incompletes shall be considered
20 dropped and the tuition and mandatory fees for the course
21 refunded.

22 Sec. 63. Section 261.9, subsection 1, unnumbered paragraph
23 1, Code 2003, is amended to read as follows:

24 "Accredited private institution" means an institution of
25 higher learning located in Iowa which is operated privately
26 and not controlled or administered by any state agency or any
27 subdivision of the state, except for county hospitals as
28 provided in paragraph "c" of this subsection, and which meets
29 at least one of the criteria in paragraphs "a" through "c" and
30 all of the criteria in paragraphs "d" through "g":

31 Sec. 64. Section 261.9, subsection 1, Code 2003, is
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. g. Adopts a policy to offer not less than
34 the following options to a student who is a member of the Iowa
35 national guard or reserve forces of the United States and who

1 is ordered to active state service or federal service or duty:

2 (1) Withdraw from the student's entire registration and
3 receive a full refund of tuition and mandatory fees.

4 (2) Make arrangements with the student's instructors for
5 course grades, or for incompletes that shall be completed by
6 the student at a later date. If such arrangements are made,
7 the student's registration shall remain intact and tuition and
8 mandatory fees shall be assessed for the courses in full.

9 (3) Make arrangements with only some of the student's
10 instructors for grades, or for incompletes that shall be
11 completed by the student at a later date. If such
12 arrangements are made, the registration for those courses
13 shall remain intact and tuition and mandatory fees shall be
14 assessed for those courses. Any course for which arrangements
15 cannot be made for grades or incompletes shall be considered
16 dropped and the tuition and mandatory fees for the course
17 refunded.

18 Sec. 65. Section 262.9, Code 2003, is amended by adding
19 the following new subsection:

20 NEW SUBSECTION. 29. Direct the institutions of higher
21 education under its control to adopt a policy to offer not
22 less than the following options to a student who is a member
23 of the Iowa national guard or reserve forces of the United
24 States and who is ordered to active state service or federal
25 service or duty:

26 a. Withdraw from the student's entire registration and
27 receive a full refund of tuition and mandatory fees.

28 b. Make arrangements with the student's instructors for
29 course grades, or for incompletes that shall be completed by
30 the student at a later date. If such arrangements are made,
31 the student's registration shall remain intact and tuition and
32 mandatory fees shall be assessed for the courses in full.

33 c. Make arrangements with only some of the student's
34 instructors for grades, or for incompletes that shall be
35 completed by the student at a later date. If such

1 arrangements are made, the registration for those courses
2 shall remain intact and tuition and mandatory fees shall be
3 assessed for those courses. Any course for which arrangements
4 cannot be made for grades or incompletes shall be considered
5 dropped and the tuition and mandatory fees for the course
6 refunded.

7 Sec. 66. Section 284.13, subsection 1, paragraph a, Code
8 2003, is amended to read as follows:

9 a. For each fiscal year in the fiscal year period
10 beginning July 1, ~~2001~~ 2003, and ending June 30, ~~2002~~ 2005,
11 the department shall reserve up to ~~one-million~~ five hundred
12 thousand dollars of any moneys appropriated for purposes of
13 this chapter. For each fiscal year in which moneys are
14 appropriated by the general assembly for purposes of team-
15 based variable pay pursuant to section 284.11, the amount of
16 moneys allocated to school districts shall be in the
17 proportion that the basic enrollment of a school district
18 bears to the sum of the basic enrollments of all participating
19 school districts for the budget year. However, the per pupil
20 amount distributed to a school district under the pilot
21 program shall not exceed one hundred dollars.

22 Sec. 67. Section 294A.25, subsections 6 and 10, Code 2003,
23 are amended by striking the subsections.

24 Sec. 68. Section 294A.25, subsections 7, 8, and 9, Code
25 2003, are amended to read as follows:

26 7. For Except as otherwise provided in this section, for
27 the fiscal year beginning July 1, ~~1990~~ 2003, and succeeding
28 fiscal years, the remainder of moneys appropriated in
29 subsection 1 to the department of education shall be deposited
30 in the educational excellence fund to be allocated in an
31 amount to meet the ~~minimum-salary~~ requirements of this chapter
32 for phase I, ~~in an amount to meet the requirements for~~ and
33 phase II, ~~and the remainder of the appropriation for phase~~
34 ~~III~~.

35 8. Commencing with the fiscal year beginning July 1, ~~1997~~

1 2003, the amount of two hundred thirty thousand dollars for a
2 kindergarten to grade twelve management information system
3 ~~from additional funds transferred from phase I to phase III.~~

4 9. For the fiscal year beginning July 1, 2000 2003, and
5 for each succeeding fiscal year, the amount of one hundred
6 seventy thousand dollars to the state board of regents for
7 distribution in the amount of sixty-eight thousand dollars to
8 the Iowa braille and sight saving school and in the amount of
9 one hundred two thousand dollars to the Iowa state school for
10 the deaf ~~from phase III moneys.~~

11 Sec. 69. Section 321J.2, subsection 2, paragraph a,
12 subparagraph (3), subparagraph subdivisions (a) and (b), as
13 enacted by 2003 Iowa Acts, House File 65, section 2, are
14 amended to read as follows:

15 (a) A defendant whose alcohol concentration is .08 or more
16 but not more than .10 shall not be eligible for any temporary
17 restricted license for at least thirty days if a test was
18 obtained and an accident resulting in personal injury or
19 property damage occurred. The defendant shall be ordered to
20 install an ignition interlock device of a type approved by the
21 commissioner of public safety on all vehicles owned or
22 operated by the defendant if the defendant seeks a temporary
23 restricted license. There shall be no such period of
24 ineligibility if no such accident occurred, and the defendant
25 shall not be ordered to install an ignition interlock device.

26 (b) A defendant whose alcohol concentration is more than
27 .10 shall not be eligible for any temporary restricted license
28 for at least thirty days if a test was obtained, and an
29 accident resulting in personal injury or property damage
30 occurred or the defendant's alcohol concentration exceeded
31 .15. There shall be no such period of ineligibility if no
32 such accident occurred and the defendant's alcohol
33 concentration did not exceed .15. In either case, where a
34 defendant's alcohol concentration is more than .10, the
35 defendant shall be ordered to install an ignition interlock

1 device of a type approved by the commissioner of public safety
2 on all vehicles owned or operated by the defendant if the
3 defendant seeks a temporary restricted license.

4 Sec. 70. Section 321J.4, subsection 1, paragraphs a and b,
5 as enacted by 2003 Iowa Acts, House File 65, section 3, are
6 amended to read as follows:

7 a. A defendant whose alcohol concentration is .08 or more
8 but not more than .10 shall not be eligible for any temporary
9 restricted license for at least thirty days if a test was
10 obtained and an accident resulting in personal injury or
11 property damage occurred. The defendant shall be ordered to
12 install an ignition interlock device of a type approved by the
13 commissioner of public safety on all vehicles owned or
14 operated by the defendant if the defendant seeks a temporary
15 restricted license. There shall be no such period of
16 ineligibility if no such accident occurred, and the defendant
17 shall not be ordered to install an ignition interlock device.

18 b. A defendant whose alcohol concentration is more than
19 .10 shall not be eligible for any temporary restricted license
20 for at least thirty days if a test was obtained, and an
21 accident resulting in personal injury or property damage
22 occurred or the defendant's alcohol concentration exceeded
23 .15. There shall be no such period of ineligibility if no
24 such accident occurred and the defendant's alcohol
25 concentration did not exceed .15. In either case, where a
26 defendant's alcohol concentration is more than .10, the
27 defendant shall be ordered to install an ignition interlock
28 device of a type approved by the commissioner of public safety
29 on all vehicles owned or operated by the defendant if the
30 defendant seeks a temporary restricted license.

31 Sec. 71. Section 321J.4, subsection 3, paragraphs a and b,
32 as enacted by 2003 Iowa Acts, House File 65, section 3, are
33 amended to read as follows:

34 a. A defendant whose alcohol concentration is .08 or more
35 but not more than .10 shall not be eligible for any temporary

1 restricted license for at least thirty days if a test was
2 obtained and an accident resulting in personal injury or
3 property damage occurred. The defendant shall be ordered to
4 install an ignition interlock device of a type approved by the
5 commissioner of public safety on all vehicles owned or
6 operated by the defendant if the defendant seeks a temporary
7 restricted license. There shall be no such period of
8 ineligibility if no such accident occurred, and the defendant
9 shall not be ordered to install an ignition interlock device.

10 b. A defendant whose alcohol concentration is more than
11 .10 shall not be eligible for any temporary restricted license
12 for at least thirty days if a test was obtained, and an
13 accident resulting in personal injury or property damage
14 occurred or the defendant's alcohol concentration exceeded
15 .15. There shall be no such period of ineligibility if no
16 such accident occurred and the defendant's alcohol
17 concentration did not exceed .15. In either case, where a
18 defendant's alcohol concentration is more than .10, the
19 defendant shall be ordered to install an ignition interlock
20 device of a type approved by the commissioner of public safety
21 on all vehicles owned or operated by the defendant if the
22 defendant seeks a temporary restricted license.

23 Sec. 72. Section 321J.12, subsection 2, paragraphs a and
24 b, as enacted by 2003 Iowa Acts, House File 65, section 5, are
25 amended to read as follows:

26 a. A person whose driver's license or nonresident
27 operating privileges have been revoked under subsection 1,
28 paragraph "a", whose alcohol concentration is .08 or more but
29 not more than .10 shall not be eligible for any temporary
30 restricted license for at least thirty days after the
31 effective date of the revocation if a test was obtained and an
32 accident resulting in personal injury or property damage
33 occurred. The defendant shall be ordered to install an
34 ignition interlock device of a type approved by the
35 commissioner of public safety on all vehicles owned or

1 operated by the defendant if the defendant seeks a temporary
2 license. There shall be no such period of ineligibility if no
3 such accident occurred, and the defendant shall not be ordered
4 to install an ignition interlock device.

5 b. A defendant whose alcohol concentration is more than
6 .10 shall not be eligible for any temporary restricted license
7 for at least thirty days if a test was obtained, and an
8 accident resulting in personal injury or property damage
9 occurred or the defendant's alcohol concentration exceeded
10 .15. There shall be no such period of ineligibility if no
11 such accident occurred and the defendant's alcohol
12 concentration did not exceed .15. In either case, where a
13 defendant's alcohol concentration is more than .10, the
14 defendant shall be ordered to install an ignition interlock
15 device of a type approved by the commissioner of public safety
16 on all vehicles owned or operated by the defendant if the
17 defendant seeks a temporary restricted license.

18 Sec. 73. Section 331.605C, subsection 4, if enacted by
19 2003 Iowa Acts, Senate File 453, is amended to read as
20 follows:

21 4. The state local electronic government ~~electronic~~
22 transaction fund is established in the office of the treasurer
23 of state under the control of the treasurer of state. Moneys
24 deposited into the fund are not subject to section 8.33.
25 Notwithstanding section 12C.7, interest or earnings on moneys
26 in the state local electronic government ~~electronic~~
27 transaction fund shall be credited to the fund. Moneys in the
28 state local electronic government ~~electronic~~ transaction fund
29 are not subject to transfer, appropriation, or reversion to
30 any other fund, or any other use except as provided in this
31 subsection. The treasurer of state shall enter into a
32 contract with the Iowa state association of counties affiliate
33 representing county recorders to develop, implement, and
34 maintain a statewide internet website for purposes of
35 providing electronic access to records and information

1 recorded or filed by county recorders. On a monthly basis,
2 the county treasurer shall pay one dollar of each fee
3 collected pursuant to subsection 1 to the treasurer of state
4 for deposit into the state local electronic government
5 electronic transaction fund. Moneys credited to the state
6 local electronic government electronic transaction fund are
7 appropriated to the treasurer of state to be used for contract
8 costs. This subsection is repealed June 30, 2004.

9 Sec. 74. Section 422.45, Code 2003, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 64. The gross receipts from noncustomer
12 point of sale or noncustomer automated teller machine access
13 or service charges assessed by a financial institution. For
14 purposes of this subsection, "financial institution" means the
15 same as defined in section 527.2.

16 Sec. 75. Section 435.26A, subsections 2 and 5, as enacted
17 by 2003 Iowa Acts, Senate File 134, section 7, are amended to
18 read as follows:

19 2. Upon receipt of a certificate of title from a
20 manufactured home owner, a county treasurer shall notify the
21 department of transportation that the certificate of title has
22 been surrendered, remove the registration of title from the
23 county treasurer's records, and destroy the certificate of
24 title.

25 The manufactured home owner or the owner's representative
26 shall provide to the county recorder the identifying data of
27 the manufactured home, including the owner's name, the name of
28 the manufacturer, the model name, the year of manufacture, and
29 the serial number of the home, along with the legal
30 description of the real estate on which the manufactured home
31 is located. In addition, evidence shall be provided of the
32 surrender of the certificate of title. After the surrender of
33 the certificate of title of a manufactured home under this
34 section, conveyance of an interest in the manufactured home
35 shall not require transfer of title so long as the

1 manufactured home remains on the same real estate site.

2 5. An owner of a manufactured home who has surrendered a
3 certificate of title under this section and requires another
4 certificate of title for the manufactured home is required to
5 apply for a bonded certificate of title under chapter 321. If
6 supporting documents for the reissuance of a title are not
7 available or sufficient, the procedure for the reissuance of a
8 title specified in the rules of the department of
9 transportation shall be used.

10 Sec. 76. Section 453A.2, Code 2003, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 5B. A tobacco compliance employee
13 training fund is created in the office of the treasurer of
14 state. The fund shall consist of civil penalties assessed by
15 the Iowa department of public health under section 453A.22,
16 for violations of this section. Moneys in the fund are
17 appropriated to the alcoholic beverages division of the
18 department of commerce and shall be used to develop and
19 administer the tobacco compliance employee training program
20 under section 453A.2A. Moneys deposited in the fund shall not
21 be transferred, used, obligated, appropriated, or otherwise
22 encumbered except as provided in this subsection.

23 Sec. 77. Section 453C.1, subsection 10, Code 2003, is
24 amended to read as follows:

25 10. "Units sold" means the number of individual cigarettes
26 sold in the state by the applicable tobacco product
27 manufacturer, whether directly or through a distributor,
28 retailer, or similar intermediary or intermediaries, during
29 the year in question, as measured by excise taxes collected by
30 the state on packs or roll-your-own tobacco containers ~~bearing~~
31 ~~the-excise-tax-stamp-of-the-state~~. The department of revenue
32 and finance shall adopt rules as are necessary to ascertain
33 the amount of state excise tax paid on the cigarettes of such
34 tobacco product manufacturer for each year.

35 Sec. 78. Section 453C.2, subsection 2, paragraph b,

1 subparagraph (2), Code 2003, is amended to read as follows:

2 (2) To the extent that a tobacco product manufacturer
3 establishes that the amount the manufacturer was required to
4 place into escrow on account of units sold in the state in a
5 particular year was greater than ~~the state's allocable share~~
6 ~~of the total payments that such manufacturer would have been~~
7 ~~required to make in that year under the master settlement~~
8 agreement the master settlement agreement payments, as
9 determined pursuant to section IX(i) of that agreement
10 including after final determination of all adjustments, that
11 such manufacturer would have been required to make on account
12 of such units sold had such manufacturer been a participating
13 manufacturer, ~~as such payments are determined pursuant to~~
14 ~~section IX(i)(2) of the master settlement agreement and before~~
15 ~~any of the adjustments or offsets described in section~~
16 ~~IX(i)(3) of that agreement other than the inflation~~
17 adjustment, the excess shall be released from escrow and
18 revert back to such tobacco product manufacturer.

19 Sec. 79. Section 455D.9, Code 2003, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 1A. Yard waste may be accepted by a
22 sanitary landfill for land disposal if the sanitary landfill
23 operates an active methane collection system for the purpose
24 of producing electricity. For purposes of calculating the
25 waste stream and determining the attainment of the waste
26 stream reductions under section 455D.3 for a year in which
27 yard waste has been accepted for land disposal pursuant to
28 this subsection, the planning area shall estimate the amount
29 of tonnage attributable to yard waste and the estimated amount
30 shall be subtracted from the tonnage accepted by the planning
31 area during that year.

32 Sec. 80. Section 476.33, Code 2003, is amended by adding
33 the following new subsection:

34 NEW SUBSECTION. 5. a. The board shall adopt rules that
35 require the board, in a rate regulatory proceeding under

1 sections 476.3 and 476.6, to consider both of the following
2 for inclusion in rates:

3 (1) Capital infrastructure investments that will not
4 produce significant additional revenues and will be in service
5 in Iowa within nine months after the conclusion of the test
6 year.

7 (2) Cost of capital changes that will occur within nine
8 months after the conclusion of the test year that are
9 associated with a new generating plant that has been the
10 subject of a ratemaking principles proceeding pursuant to
11 section 476.53.

12 b. This subsection is repealed effective July 1, 2007.
13 However, any utilities board proceeding that is pending on
14 July 1, 2007, that is being conducted pursuant to section
15 476.3 or 476.6 shall be completed as if this section had not
16 been repealed. Upon repeal, the board may still consider the
17 adjustments addressed in this subsection, but shall not be
18 required to consider them.

19 Sec. 81. 2003 Iowa Acts, Senate File 453, section 49,
20 subsection 1, unnumbered paragraph 1, if enacted, is amended
21 to read as follows:

22 The department of human services shall establish a work
23 group in cooperation with representatives of the insurance
24 industry and members of the medical assistance advisory
25 council to develop a plan for the redesign of the medical
26 assistance program. In developing the redesign plan, the work
27 group shall consider all of the following:

28 Sec. 82. Sections 266.8, 266.24, 266.25, and 266.26, Code
29 2003, are repealed.

30 Sec. 83. REPORT ON FEDERAL ELECTION LAW IMPLEMENTATION.
31 The state committee, if formed, shall develop a plan for
32 compliance with the federal Help America Vote Act, Pub. L. No.
33 107-252, and the state committee, in conjunction with the
34 state commissioner of elections, shall provide quarterly
35 updates to the Senate and House of Representatives standing

1 committees on government oversight on the status of the
2 implementation of Pub. L. No. 107-252.

3 Sec. 84. SALE OF DEPARTMENT OF CORRECTIONS' REAL PROPERTY.

4 1. Immediately after the effective date of this section,
5 the department of corrections shall develop a plan to sell, at
6 market value, the twenty-acre tract of undeveloped land
7 adjacent to the Iowa correctional institution for women to any
8 municipality with a population of less than twenty thousand
9 persons. The plan shall include the sale of the tract of land
10 within a commercially reasonable time. The sale shall be
11 negotiated by the department and shall be handled in a manner
12 that is financially beneficial to the department. The
13 department shall as a condition of the sale to the
14 municipality require that the land not be sold by the
15 municipality for a period of ninety-nine years unless the land
16 is resold back to the state. Appraisals conducted by the
17 department of the value of the land shall be made available to
18 the public immediately following the sale of the tract of
19 land. If the department is unable to negotiate a financially
20 beneficial sale, the tract of land shall not be sold, and the
21 department shall provide the legislative fiscal bureau with
22 the reasons the sale did not occur.

23 2. The proceeds from the sale of the property as provided
24 in subsection 1 shall be retained by the department of
25 corrections to be used for correctional facilities. The costs
26 incident to the sale of the tract of land including, but not
27 limited to, appraisals, invitations for offers, abstracts, and
28 other necessary costs, may be paid from the proceeds of the
29 sale or from moneys appropriated for support and maintenance
30 to the institution at which the real estate is located.

31 3. The provisions of section 904.317 shall not apply to
32 the sale of the tract of land sold in accordance with this
33 section.

34 Sec. 85. SALES AND USE TAX REFUND.

35 1. Notwithstanding the one-year application period

1 provided for in section 422.45, subsection 7, paragraph "b",
2 an application by a city with a population between 550 and 625
3 located entirely in a county with a population between 39,750
4 and 41,750 for a refund of sales, services, or use tax paid
5 upon any goods, wares, or merchandise, or services rendered,
6 furnished, or performed and used in the performance of
7 contracts involving a street construction project and a sewer
8 project is considered timely filed under section 422.45,
9 subsection 7, if the application for refund is filed with the
10 department of revenue and finance on or before August 1, 2003.

11 2. Notwithstanding the amount applied for under subsection
12 1, the amount of a refund paid under this section shall not
13 exceed \$15,000.

14 Sec. 86. SCHOOL DISTRICT REIMBURSEMENT CLAIM.

15 1. Any school district located in a county with a
16 population between 11,550 and 12,000 is authorized to refile a
17 claim for state reimbursement of the costs of providing
18 vocational education programs at the secondary level in its
19 district notwithstanding the denial of its previously filed
20 claim with the state appeal board if the claim is filed by
21 October 1, 2003. Such claim shall be considered timely filed
22 notwithstanding any provision of law.

23 2. If the claim filed pursuant to subsection 1 is a valid
24 claim for state reimbursement, the claim shall be paid subject
25 to the following:

26 a. The amount of costs reimbursed shall not exceed 6.5
27 percent.

28 b. Any amount reimbursed pursuant to any previously filed
29 claim relating to the same costs shall not be included.

30 c. The total amount reimbursed under this section shall
31 not exceed \$6,000.

32 Sec. 87. COORDINATION OF PUBLIC TRANSPORTATION STUDY. The
33 state department of transportation shall conduct a study and
34 prepare a report pertaining to administrative efficiencies
35 that may be gained by the coordination of transit management

1 and maintenance systems in the areas of school transportation,
2 public transit, and other forms of public transportation. The
3 report shall be provided to the general assembly by December
4 31, 2003.

5 Sec. 88. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN
6 SERVICES. To the extent that, pursuant to law enacted by the
7 Eightieth General Assembly, 2003 Session, supplemental payment
8 adjustments are implemented for physician services provided to
9 medical assistance program participants at publicly owned
10 acute care hospitals, the department of human services shall
11 not, directly or indirectly, recoup the supplemental payment
12 adjustments for any reason, unless an amount equivalent to the
13 amount of adjustment funds that were transferred to the
14 department by the state university of Iowa college of medicine
15 is transferred by the department to the qualifying physicians.

16 Sec. 89. UTILITIES BOARD REVIEW. The utilities board
17 shall initiate and coordinate a review of current ratemaking
18 procedures to determine whether different procedures would be
19 cost-effective and would result in rates that more accurately
20 reflect a utility's cost of providing service to its customers
21 in Iowa. The board shall allow the consumer advocate division
22 of the department of justice, the rate-regulated utilities,
23 and other interested persons to participate in its review.
24 The board shall report the results of its review to the
25 general assembly, with recommendations as appropriate, on or
26 before January 5, 2004.

27 Sec. 90. SEVERABILITY.

28 1. If this entire Act or any portion of section 453C.2,
29 subsection 2, paragraph "b", subparagraph (2), as amended in
30 this Act, is held by a court of competent jurisdiction to be
31 unconstitutional, section 453C.2, subsection 2, paragraph "b",
32 subparagraph (2), is repealed in its entirety.

33 2. If section 453C.2, subsection 2, paragraph "b",
34 subparagraph (2), is repealed pursuant to subsection 1 and a
35 court of competent jurisdiction subsequently finds that

1 section 453C.2, subsection 2, paragraph "b", is
2 unconstitutional due to such repeal, section 453C.2,
3 subsection 2, paragraph "b", subparagraph (2), Code 2003,
4 shall be restored.

5 3. Any holding of unconstitutionality or any repeal of
6 section 453C.2, subsection 2, paragraph "b", subparagraph (2),
7 as amended in this Act, or of section 453C.2, subsection 2,
8 paragraph "b", subparagraph (2), Code 2003, shall not affect,
9 impair, or invalidate any other portion of section 453C.2 or
10 the application of that section to any other person or
11 circumstance, and the remaining portions of section 453C.2,
12 shall continue in full force and effect.

13 Sec. 91. FEDERAL HOUSING MONEYS. Any federal moneys
14 received by the department of economic development for the
15 community development block grant program that are allocated
16 for housing and any federal moneys received for the HOME
17 investment partnership program shall be coordinated with
18 projects within the housing trust fund established in section
19 16.181, if enacted.

20 Sec. 92. CODE EDITOR DIRECTIVE. The Code editor shall
21 change the name of the department of public defense, emergency
22 management division, to the department of public defense,
23 homeland security and emergency management division, in
24 chapter 29C and elsewhere throughout the Code, including
25 references to the division made in law enacted by the
26 Eightieth General Assembly, 2003 Regular Session and other
27 enactments.

28 Sec. 93. EFFECTIVE DATES. The following provisions of
29 this division of this Act, being deemed of immediate
30 importance, take effect upon enactment:

- 31 1. The amendment to section 12E.12.
- 32 2. The amendment to section 15E.193B.
- 33 3. The amendment to section 435.26A.
- 34 4. The amendment to section 453A.2, which shall only take
35 effect if 2003 Iowa Acts, Senate File 401, is enacted by the

1 Eightieth General Assembly, 2003 Regular Session.

2 5. The amendments to sections 453C.1 and 453C.2 and the
3 related severability provision.

4 6. The section directing the department of corrections to
5 develop a plan for selling certain land.

6 7. The section relating to the sales and use tax refund.

7 8. The section relating to the school district
8 reimbursement claim.

9 Section 29C.8, subsection 3, paragraph "f", as enacted in
10 this division of this Act, and the amendment to section
11 29C.20, subsection 1, as enacted in this division of this Act,
12 take effect July 1, 2004.

13 DIVISION VIII

14 MEDICAL ASSISTANCE PROGRAM

15 Sec. 94. Section 135C.31A, if enacted by 2003 Iowa Acts,
16 House File 619, section 2, is amended to read as follows:

17 135C.31A ASSESSMENT OF RESIDENTS -- PROGRAM ELIGIBILITY.

18 Beginning July 1, 2003, a health care facility receiving
19 reimbursement through the medical assistance program under
20 chapter 249A shall assist the Iowa commission of veterans
21 affairs in ~~determining~~identifying, upon
22 admission of a resident, the prospective resident's
23 eligibility for benefits through the federal department of
24 veterans affairs. The health care facility shall also assist
25 the Iowa commission of veterans affairs in determining such
26 eligibility for residents residing in the facility on July 1,
27 2003. The department of inspections and appeals, in
28 cooperation with the department of human services, shall adopt
29 rules to administer this section, including a provision that
30 ensures that if a resident is eligible for benefits through
31 the federal department of veterans affairs or other third-
32 party payor, the payor of last resort for reimbursement to the
33 health care facility is the medical assistance program. This
34 section shall not apply to the admission of an individual to a
35 state mental health institute for acute psychiatric care.

1 Sec. 95. Section 249A.20A, if enacted by 2003 Iowa Acts,
2 House File 619, section 3, is amended by adding the following
3 new subsection:

4 NEW SUBSECTION. 5A. The department shall adopt rules to
5 provide a procedure under which the department and the
6 pharmaceutical and therapeutics committee may disclose
7 information relating to the prices manufacturers or
8 wholesalers charge for pharmaceuticals. The procedures
9 established shall comply with 42 U.S.C. § 1396r-8 and with
10 chapter 550.

11 Sec. 96. Section 249A.20B, if enacted by 2003 Iowa Acts,
12 House File 619, section 4, is amended by adding the following
13 new subsection:

14 NEW SUBSECTION. 5A. The department of human services
15 shall provide a reimbursement to nursing facilities under this
16 section. The reimbursement amount shall be calculated as a
17 per patient day amount and shall be paid to nursing facilities
18 in addition to the reimbursement payment specified in 2001
19 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
20 "c".

21 Sec. 97. 2003 Iowa Acts, House File 619, section 5, if
22 enacted, is amended by striking the section and inserting in
23 lieu thereof the following:

24 SEC. 5. CASE MANAGEMENT PROGRAM FOR FRAIL ELDERS.

25 1. The general assembly finds that the existing case
26 management program for frail elders administered by the
27 department of elder affairs is an important component of the
28 long-term care system in this state. The program emphasizes
29 the independence and dignity of the individual while providing
30 services in a cost-effective manner.

31 2. The purposes of the case management program for frail
32 elders include all of the following:

33 a. To provide planning, policy development, coordination,
34 and administrative oversight.

35 b. To provide assistance in the form of assessment and

1 care coordination under circumstances in which an elder or the
2 elder's caregiver is experiencing diminished functional
3 capacity or other conditions that require the provision of
4 services by professional service providers.

5 c. To maintain a system that focuses on the delivery of
6 home and community-based services that emphasize individual
7 independence, individual needs and desires, and consumer-
8 driven quality of services.

9 3. It is the intent of the general assembly that the
10 department of elder affairs in collaboration with the
11 department of human services, area agencies on aging, advocacy
12 groups, industry representatives, and consumers submit
13 recommendations to the general assembly by October 1, 2003,
14 regarding the redesigning of the case management program for
15 the frail elderly including preadmission screening
16 methodologies, level of care determinations and ongoing
17 methodologies for the coordination, provision, and delivery of
18 home and community-based services.

19 4. It is also the intent of the general assembly that the
20 department of elder affairs and the department of human
21 services coordinate efforts to resolve issues relating to
22 level of care determinations no later than October 1, 2003.

23 Sec. 98. 2003 Iowa Acts, House File 619, section 9, if
24 enacted, is amended to read as follows:

25 SEC. 9. NURSING FACILITY REIMBURSEMENT. Notwithstanding
26 2001 Iowa Acts, chapter 192, section 4, subsection 2,
27 paragraph "c", and subsection 3, paragraph "a", subparagraph
28 (2), if projected state fund expenditures for reimbursement of
29 nursing facilities for the fiscal year beginning July 1, 2003,
30 in accordance with the reimbursement rate specified in 2001
31 Iowa Acts, chapter 192, section 4, subsection 2, paragraph
32 "c", exceeds exceed \$147,252,856, the department shall adjust
33 the inflation factor of the reimbursement rate calculation to
34 provide reimbursement within the amount projected specified in
35 this section. The department, in consultation with nursing

1 facility representatives, shall review the projections on a
2 quarterly basis to determine if an interim adjustment is
3 necessary in order to provide reimbursement within the amount
4 specified in this section. In reviewing the projections, the
5 department shall consider the savings from the reduction in
6 bed hold payments, elimination of crossover claims, and
7 increases in Medicare part A utilization.

8 Sec. 99. 2003 Iowa Acts, House File 619, section 12,
9 subsections 2 and 3, if enacted, are amended to read as
10 follows:

11 2. The department of human services, in cooperation with
12 the department's fiscal agent and in consultation with a
13 chronic care management-resource-group consortium, shall
14 profile medical assistance recipients within a select number
15 of disease diagnosis categories. The assessment shall focus
16 on those diagnosis areas that present the greatest opportunity
17 for impact to improved care and cost reduction.

18 3. The department of human services, in consultation with
19 a chronic care management-resource-group consortium, shall
20 conduct a chronic disease management pilot project for a
21 select number of individuals who are participants in the
22 medical assistance program. The project shall focus on a
23 select number of chronic diseases which may include congestive
24 heart failure, diabetes, and asthma. The initial pilot
25 project shall be implemented by October 1, 2003.

26 Sec. 100. 2003 Iowa Acts, House File 619, section 12,
27 subsection 4, if enacted, is amended by striking the
28 subsection and inserting in lieu thereof the following:

29 4. The department of human services may procure a sole
30 source contract with a vendor to manage individuals with
31 select chronic diseases following the conclusion of the
32 profiling of medical assistance recipients. The management of
33 chronic diseases for individuals under this subsection may be
34 coordinated with the pilot project established in subsection
35 3.

1 Sec. 101. 2002 Iowa Acts, Second Extraordinary Session,
 2 chapter 1003, section 110, is amended by adding the following
 3 new paragraph:

4 NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, up
 5 to \$2,400,000 of the funds appropriated in this section that
 6 remain unencumbered or unobligated at the close of the fiscal
 7 year shall not revert but shall remain available in the
 8 succeeding fiscal year to be used for additional field
 9 operations, full-time equivalent positions and general
 10 administration. Four hundred thousand dollars of this amount
 11 shall be used for eight full-time equivalent positions to
 12 provide a case manager in each of the judicial districts to
 13 provide coordination of services for families that have a
 14 history of methamphetamine abuse and \$400,000 of this amount
 15 shall be used for general administration.

16 Sec. 102. VETERANS -- DIRECTIVE. The commission of
 17 veterans affairs shall work with the commandant of the Iowa
 18 veterans home, the department of human services, and the
 19 department of inspections and appeals to identify the
 20 residents of health care facilities who may be eligible for
 21 benefits through the federal department of veterans affairs
 22 pursuant to section 135C.31A, if enacted by 2003 Iowa Acts,
 23 House File 619.

24 Sec. 103. The section of this division of this Act
 25 amending 2002 Iowa Acts, Second Extraordinary Session, chapter
 26 1003, section 110, relating to certain federal temporary
 27 assistance for needy families block grant funding, takes
 28 effect upon enactment.

29 EXPLANATION

30 This bill relates to public expenditure and regulatory
 31 matters.

32 MH/MR/DD ALLOWABLE GROWTH -- This division appropriates
 33 funding for county mental health, mental retardation, and
 34 developmental disabilities services allowed growth for fiscal
 35 year 2004-2005.

1 STANDING APPROPRIATIONS -- REDUCTIONS -- This division
2 applies reductions to standing appropriations for the general
3 assembly, at-risk children programs, public transit
4 assistance, and educational excellence program.

5 The division includes an appropriation from the cash
6 reserve fund to the rebuild Iowa infrastructure fund and law
7 is made inapplicable that would otherwise require that the
8 reason for the appropriation be stated, that the appropriation
9 be the only subject of the bill, and that the bill receive a
10 supermajority vote if the appropriation caused the fund
11 balance to drop below a certain level. This appropriation
12 takes effect upon enactment. In addition, the division
13 reduces a standing appropriation from the rebuild Iowa
14 infrastructure fund to the environment first fund for fiscal
15 year 2002-2003, and this reduction takes effect upon
16 enactment.

17 STANDING APPROPRIATIONS -- LIMITATIONS -- This division
18 applies limitations to standing appropriations for |
19 compensation of military personnel, nonpublic school
20 transportation, printing of cigarette tax stamps, state share
21 of peace officers' retirement benefits, livestock production
22 credit refunds, reimbursement of homestead property tax
23 credits, reimbursement of agricultural land and family farm
24 tax credits, military service tax credits, state unemployment
25 compensation expenses, interest costs under the federal Cash
26 Management and Improvement Act, the state's deferred
27 compensation program, and elderly and disabled credits.

28 REVENUE ADJUSTMENTS -- APPROPRIATIONS -- This division
29 provides revenue adjustments and appropriations. The division
30 provides for FY 2003-2004 that the interest and earnings from
31 the Iowa economic emergency fund and the cash reserve fund
32 will be credited to the general fund of the state instead of
33 the rebuild Iowa infrastructure fund as provided in Code
34 sections 8.55 and 8.56. For FY 2003-2004, the unexpended
35 balances of state general fund operational appropriations will

1 revert to the state general fund instead of remaining with
2 agencies for use for training and technology purposes as
3 provided in Code section 8.62.

4 Moneys collected from the income tax checkoff for the keep
5 Iowa beautiful fund in FY 2002-2003 and 2003-2004 are
6 appropriated to the state department of transportation for the
7 purposes provided in Code section 314.28 of education for
8 litter prevention, improving waste management and recycling
9 efforts, and beautification projects.

10 Of the \$70 million in gambling revenues that the law
11 provides will be deposited in the endowment for Iowa's health
12 account of the tobacco settlement trust fund, the division
13 provides that \$20 million will instead be deposited in the
14 general fund of the state.

15 The division provides an appropriation to the Iowa
16 department of economic development for assistance to a city or
17 organization hosting the national junior olympics.

18 Code section 8.55, relating to the Iowa economic emergency
19 fund, includes provisions making transfers when the fund has
20 reached its maximum balance. The standing limited transfer to
21 the senior living trust fund is increased to \$118 million.

22 The division delays by one year the effective date of a
23 change in the maximum balances of the cash reserve and Iowa
24 economic emergency funds. Current law provides that effective
25 July 1, 2003, the maximum balances of the two reserve funds
26 will change from each at 5 percent of the adjusted revenue
27 estimate to the cash reserve at 7.5 percent and the Iowa
28 economic emergency fund at 2.5 percent. The bill delays this
29 change until July 1, 2004.

30 For fiscal year 2003-2004 the maximum amount of job credits
31 for the accelerated career education program under Code
32 section 260G.4B is decreased from \$6 million to \$4 million.

33 The division eliminates a standing appropriation from the
34 general fund to the endowment for Iowa's health account for
35 fiscal year 2003-2004.

1 The fiscal year 2002-2003 appropriation to the state racing
2 and gaming commission for purposes of racetrack regulation is
3 increased.

4 COMPENSATION AND BENEFITS -- This division relates to
5 compensation and benefits paid to state employees. The
6 division appropriates moneys for the fiscal year beginning
7 July 1, 2003, to fund salary adjustments for certain contract
8 and noncontract employees.

9 The state board of regents is specifically allocated
10 appropriations to fund increases to employees at the state
11 school for the deaf and the Iowa braille and sight saving
12 school and is to use other sources to fund other employee
13 increases.

14 The division also provides supplemental authorization to
15 fund salaries from trust, revolving, and special funds for
16 which the general assembly has established a budget.

17 State trooper meal allowances are provided for and a salary
18 model coordinator is funded to maintain the state's salary
19 model in conjunction with the legislative fiscal bureau.

20 CORRECTIVE PROVISIONS -- This division provides corrective
21 amendments to legislation passed in the Eightieth General
22 Assembly, 2003 Regular Session.

23 Code section 8A.202, if enacted in House File 534, which
24 relates to information technology services to be provided by
25 the newly created department of administrative services, is
26 amended to incorporate language dealing with electronic agency
27 reports which conforms to the new Code chapter on state
28 archives and records enacted in House File 648. A redundant
29 section of House File 648, which amends a Code chapter
30 repealed in House File 534, is repealed.

31 Code section 99E.9, as amended in 2003 Iowa Acts, House
32 File 171, is amended to correctly refer to national criminal
33 history checks, to conform to other references to those checks
34 in House File 171.

35 Code sections 135.150 and 135.154, enacted in House File

1 396, are amended to correct the name of the director of public
2 health and to specify the division of a Code chapter rather
3 than the division of a state agency.

4 New section 170.6(1), if enacted by House File 624, is
5 amended to provide that failure of a landowner to notify or
6 provide access to the department of agriculture and land
7 stewardship before first releasing whitetail deer on the land
8 is cause for suspension or revocation of certificate to keep
9 whitetail deer as farm deer. House File 624 in another
10 section requires notification and access to be given to the
11 department.

12 Amendments to Code sections 232.71B, 235B.3, and 692A.13,
13 if enacted by 2003 Iowa Acts, House File 558, are amended to
14 insert the word "adult" in order to correct references to the
15 dependent adult abuse registry.

16 Code section 304B.3, if enacted in House File 648, which
17 relates to the membership of the state records commission, is
18 amended to conform to the changes made in House File 534 with
19 respect to the directors of the newly created department of
20 administrative services and other state agencies.

21 Code section 356.7(1), as amended by 2003 Iowa Acts, House
22 File 650, is amended to correct a grammatical error.

23 Code section 459.401(2)(a)(3A), if enacted by House File
24 644, is amended to correct an internal reference to another
25 Code section.

26 Code section 505A.1, as enacted in 2003 Iowa Acts, House
27 File 647, is amended to insert a missing preposition before an
28 internal reference.

29 Code section 508.31A, as amended in 2003 Iowa Acts, House
30 File 647, is amended to correct an internal reference to
31 another paragraph of the Code section.

32 Code section 901.5, as amended by 2003 Iowa Acts, House
33 File 404, and relating to the scheduling of a contempt
34 proceeding for violation of a no-contact order in a criminal
35 case, is amended to make a reference to five days consistent

1 with another provision in the same legislation.

2 A corrective section of Senate File 155, the substantive
3 Code editor's bill, which amends Code section 49.71 relating
4 to the discontinuance of instructional cards for voters, is
5 repealed if 2003 Iowa Acts, House File 614, which more
6 thoroughly amends and updates Code section 49.71, is enacted.

7 2003 Iowa Acts, Senate File 155, one of the Code editor's
8 bills, is amended to repeal section 56 of that bill which
9 contains a corrective reference in Code section 237A.29 to a
10 child care provider suspension sanction. The repeal is in
11 favor of an amendment to the same Code section by 2003 Iowa
12 Acts, Senate File 351, which substantively rewrites the child
13 care provider sanctions in that Code section.

14 The amendment to Code section 56.5 in 2003 Iowa Acts, House
15 File 601, is corrected by specifying that only paragraph "d"
16 of subsection 2 is stricken.

17 House File 624, section 22, if enacted, is corrected to
18 clarify that it is the fence which encloses farm deer on the
19 effective date of House File 624 that is deemed to comply with
20 the construction requirements of the bill.

21 MISCELLANEOUS PROVISIONS -- This division provides
22 miscellaneous provisions.

23 The division amends Code sections 12B.10 and 12B.10A,
24 relating to public funds investment standards and public funds
25 investment maturity and procedural limitations, to provide
26 that the short-term investments of the state board and
27 institutions under the control of the state board of regents
28 cannot have an effective maturity in excess of 63 months.

29 The division amends Code section 12E.12(8) to allow the
30 issuing agency of refunding bonds for tobacco settlement
31 authority bonds, which cannot be used for such refunding, to
32 be used for capital infrastructure improvements at the issuing
33 agency. This provision takes effect upon enactment.

34 Code section 15E.193B(4) is amended to allow the department
35 of economic development to extend the two-year completion

1 period for tax credits for housing projects in enterprise
2 zones if completion of the project is impossible because of
3 substantial loss due to a catastrophe. "Substantial loss"
4 means at least 30 percent of the project's eligible basis.
5 This amendment takes effect upon enactment.

6 The division creates a new Code section 16.181 that
7 establishes a housing trust fund to be administered by the
8 Iowa finance authority. The fund shall be used for the
9 development and preservation of affordable housing for low-
10 income people in the state. The new Code section provides
11 that assets in the housing trust fund shall consist of all of
12 the following:

13 1. Any assets received by the authority from the Iowa
14 housing corporation.

15 2. Any moneys transferred by the authority for deposit in
16 the housing trust fund.

17 3. Any other moneys appropriated by the general assembly
18 and any other moneys available to and obtained or accepted by
19 the authority for placement in the housing trust fund.

20 The new Code section also creates a local housing trust
21 fund program and a project-based housing program within the
22 housing trust fund.

23 The new Code section provides that 60 percent of the assets
24 in the housing trust fund shall be allocated to the local
25 housing trust fund program and 40 percent of the assets are
26 allocated to the project-based housing program. Any assets
27 remaining in the local housing trust fund program on April 1
28 of each fiscal year which have not been awarded to a local
29 housing trust fund may be transferred to the project-based
30 housing program at any time prior to the end of the fiscal
31 year.

32 The division amends Code section 25.1 to provide that the
33 state appeal board shall no longer consider claims for vehicle
34 registration fee refunds. Such refunds are obtained by
35 application to the state department of transportation in

1 certain circumstances when a vehicle is sold, transferred, or
2 junked.

3 Code section 28.9, relating to the school ready children
4 grants account of the Iowa empowerment fund, is amended to
5 require the distribution formula used for the grants to
6 incorporate certain performance components.

7 The division amends Code section 29C.8 by requiring the
8 administrator of the emergency management division of the
9 department of public defense, effective July 1, 2004, to
10 approve and support the development and ongoing operations of
11 an urban search and rescue team within the state. Members of
12 the team when acting under the direction of the administrator
13 or pursuant to a governor's disaster proclamation are
14 considered employees of the state and shall be compensated for
15 disability, workers' compensation, and death benefits as
16 appropriate. The administrator of the emergency management
17 division of the department of public defense must also
18 develop, implement, and support a uniform incident command
19 system to be used by state agencies responding to emergencies
20 and disasters beginning July 1, 2003. A related change is
21 made to Code section 29C.20, pertaining to a contingent fund
22 governed by the executive council for use in responding to
23 disasters and other emergencies, to authorize payment of
24 expenses and claims from the fund beginning July 1, 2004, for
25 authorized urban search and rescue team activities.

26 The division amends section 99G.40(1), if enacted by Senate
27 File 453, to authorize the auditor of state to perform audits
28 on the records and papers of the Iowa lottery authority which
29 is created in that bill.

30 Code sections 260C.14, 261.9, and 262.9 are amended to
31 require community colleges, private colleges, or universities
32 under Iowa's tuition grant program, and the board of regents
33 universities to offer options to students who are members of
34 the national guard or military reserves and are called to
35 active state or federal duty. These options include the

1 withdrawal from registration with a full refund of tuition and
2 fees, course grades be given or incomplete grades be given to
3 be made up later for all of the courses, or course grades be
4 given or incomplete grades be given to be made up later for
5 only some of the courses.

6 Code section 284.13(1) is amended to revive the allocation
7 for the team-based variable pay program administered by the
8 department of education during the 2001-2002 fiscal year by
9 providing a \$500,000 allocation from the appropriation for the
10 student achievement and teacher quality program for each
11 fiscal year of the fiscal period beginning July 1, 2003, and
12 ending June 30, 2005.

13 Code section 294A.25(6)-(10) is amended by striking
14 references to phase III in standing Code language that
15 provides for the allocation of educational excellence moneys
16 to the department of education; striking the subsection used
17 to allocate moneys in prior years for the ambassador to
18 education program, which in FY 2003-2004 is funded from a
19 student achievement and teacher quality program allocation;
20 and striking the subsection used to allocate moneys in prior
21 years for purposes of the Iowa mathematics and science
22 coalition. The amendments provide that the allocations for
23 the kindergarten through grade 12 management information
24 system and for the Iowa braille and sight saving school and
25 the Iowa state school for the deaf will be made prior to the
26 allocations provided to meet the minimum teacher salary
27 requirements and salary improvement requirements of Code
28 chapter 294A.

29 The division amends Code sections 321J.2, 321J.4, and
30 321J.12, as amended by 2003 Iowa Acts, House File 65, to
31 provide that a defendant who has been convicted of a first
32 offense operating-while-intoxicated offense whose driver's
33 license or nonresident operating privileges have been revoked
34 and who seeks a temporary restricted license must install an
35 approved ignition interlock device on all vehicles owned or

1 operated by the defendant. This requirement also applies to a
2 defendant whose driver's license or nonresident operating
3 privileges have been revoked administratively due to chemical
4 test failure.

5 Code section 331.604C(4), if enacted by Senate File 453, is
6 amended to change the name of the fund to which locally
7 collected electronic transaction fees are deposited for
8 purposes of providing electronic access to local records from
9 the "state government electronic transaction" fund to the
10 "local electronic government transaction" fund.

11 Code section 422.45 is amended to add a new subsection 64
12 that exempts from the sales and use taxes the access or
13 service charges assessed by financial institutions on
14 noncustomer point of sale or noncustomer use of automated
15 teller machines.

16 Code section 435.26A, as enacted by 2003 Iowa Acts, Senate
17 File 134, is amended to require certain information be
18 provided when the certificate of title for a manufactured home
19 has been surrendered. The amendment also provides for the
20 procedure for the reissuance of a previously surrendered
21 certificate of title for a manufactured home. The amendments
22 are effective upon enactment.

23 Code sections 453C.1 and 453C.2 are amended to allow
24 cigarette manufacturers that are not members of the master
25 settlement agreement and that are required to place moneys
26 into escrow on account for cigarettes to be sold in the state
27 to receive a refund of any excess escrow amounts remitted
28 because of fewer cigarettes sold than anticipated. The
29 amendments take effect upon enactment.

30 Code section 476.33 is amended to require the utilities
31 board to consider for inclusion in the rates for public
32 utilities the capital infrastructure investments that will not
33 produce significant revenues and will be in service within the
34 test year and the cost of capital charges that will occur
35 within nine months following the test year which are

1 associated with a new generating plant. The utilities board
2 is also directed to initiate and coordinate a review of
3 current ratemaking procedures.

4 The division provides that if Senate File 401, relating to
5 tobacco law compliance is enacted, a tobacco compliance
6 employee training fund is created in Code section 453A.2
7 consisting of the civil penalties charged for violations of
8 the law for sales to underage purchasers. Moneys in the fund
9 are appropriated to the alcoholic beverages division of the
10 department of commerce for the tobacco compliance employee
11 training program created in Senate File 401. This provision
12 takes effect upon enactment.

13 Code section 455D.9 is amended to provide an exception to
14 the prohibition on the land disposal of yard waste if the yard
15 waste is accepted by a sanitary landfill that operates an
16 active methane collection system for the purpose of producing
17 electricity.

18 The division amends Senate File 453, section 49, if
19 enacted, which directs the department of human services to
20 create a work group for the redesign of the medical assistance
21 program. The amendment would add members of the medical
22 assistance advisory council to the work group. The medical
23 assistance advisory council participants will bring valuable
24 expertise in each specialized field or industry that would not
25 be available if the insurance industry is the only stakeholder
26 at the table.

27 The division repeals the following Code sections, involving
28 programs at Iowa state university of science and technology:
29 Code section 266.8, relating to hazardous waste technical
30 research and assistance program, and Code sections 266.24,
31 266.25, and 266.26, relating to the laboratory for the
32 manufacture and distribution of hog-cholera serum, toxins,
33 vaccines, and biological products.

34 The division directs the state committee, if one is formed,
35 to implement the federal Help America Vote Act and the

1 commissioner of elections to report quarterly to the
2 government oversight committees on the status of
3 implementation of the federal Act.

4 The division directs the department of corrections to
5 develop a plan to sell to a municipality a 20-acre tract of
6 undeveloped land located adjacent to the Iowa correctional
7 institution for women. Net proceeds of the sale are to be
8 retained by the department to be used for correctional
9 facilities. This provision takes effect upon enactment.

10 The division allows a city meeting certain population
11 criteria to make application for refund of sales or use tax
12 paid relative to street and sewer construction projects and
13 for the application to be considered to be timely filed,
14 notwithstanding the one-year application period, if it is
15 filed by August 1, 2003. Any refund paid cannot exceed
16 \$15,000. This provision takes effect upon enactment.

17 The division allows a school district located in a county
18 with a certain population to refile for state reimbursement
19 for costs for providing vocational education programs at the
20 secondary level in its district. The amount of reimbursement
21 is limited to 6.5 percent of the costs and to \$6,000 minus any
22 amount previously received from a prior claim for
23 reimbursement of those costs.

24 The division also directs the state department of
25 transportation to conduct a study pertaining to administrative
26 efficiencies to be gained in coordination of school and public
27 transportation. A report must be filed by the end of the 2003
28 calendar year.

29 The division includes language providing that if
30 supplemental payment adjustments are implemented for physician
31 services provided to medical assistance (Medicaid) program
32 recipients at publicly owned acute care teaching hospitals,
33 the department of human services cannot recoup the adjustments
34 unless an amount is transferred by the department to the
35 qualifying physicians that is equivalent to the amount

1 transferred by the state university of Iowa to the department.

2 The division provides for coordination of federal moneys
3 with the projects of the housing trust fund created in this
4 division of the bill.

5 The division requires the Iowa Code editor to change the
6 name of the emergency management division of the department of
7 public defense to the homeland security and emergency
8 management division.

9 **MEDICAL ASSISTANCE PROGRAM** -- This division amends House
10 File 619 to direct health care facilities to assist the Iowa
11 commission of veterans affairs in identifying residents that
12 may be eligible for rather than actually determining a
13 resident's eligibility for benefits through the federal
14 department of veterans affairs.

15 The division adds a new subsection 5A to new Code section
16 249A.20A, if enacted by House File 619, that directs the
17 department of human services to adopt rules for disclosure of
18 certain information under the medical assistance preferred
19 drug list program to be developed by the department of human
20 services.

21 The division amends Code section 249A.20B, if enacted by
22 House File 619, to provide that under the nursing facility
23 quality assurance assessment, the department of human services
24 is to provide a reimbursement to nursing facilities and is to
25 calculate the amount of the reimbursement as a per patient day
26 amount and pay this amount in addition to the existing
27 reimbursement amount under the case-mix reimbursement rate.

28 The division replaces language in House File 619 relating
29 to the case management program for the frail elderly to
30 provide that it is the intent of the general assembly that the
31 department of elder affairs in collaboration with the
32 department of human services, area agencies on aging, advocacy
33 groups, industry representatives, and consumers to submit
34 recommendations regarding the redesign of the program to the
35 general assembly by October 1, 2003. The new language also

1 provides that it is the intent of the general assembly that
2 the department of elder affairs and the department of human
3 services coordinate efforts to resolve issues relating to
4 level of care determinations no later than October 1, 2003.

5 The division amends House File 619 to provide that with
6 regard to the nursing facility reimbursement, the department
7 of human services, in consultation with nursing facility
8 representatives is to review projections of state general fund
9 expenditures for nursing facility reimbursement on a quarterly
10 basis and is to consider savings from other nursing facility
11 payment policy changes in the review.

12 The division also amends 2003 Iowa Acts, House File 619,
13 relating to chronic care management, to correct references and
14 to provide for contracting for provision of chronic disease
15 management.

16 The division provides for use of a portion of the temporary
17 assistance for needy families moneys carried forward from FY
18 2002-2003, and to direct the commission of veterans affairs to
19 work with the commandant of the Iowa veterans home, the
20 department of human services, and the department of
21 inspections and appeals to identify residents of health care
22 facilities who may be eligible for benefits through the
23 federal department of veterans affairs.

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SENATE FILE 458

AN ACT

RELATING TO PUBLIC EXPENDITURE AND REGULATORY MATTERS, COMPENSATING PUBLIC EMPLOYEES, MAKING AND REDUCING APPROPRIATIONS, MODIFYING SALES AND USE TAXES, MODIFYING THE INVESTMENT TAX CREDITS AND PREMIUM TAXES ON MUTUAL INSURANCE ASSOCIATIONS, PROVIDING FOR RELATED MATTERS, MAKING PENALTIES APPLICABLE, AND PROVIDING EFFECTIVE DATES.

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

DIVISION I

MH/MR/DD ALLOWED GROWTH

Section 1. Section 426B.5, subsection 2, paragraph d, subparagraphs (1) and (6), Code 2003, are amended to read as follows:

(1) A county must apply to the board for assistance from the risk pool on or before ~~April 1~~ January 25 to cover an unanticipated net expenditure amount in excess of the county's current fiscal year budgeted net expenditure amount for the county's services fund. The risk pool board shall make its final decisions on or before February 25 regarding acceptance or rejection of the applications for assistance and the total amount accepted shall be considered obligated. For purposes of applying for risk pool assistance and for repaying unused risk pool assistance, the current fiscal year budgeted net expenditure amount shall be deemed to be the higher of either the budgeted net expenditure amount in the management plan approved under section 331.439 for the fiscal year in which the application is made or the prior fiscal year's net expenditure amount.

(6) The total amount of risk pool assistance shall be limited to the amount available in the risk pool for a fiscal year. If the total amount of eligible assistance exceeds the amount available in the risk pool the amount of assistance paid shall be prorated among the counties eligible for assistance. Moneys remaining unexpended or unobligated in the risk pool ~~at the close of a fiscal year shall remain available for distribution in the succeeding fiscal year~~ following the risk pool board's decisions made pursuant to subparagraph (1) shall be distributed to the counties eligible to receive funding from the allowed growth factor adjustment appropriation for the fiscal year using the distribution methodology applicable to that appropriation.

Sec. 2. COUNTY MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ALLOWED GROWTH FACTOR ADJUSTMENT AND ALLOCATIONS -- FISCAL YEAR 2004-2005.

1. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2004, and ending June 30, 2005, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... \$ 23,738,749

2. The funding appropriated in this section is the allowed growth factor adjustment for fiscal year 2004-2005, and is allocated as follows:

a. For distribution as provided by law:

..... \$ 21,738,749

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

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

Sec. 3. 2002 Iowa Acts, chapter 1175, section 104, subsections 2, 4 and 5, as amended by 2003 Iowa Acts, House File 667, section 41, are amended to read as follows:

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

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

..... \$ 12,000,000

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

..... \$ ~~12,492,712~~
14,492,000

c. For calculation of a distribution amount for counties from the mental health and developmental disabilities (MH/DD) community services fund in accordance with the formula provided in the appropriation made for the MH/DD community services fund for the fiscal year beginning July 1, 2003:

..... \$ 17,727,890

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

for that fiscal year. The withholding factor for a county shall be the following applicable percent:

a. For an ending balance percentage of less than 10 percent, a withholding factor of 0 percent. In addition to the county's adjusted distribution total, a county that is subject to this paragraph "a" shall receive an inflation adjustment equal to 2.6 percent of the gross expenditures reported for the county's services fund for that fiscal year.

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

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

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

e. d. For an ending balance percentage of 45 35 percent or more, a withholding factor of 100 percent.

5. The total withholding amounts applied pursuant to subsection 4 shall be equal to a withholding target amount of ~~\$7,419,874 and the appropriation enacted by the Eightieth General Assembly, 2003 Session, for the MH/DD community services fund shall be reduced by the amount necessary to attain the withholding target amount \$9,418,362.~~ If the department of human services determines that the amount to be withheld in accordance with subsection 4 is not equal to the target withholding amount, the department shall adjust the withholding factors listed in subsection 4 as necessary to achieve the withholding target amount. However, in making such adjustments to the withholding factors, the department shall strive to minimize changes to the withholding factors for those ending balance percentage ranges that are lower than others and shall not adjust the zero withholding factor or the inflation adjustment percentage specified in subsection 4, paragraph "a".

Sec. 4. GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and legislative agencies for the fiscal year beginning July 1, 2003, and ending June 30, 2004, are reduced by the following amount:

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

Sec. 5. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding section 8.56, subsection 4, there is appropriated from the cash reserve fund to the rebuild Iowa infrastructure fund created in section 8.57 for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amount:

..... \$ 2,150,000

Sec. 6. ENVIRONMENT FIRST FUND. Notwithstanding the amount of the standing appropriation from the rebuild Iowa infrastructure fund under section 8.57A, subsection 4, there is appropriated from the rebuild Iowa infrastructure fund to the environment first fund, in lieu of the appropriation made in section 8.57A, for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amount:

..... \$ 18,445,000

Sec. 7. AT-RISK CHILDREN PROGRAMS. Notwithstanding the standing appropriation in section 279.51, subsection 1, the amount appropriated from the general fund of the state under section 279.51, subsection 1, to the department of education for the fiscal year beginning July 1, 2003, and ending June 30, 2004, is reduced by the following amount:

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

The amount of the reduction in this section shall be prorated among the programs specified in section 279.51, subsection 1, paragraphs "a", "b", and "c".

Sec. 8. PUBLIC TRANSIT ASSISTANCE APPROPRIATION. Notwithstanding section 312.2, subsection 14, the amount appropriated from the general fund of the state under section 312.2, subsection 14, to the state department of transportation for public transit assistance under chapter 324A for the fiscal year beginning July 1, 2003, and ending June 30, 2004, is reduced by the following amount:

..... \$ 1,298,675

Sec. 9. Section 294A.25, subsection 1, Code 2003, is amended to read as follows:

1. For the fiscal year beginning July 1, 2000 2003, and for each succeeding year, there is appropriated from the general fund of the state to the department of education the amount of ~~eighty~~ fifty-six million eight hundred ninety-one thousand three hundred thirty-six dollars to be used to improve teacher salaries. The moneys shall be distributed as provided in this section.

Sec. 10. EFFECTIVE DATE. The sections of this division of this Act relating to the appropriations made to the rebuild Iowa infrastructure fund and environment first fund for the fiscal year beginning July 1, 2002, being deemed of immediate importance, take effect upon enactment.

DIVISION III

STANDING APPROPRIATIONS -- LIMITATIONS

Sec. 11. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the amounts appropriated from the general fund of the state pursuant to those sections for the following designated purposes shall not exceed the following amounts:

1. For compensation of officers and enlisted persons and their expenses while on state active duty as authorized in section 29A.27:

..... \$ 432,450

2. For payment for nonpublic school transportation under section 285.2:

..... \$ 7,799,550

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

3. For printing cigarette tax stamps under section 453A.7:
..... \$ 110,055

- 4. For the state's share of the cost of the peace officers' retirement benefits under section 411.20:
..... \$ 2,816,189
 - 5. For payment of livestock production credit refunds under section 422.121:
..... \$ 1,815,735
 - 6. For reimbursement for the homestead property tax credit under section 425.1:
..... \$105,585,004
 - 7. For reimbursement for the agricultural land and family farm tax credits under section 426.1:
..... \$ 35,497,624
 - 8. For reimbursement for the military service tax credit under section 426A.1A:
..... \$ 2,569,712
 - 9. For administration expenses of the state unemployment compensation law under chapter 96:
..... \$ 450,000
 - 10. For payment of certain interest costs due the federal government under the federal Cash Management and Improvement Act under section 421.31:
..... \$ 550,000
 - 11. For funding the state's deferred compensation program established for state employees under section 509A.12:
..... \$ 56,501
- Sec. 12. ELDERLY AND DISABLED CREDIT. Notwithstanding the standing appropriation in section 425.39, the amount appropriated from the general fund of the state under section 425.39, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, for purposes of implementing the elderly and disabled credit and reimbursement portion of the extraordinary property tax and reimbursement division of chapter 425, shall not exceed \$16,651,800. The director shall pay, in full, all claims to be paid during the fiscal year beginning July 1, 2003, for reimbursement of rent constituting property taxes paid. If the amount of claims for credit for property taxes

due to be paid during the fiscal year beginning July 1, 2003, exceeds the amount remaining after payment to renters, the director of revenue and finance shall prorate the payments to the counties for the property tax credit. In order for the director to carry out the requirements of this section, notwithstanding any provision to the contrary in sections 425.16 through 425.39, claims for reimbursement for rent constituting property taxes paid filed before May 1, 2004, shall be eligible to be paid in full during the fiscal year ending June 30, 2004, and those claims filed on or after May 1, 2004, shall be eligible to be paid during the fiscal year beginning July 1, 2004, and the director is not required to make payments to counties for the property tax credit before June 15, 2004.

Sec. 13. REDUCTION IN CREDITS NOT APPLICABLE. The provision in section 25B.7 relating to the proration of the property tax credits does not apply with respect to the amount of state reimbursement for property tax credits under this division.

DIVISION IV

REVENUE ADJUSTMENTS -- APPROPRIATIONS

Sec. 14. IOWA ECONOMIC EMERGENCY AND RESERVE FUNDS -- EARNINGS. Notwithstanding section 8.55, subsection 4, and section 8.56, subsection 1, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the interest and earnings on moneys deposited in the Iowa economic emergency fund and the cash reserve fund shall be credited to the general fund of the state.

Sec. 15. USE OF REVERSIONS. Notwithstanding section 8.62, if on June 30, 2004, a balance of an operational appropriation, as defined in section 8.62, except for the balances of charter agencies, as defined in section 7J.1, if enacted by 2003 Iowa Acts, Senate File 453, remains unexpended or unencumbered, the balance shall revert to the general fund of the state as provided in section 8.33.

Sec. 16. KEEP IOWA BEAUTIFUL FUND. For the fiscal years beginning July 1, 2002, and July 1, 2003, moneys credited to the keep Iowa beautiful fund in accordance with section 422.12A are appropriated to the state department of transportation to be used for the purposes provided in section 314.28.

Sec. 17. ENDOWMENT FOR IOWA'S HEALTH. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, of the \$70,000,000 to be deposited in the endowment for Iowa's health account of the tobacco settlement trust fund under 2001 Iowa Acts, chapter 174, section 1, subsection 1, the following amount shall instead be deposited in the general fund of the state:

..... \$ 20,000,000

Sec. 18. JUNIOR OLYMPICS. There is appropriated from the general fund of the state to the department of economic development for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For providing assistance to a city or nonprofit organization hosting the national junior olympics:
..... \$ 50,000

Sec. 19. REBUILD IOWA INFRASTRUCTURE FUND. Notwithstanding section 8.57, subsection 5, there is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the general fund of the state during the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount:

..... \$ 10,000,000

Sec. 20. IOWA LAW ENFORCEMENT ACADEMY. 2003 Iowa Acts, Senate File 439, section 10, subsection 1, unnumbered paragraph 2, if enacted, is amended to read as follows:

For salaries, support, maintenance, miscellaneous purposes, including jailer training and technical assistance, and for not more than the following full-time equivalent positions:

..... \$ 1,780,629
..... 1,047,629
..... FTEs 30.05

Sec. 21. MILITARY PAY DIFFERENTIAL. There is appropriated from the cash reserve fund to the department of revenue and finance or its successor agency for the period beginning March 19, 2003, and ending June 30, 2003, the following amount, or so much thereof as is necessary, for the purposes designated:

For a military pay differential program and health insurance retention program for individuals activated for the armed services of the United States, for employees on the central payroll system:

..... \$ 1,810,000

Of the funds appropriated in this section, up to \$10,000 is transferred to the Iowa department of public health for allocation to community mental health centers to provide counseling services to persons who are members of the national guard and reservists activated but as yet not sent to combat zones and to the persons' family members. The sessions shall be provided on a first come, first served basis and shall be limited to three visits per family.

The department or agency receiving funds under this section shall report monthly to the fiscal committee of the legislative council on the use of the funds.

Notwithstanding section 8.33, unencumbered or unobligated funds remaining on June 30, 2003, from the appropriation made in this section shall not revert but shall remain available to be used for the purposes designated in the following fiscal year.

Sec. 22. ASSISTED LIVING PROGRAMS. Notwithstanding section 231C.6, any fees remaining on June 30, 2003, in the assisted living program fund created pursuant to section 231C.6 are appropriated to the department of inspections and appeals for the fiscal year beginning July 1, 2003, and ending June 30, 2004, to carry out the purposes of chapter 231C.

Sec. 23. COUNTY HOSPITALS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, for the purpose designated:

For support of operational expenses of county hospitals in counties having a population of two hundred twenty-five thousand or more:
..... \$ 312,000

Sec. 24. WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state to the Iowa department of workforce development for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, for the purpose designated:

For salaries and support and for the following full-time equivalent positions:
..... \$ 250,000
..... FTEs 5.00

The appropriation in this section shall be used for four OSHA inspectors and one workers' compensation compliance officer. The appropriation in this section is contingent upon the enactment of 2003 Iowa Acts, Senate File 344, by the Eightieth General Assembly, 2003 Regular Session.

Sec. 25. UNEMPLOYMENT TRUST FUND. There is appropriated from moneys transferred to the state on March 13, 2002, pursuant to section 903(d) of the federal Social Security Act, as amended, to the department of workforce development, the following amount, to be deposited, under the direction of the department of workforce development, in the unemployment compensation fund for the payment of unemployment benefits and for the establishment of the unemployment compensation reserve fund:
..... \$ 40,000,000

Sec. 26. UNEMPLOYMENT TAX AND CLAIM SYSTEM. There is appropriated from moneys transferred to the state on March 13, 2002, pursuant to section 903(d) of the federal Social

Security Act, as amended, to the department of workforce development, the following amount for purposes of automation and technology for the unemployment tax and claim system:
..... \$ 20,000,000

Sec. 27. ENHANCED SERVICES TO CLAIMANTS. There is appropriated from moneys transferred to the state on March 13, 2002, pursuant to section 903(d) of the federal Social Security Act, as amended, to the department of workforce development the following amount for purposes of infrastructure improvements and the administrative and technology costs associated with enhanced services to unemployment benefit claimants for workforce and labor exchange services:
..... \$ 20,700,000

Sec. 28. FEDERAL FISCAL RELIEF FUNDING. If the one hundred eighth United States Congress enacts an economic stimulus package that includes the provision of discretionary funding to the state to provide state or local government fiscal relief, the funding shall be deposited in the fund created by section 8.41.

Sec. 29. Section 8.55, subsection 2, paragraph c, Code 2003, is amended to read as follows:

c. Notwithstanding paragraph "a", any moneys in excess of the maximum balance in the economic emergency fund after the distribution of the surplus in the general fund of the state at the conclusion of each fiscal year and after the appropriate amount has been transferred pursuant to paragraph "b", shall not be transferred to the general fund of the state but shall be transferred to the senior living trust fund. The total amount transferred, in the aggregate, under this paragraph for all fiscal years shall not exceed fifty-one one hundred eighteen million five-hundred-thousand dollars.

Sec. 30. Section 8.55, subsection 2, paragraph d, Code 2003, is amended to read as follows:

d. Notwithstanding paragraph "a", any moneys in excess of the maximum balance in the economic emergency fund after the

distribution of the surplus in the general fund of the state at the conclusion of each fiscal year and after the appropriate amounts have been transferred pursuant to paragraphs "b" and "c" shall not be transferred to the general fund of the state but shall be transferred to the endowment for Iowa's health account of the tobacco settlement trust fund. The total amount transferred, in the aggregate, under this paragraph for all fiscal years shall not exceed the difference between sixty one hundred one million five seven hundred fifty-one thousand dollars and the amounts transferred to the endowment for Iowa's health account to repay the amounts transferred or appropriated from the endowment for Iowa's health account in 2002 Iowa Acts, chapter 1165, 2002 Iowa Acts, chapter 1166, 2002 Iowa Acts, chapter 1167, and 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, and 2003 Iowa Acts, House File 685.

Sec. 31. Section 8.57, subsection 1, paragraph a, unnumbered paragraph 1, Code Supplement 2001, as enacted by 2002 Iowa Acts, Second Extraordinary Session, chapter 1001, section 28, is amended to read as follows:

The "cash reserve goal percentage" for fiscal years beginning on or after July 1, ~~2003~~ 2004, is seven and one-half percent of the adjusted revenue estimate. For each fiscal year ~~beginning on or after July 1, 2003~~, in which the appropriation of the surplus existing in the general fund of the state at the conclusion of the prior fiscal year pursuant to paragraph "b" was not sufficient for the cash reserve fund to reach the cash reserve goal percentage for the current fiscal year, there is appropriated from the general fund of the state an amount to be determined as follows:

Sec. 32. Section 96.9, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 8. UNEMPLOYMENT COMPENSATION RESERVE FUND.

a. A special fund to be known as the unemployment compensation reserve fund is created in the state treasury.

The reserve fund is separate and distinct from the unemployment compensation fund. All moneys collected as reserve contributions, as defined in paragraph "b", shall be deposited in the reserve fund. The moneys in the reserve fund may be used for the payment of unemployment benefits and shall remain available for expenditure in accordance with the provisions of this subsection. The treasurer of state shall be the custodian of the reserve fund and shall disburse the moneys in the reserve fund in accordance with this subsection and the directions of the director of the department of workforce development.

b. If the balance in the reserve fund on July 1 of the preceding calendar year for calendar year 2004 and each year thereafter is less than one hundred fifty million dollars, a percentage of contributions, as determined by the director, shall be deemed to be reserve contributions for the following calendar year. If the percentage of contributions, termed the reserve contribution tax rate, is not zero percent as determined pursuant to this subsection, the combined tax rate of contributions to the unemployment compensation fund and to the unemployment compensation reserve fund shall be divided so that a minimum of fifty percent of the combined tax rate equals the unemployment contribution tax rate and a maximum of fifty percent of the combined tax rate equals the reserve contribution tax rate except for employers who are assigned a combined tax rate of five and four-tenths. For those employers, the reserve contribution tax rate shall equal zero and their combined tax rate shall equal their unemployment contribution rate. When the reserve contribution tax rate is determined to be zero percent, the unemployment contribution rate for all employers shall equal one hundred percent of the combined tax rate. The reserve contributions collected in any calendar year shall not exceed fifty million dollars. The provisions for collection of contributions under section 96.14 are applicable to the collection of reserve contributions. Reserve contributions shall not be deducted in whole or in

part by any employer from the wages of individuals in its employ. All moneys collected as reserve contributions shall not become part of the unemployment compensation fund but shall be deposited in the reserve fund created in this subsection.

c. Moneys in the reserve fund shall only be used to pay unemployment benefits to the extent moneys in the unemployment compensation fund are insufficient to pay benefits during a calendar quarter.

d. The interest earned on the moneys in the reserve fund shall be deposited in and credited to the reserve fund.

e. Moneys from interest earned on the unemployment compensation reserve fund shall be used by the department only upon appropriation by the general assembly and only for purposes contained in section 96.7, subsection 12, for department of workforce development rural satellite offices, and for administrative costs to collect the reserve contributions.

Sec. 33. Section 256D.4, subsection 2, unnumbered paragraph 1, Code 2003, is amended to read as follows:

~~For each fiscal year in the fiscal period beginning July 1, 2001, and ending June 30, 2003, moneys~~ Moneys appropriated pursuant to section 256D.5, subsection 3, shall be allocated to school districts as follows:

Sec. 34. Section 256D.5, subsection 3, Code 2003, is amended to read as follows:

3. For each fiscal year of the fiscal period beginning July 1, 2001, and ending June 30, ~~2003~~ 2004, the sum of thirty million dollars.

Sec. 35. Section 260G.4B, subsection 1, Code 2003, is amended to read as follows:

1. The total amount of program job credits from all employers which shall be allocated for all accelerated career education programs in the state in any one fiscal year shall not exceed the sum of three million dollars in the fiscal year beginning July 1, 2000, three million dollars in the fiscal

year beginning July 1, 2001, three million dollars in the fiscal year beginning July 1, 2002, four million dollars in the fiscal year beginning July 1, 2003, and six million dollars in the fiscal year beginning July 1, ~~2003~~ 2004, and every fiscal year thereafter. Any increase in program job credits above the six-million-dollar limitation per fiscal year shall be developed, based on recommendations in a study which shall be conducted by the department of economic development of the needs and performance of approved programs in the fiscal years beginning July 1, 2000, and July 1, 2001. The study's findings and recommendations shall be submitted to the general assembly by the department by December 31, 2002. The study shall include but not be limited to an examination of the quality of the programs, the number of program participant placements, the wages and benefits in program jobs, the level of employer contributions, the size of participating employers, and employer locations. A community college shall file a copy of each agreement with the department of economic development. The department shall maintain an annual record of the proposed program job credits under each agreement for each fiscal year. Upon receiving a copy of an agreement, the department shall allocate any available amount of program job credits to the community college according to the agreement sufficient for the fiscal year and for the term of the agreement. When the total available program job credits are allocated for a fiscal year, the department shall notify all community colleges that the maximum amount has been allocated and that further program job credits will not be available for the remainder of the fiscal year. Once program job credits have been allocated to a community college, the full allocation shall be received by the community college throughout the fiscal year and for the term of the agreement even if the statewide program job credit maximum amount is subsequently allocated and used.

Sec. 36. Section 294A.25, subsection 10, Code 2003, is amended to read as follows:

10. For the each fiscal year beginning ~~July 17, 2001~~ and ending ~~June 30, 2002~~, to the department of education from ~~phase-III-moneys~~ the amount of forty-seven thousand dollars for the Iowa mathematics and science coalition.

Sec. 37. Section 427B.19A, subsection 1, as amended by 2003 Iowa Acts, Senate File 453, if enacted, is amended to read as follows:

1. The industrial machinery, equipment and computers property tax replacement fund is created. For the fiscal year beginning July 1, 1996, through the fiscal year ending June 30, 2004, there is appropriated annually from the general fund of the state to the department of revenue and finance to be credited to the industrial machinery, equipment and computers property tax replacement fund, an amount sufficient to implement this division. However, for the fiscal year beginning July 1, 2003, the amount appropriated to the department of revenue and finance to be credited to the industrial machinery, equipment and computers tax replacement fund is ~~ten~~ eleven million two hundred eighty-one thousand six hundred eighty-five dollars.

Sec. 38. 2001 Iowa Acts, chapter 174, section 1, subsection 2, as amended by 2002 Iowa Acts, chapter 1174, section 8, is amended to read as follows:

2. There is appropriated from the general fund of the state to the endowment for Iowa's health account of the tobacco settlement trust fund created in section 12E.12, for the designated fiscal years, the following amounts, to be used for the purposes specified in section 12E.12 for the endowment for Iowa's health account:

FY 2001-2002	\$ 7,248,000
FY 2003-2004	\$ 28,251,000
	<u>0</u>
FY 2004-2005	\$ 29,785,000
FY 2005-2006	\$ 29,562,000
FY 2006-2007	\$ 17,773,000

Sec. 39. 2002 Iowa Acts, chapter 1173, section 18, is amended to read as follows:

SEC. 18. POOLED TECHNOLOGY FUNDING -- PRIOR ALLOCATIONS -- NONREVERSION. Notwithstanding section 8.33, moneys appropriated and allocated in 2001 Iowa Acts, chapter 189, section 5, subsection 1, which remain unobligated or unexpended at the close of the fiscal year for which they were appropriated shall not revert, but shall remain available for expenditure for the purposes for which they were appropriated and allocated, for the fiscal year period beginning July 1, 2002, and ending June 30, ~~2003~~ 2004.

Sec. 40. 2002 Iowa Acts, Second Extraordinary Session, chapter 1001, section 33, is amended to read as follows:

SEC. 33. EFFECTIVE DATE -- APPLICABILITY. The amendments to the following designated Code provisions in this division of this Act take effect July 1, ~~2003~~ 2004:

1. Section 8.55, subsection 2, paragraph "a".
2. Section 8.56, subsection 4, paragraph "b".
3. Section 8.57, subsection 1, paragraph "a".

Sec. 41. FRANCHISE TAX REVENUE ALLOCATION. There is appropriated from the franchise tax revenues deposited in the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 2003, and ending June 30, 2004, \$8,800,000 to be allocated as follows:

1. Sixty percent to the general fund of the city from which the tax is collected.
2. Forty percent to the county from which the tax is collected.

If the financial institution maintains one or more offices for the transaction of business, other than its principal office, a portion of its franchise tax shall be allocated to each office, based upon a reasonable measure of the business activity of each office. The director of revenue and finance shall prescribe, for each type of financial institution, a method of measuring the business activity of each office. Financial institutions shall furnish all necessary information

for this purpose at the request of the director. The allocation shall be distributed quarterly.

Sec. 42. 2003 Iowa Acts, Senate File 453, section 28, if enacted, is repealed.

RACING AND GAMING COMMISSION

Sec. 43. 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 9, subsection 1, is amended to read as follows:

1. RACETRACK REGULATION

There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2002, and ending June 30, 2003, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for the regulation of pari-mutuel racetracks, and for not more than the following full-time equivalent positions:	
.....	\$ 2,083,762
	<u>2,163,762</u>
..... FTEs	24.78

Of the funds appropriated in this subsection, \$85,576 shall be used to conduct an extended harness racing season.

Sec. 44. 2003 Iowa Acts, House File 655, section 24, if enacted, is amended to read as follows:

SEC. 24. READY TO WORK PROGRAM COORDINATOR. There is appropriated from the surplus funds in the long-term disability reserve fund and the workers' compensation trust fund to the department of personnel for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the salary, support, and miscellaneous expenses for the ready to work program and coordinator:	
.....	\$ 89,416

~~The moneys appropriated pursuant to this section shall be taken in equal proportions from the long-term disability reserve fund and the workers' compensation trust fund.~~

Sec. 45. 2003 Iowa Acts, House File 655, section 34, if enacted, is amended to read as follows:

SEC. 34. READY TO WORK PROGRAM COORDINATOR. There is appropriated from the surplus funds in the long-term disability reserve fund and the workers' compensation trust fund to the department of administrative services for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the salary, support, and miscellaneous expenses for the ready to work program and coordinator:	
.....	\$ 89,416

~~The moneys appropriated pursuant to this section shall be taken in equal proportions from the long-term disability reserve fund and the workers' compensation trust fund.~~

Sec. 46. CONTINGENT CASH RESERVE APPROPRIATION.

1. There is appropriated from the cash reserve fund to the general fund of the state for the fiscal year beginning July 1, 2002, and ending June 30, 2003, for the purposes of reducing or preventing any overdraft on or deficit in the general fund of the state, an amount not to exceed \$50,000,000.

2. The appropriation made in subsection 1 is contingent upon all of the following having occurred:

a. The revenue estimating conference estimate of general fund receipts made during the last quarter of the fiscal year was or the actual fiscal year receipts and accruals were at least one-half of one percent less than the comparable estimate made during the third quarter of the fiscal year.

b. The governor has implemented the uniform reductions in appropriations required in section 8.31 as a result of paragraph "a" and such reduction was insufficient to prevent an overdraft on or deficit in the general fund of the state or

the governor did not implement uniform reductions in appropriations because of the lateness of the estimated or actual receipts and accruals under paragraph "a".

c. The balance of the general fund of the state at the end of the fiscal year prior to the appropriation made in subsection 1 was negative.

d. The governor has issued an official proclamation and has notified the cochairpersons of the fiscal committee of the legislative council and the legislative services agency that the contingencies in paragraphs "a" through "c" have occurred and the reasons why the uniform reductions specified in paragraph "b" were insufficient or were not implemented to prevent an overdraft on or deficit in the general fund of the state.

3. If an appropriation is made pursuant to subsection 1 for a fiscal year, there is appropriated from the general fund of the state to the cash reserve fund for the following fiscal year, the amount of the appropriation made pursuant to subsection 1.

Sec. 47. EFFECTIVE DATE. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section appropriating moneys from the keep Iowa beautiful fund.

2. The section amending 2002 Iowa Acts, chapter 1173, section 18, relating to the nonreversion of pooled technology funding.

3. The section appropriating moneys from the cash reserve fund for the military pay differential program. This section applies retroactively to March 19, 2003.

4. The section appropriating moneys from the assisted living program fund.

5. The section making the contingent appropriation from the cash reserve fund.

6. The section amending 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 9, relating to racetrack regulation.

7. The amendment to section 96.9.

DIVISION V

COMPENSATION AND BENEFITS

Sec. 48. COLLECTIVE BARGAINING AGREEMENTS FUNDED -- GENERAL FUND. There is appropriated from the general fund of the state to the salary adjustment fund for distribution by the department of management to the various state departments, boards, commissions, councils, and agencies, and to the state board of regents for those persons employed at the state school for the deaf and the Iowa braille and sight saving school, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the amount of \$28,000,000, or so much thereof as may be necessary, to fully fund annual pay adjustments, expense reimbursements, and related benefits implemented pursuant to the following:

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

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

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

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

5. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.

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

7. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional social services bargaining unit.

8. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the community-based corrections bargaining unit.

9. The collective bargaining agreements negotiated pursuant to chapter 20 for employees in the judicial branch of government bargaining units.

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

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

12. The annual pay adjustments, related benefits, and expense reimbursements referred to in the sections of this division of this Act for employees not covered by a collective bargaining agreement.

Of the amount appropriated in this section, \$2,668,000 shall be allocated to the judicial branch for the purpose of funding annual pay adjustments, expense reimbursements, and related benefits implemented for judicial branch employees. In distributing the remainder of the amount appropriated in this section, the department of management, in order to address essential public protection functions and recognizing the availability of funds appropriated in other Acts of the general assembly and other sources, shall give priority, in descending order, to the department of corrections, department of human services, and department of public safety, and then to the remaining state departments, boards, commissions, councils, and agencies to which the appropriation is applicable.

Sec. 49. NONCONTRACT STATE EMPLOYEES -- GENERAL.

1. a. For the fiscal year beginning July 1, 2003, the maximum salary levels of all pay plans provided for in section 19A.9, subsection 2, as they exist for the fiscal year ending June 30, 2003, shall be increased by 2 percent for the pay period beginning June 20, 2003, and any additional changes in the pay plans shall be approved by the governor.

b. For the fiscal year beginning July 1, 2003, employees may receive a step increase or the equivalent of a step increase.

2. The pay plans for state employees who are exempt from chapter 19A and who are included in the department of revenue and finance's centralized payroll system shall be increased in the same manner as provided in subsection 1, and any additional changes in any executive branch pay plans shall be approved by the governor. However, commencing July 1, 2003, the consumer advocate shall receive an annual salary in the same salary range as the chairperson and members of the utilities board.

3. This section does not apply to members of the general assembly, board members, commission members, salaries of persons set by the general assembly in statute, salaries of appointed state officers set by the governor, other persons designated, employees designated under section 19A.3, subsection 5, and employees covered by 581 IAC 4.6(3).

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

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

Sec. 50. STATE EMPLOYEES -- STATE BOARD OF REGENTS.

1. Funds from the appropriation made in this division of this Act from the general fund of the state to the salary adjustment fund shall be allocated by the department of management to the state board of regents for the purposes of providing increases for state board of regents employees at the state school for the deaf and the Iowa braille and sight saving school who are addressed by that appropriation and employees of the schools who are not covered by a collective bargaining agreement.

2. The state board of regents office and the state university of Iowa, Iowa state university of science and

technology, and the university of northern Iowa shall provide from available sources pay adjustments, expense reimbursements, and related benefits to fully fund the following:

- a. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the university of northern Iowa faculty bargaining unit.
- b. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the patient care bargaining unit.
- c. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the science bargaining unit.
- d. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state university of Iowa graduate student bargaining unit.
- e. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the state university of Iowa hospital and clinics tertiary health care bargaining unit.
- f. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the blue collar bargaining unit.
- g. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the public safety bargaining unit.
- h. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the security bargaining unit.
- i. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the technical bargaining unit.
- j. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the professional fiscal and staff bargaining unit.
- k. The collective bargaining agreement negotiated pursuant to chapter 20 for employees in the clerical bargaining unit.
- l. The annual pay adjustments, related benefits, and expense reimbursements referred to in the sections of this division of this Act for employees not covered by a collective bargaining agreement.

Sec. 51. APPROPRIATIONS FROM ROAD FUNDS.

1. There is appropriated from the road use tax fund to the salary adjustment fund for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:
..... \$ 3,000,000

2. There is appropriated from the primary road fund to the salary adjustment fund, for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To supplement other funds appropriated by the general assembly:
..... \$ 12,000,000

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

Sec. 52. SPECIAL FUNDS -- AUTHORIZATION. To departmental revolving, trust, or special funds, except for the primary road fund or the road use tax fund, for which the general assembly has established an operating budget, a supplemental expenditure authorization is provided, unless otherwise provided, in an amount necessary to fund salary adjustments as otherwise provided in this division of this Act.

Sec. 53. GENERAL FUND SALARY MONEYS. Funds appropriated from the general fund of the state in this division of this Act relate only to salaries supported from general fund appropriations of the state except for employees of the state board of regents at the state school for the deaf and the Iowa braille and sight saving school. The funds appropriated from the general fund of the state for employees at the state

school for the deaf and the Iowa braille and sight saving school of the state board of regents shall exclude general university indirect costs and general university federal funds.

Sec. 54. FEDERAL FUNDS APPROPRIATED. All federal grants to and the federal receipts of the agencies affected by this division of this Act which are received and may be expended for purposes of this division of this Act are appropriated for those purposes and as set forth in the federal grants or receipts.

Sec. 55. STATE TROOPER MEAL ALLOWANCE. The sworn peace officers in the department of public safety who are not covered by a collective bargaining agreement negotiated pursuant to chapter 20 shall receive the same per diem meal allowance as the sworn peace officers in the department of public safety who are covered by a collective bargaining agreement negotiated pursuant to chapter 20.

Sec. 56. SALARY MODEL COORDINATOR. Of the funds appropriated in this division of this Act from the general fund of the state, \$126,767 for the fiscal year beginning July 1, 2003, is allocated to the department of management for salary and support of the salary model coordinator who shall work in conjunction with the legislative fiscal bureau to maintain the state's salary model used for analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of regents. The department of revenue and finance, the department of personnel, the five institutions under the jurisdiction of the state board of regents, the eight judicial district departments of correctional services, and the state department of transportation shall provide salary data to the department of management and the legislative fiscal bureau to operate the state's salary model. The format and frequency of provision of the salary data shall be determined by the department of management and the legislative fiscal bureau. The information shall be used in

collective bargaining processes under chapter 20 and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in section 20.3, subsection 4, may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

DIVISION VI
CORRECTIVE PROVISIONS

Sec. 57. Section 8A.202, subsection 2, paragraph e, if enacted by 2003 Iowa Acts, House File 534, is amended by striking the paragraph and inserting in lieu thereof the following:

e. Developing and maintaining an electronic repository for public access to reference copies of agency mandated reports, newsletters, and publications in conformity with section 304B.10, subsection 1, paragraph "h". The department shall develop technical standards for an electronic repository in consultation with the state librarian and the state archivist.

Sec. 58. 2003 Iowa Acts, House File 289, section 1, is amended by striking the section and inserting in lieu thereof the following:

SECTION 1. Section 12C.1, subsection 2, paragraph e, Code 2003, as amended by 2003 Iowa Acts, Senate File 395, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (6) Moneys placed in a depository for the purpose of completing an electronic financial transaction pursuant to section 8A.222 or 331.427.

Sec. 59. Section 99E.9, subsection 2, Code 2003, as amended by 2003 Iowa Acts, House File 171, section 31, is amended to read as follows:

2. Subject to the approval of the board, the commissioner may enter into contracts for the operation and marketing of the lottery, except that the board may by rule designate classes of contracts other than major procurements which do not require prior approval by the board. A major procurement

shall be as the result of competitive bidding with the contract being awarded to the responsible vendor submitting the lowest and best proposal. However, before a contract for a major procurement is awarded, the division of criminal investigation of the department of public safety shall conduct a thorough background investigation of the vendor to whom the contract is to be awarded. The commissioner and board shall consult with the division of criminal investigation and shall provide, by rule, for the scope of the thorough background investigations and due diligence with regard to the background investigations to be conducted in connection with major procurements. The vendor shall submit to the division of criminal investigation appropriate investigation authorizations to facilitate this investigation. The background investigation by the division of criminal investigation may include a national criminal history record check through the federal bureau of investigation. The screening of vendors or their employees through the federal bureau of investigation shall be conducted by submission of fingerprints through the state criminal history repository to the federal bureau of investigation. As used in this subsection, "major procurement" means consulting agreements and the major procurement contract with a business organization for the printing of tickets, or for purchase or lease of equipment or services essential to the operation of a lottery game.

Sec. 60. Section 99G.10, subsection 2, if enacted by 2003 Iowa Acts, Senate File 453, section 72, is amended to read as follows:

2. Subject to the approval of the board, the chief executive officer shall have the sole power to designate particular employees as key personnel, but may take advice from the department of personnel in making any such designations. All key personnel shall be exempt from the merit system described in chapter 19A 8A, article 4. The chief executive officer and the board shall have the sole

power to employ, classify, and fix the compensation of key personnel. All other employees shall be employed, classified, and compensated in accordance with ~~chapters-19A~~ chapter 8A, article 4, and chapter 20.

Sec. 61. Section 99G.22, subsection 1, if enacted by 2003 Iowa Acts, Senate File 453, is amended to read as follows:

1. The authority shall investigate the financial responsibility, security, and integrity of any lottery system vendor who is a finalist in submitting a bid, proposal, or offer as part of a major procurement contract. Before a major procurement contract is awarded, the division of criminal investigation of the department of public safety shall conduct a background investigation of the vendor to whom the contract is to be awarded. The chief executive officer and board shall consult with the division of criminal investigation and shall provide for the scope of the background investigation and due diligence to be conducted in connection with major procurement contracts. At the time of submitting a bid, proposal, or offer to the authority on a major procurement contract, the authority shall require that each vendor submit to the division of criminal investigation appropriate investigation authorization to facilitate this investigation, together with an advance of funds to meet the anticipated investigation costs. If the division of criminal investigation determines that additional funds are required to complete an investigation, the vendor will be so advised. The background investigation by the division of criminal investigation may include a national criminal history record check through the federal bureau of investigation. The screening of vendors or their employees through the federal bureau of investigation shall be conducted by submission of fingerprints through the state criminal history record repository to the federal bureau of investigation.

Sec. 62. Section 99G.37, subsection 2, if enacted by 2003 Iowa Acts, Senate File 453, section 90, is amended to read as follows:

2. In any bidding process, the authority may administer its own bidding and procurement or may utilize the services of the department of general administrative services, or its successor, or other state agency.

Sec. 63. Section 99G.38, subsection 3, if enacted by 2003 Iowa Acts, Senate File 453, section 91, is amended to read as follows:

3. The state of Iowa offset program, as provided in section ~~421-17~~ 8A.504, shall be available to the authority to facilitate receipt of funds owed to the authority.

Sec. 64. Section 135.150, subsection 3, as enacted by 2003 Iowa Acts, House File 396, section 1, is amended to read as follows:

3. "Director" means the director ~~or the director's~~ designee of public health or the director's designee.

Sec. 65. Section 135.154, subsection 7, as enacted by 2003 Iowa Acts, House File 396, section 5, is amended to read as follows:

7. Treat or order that individuals exposed to or infected with disease receive treatment or prophylaxis. Treatment or prophylaxis shall be administered by any qualified person authorized to do so by the department. Treatment or prophylaxis shall not be provided or ordered if the treatment or prophylaxis is reasonably likely to lead to serious harm to the affected individual. To prevent the spread of communicable or potentially communicable disease, the department may isolate or quarantine, pursuant to chapter 139A and the rules implementing chapter 139A and this division of this chapter, any individual who is unable or unwilling to undergo treatment or prophylaxis pursuant to this section.

Sec. 66. Section 170.6, subsection 1, paragraph b, if enacted by 2003 Iowa Acts, House File 624, is amended to read as follows:

b. Failed to provide notice or access to the department of natural resources and the department of agriculture and land stewardship as required by section 170.5.

Sec. 67. Section 231.56A, if enacted by 2003 Iowa Acts, Senate File 416, section 1, is amended to read as follows:

231.56A ELDER ABUSE INITIATIVE, EMERGENCY SHELTER, AND SUPPORT SERVICES PROJECTS.

1. Through the state's service contract process adopted pursuant to section 8.47, the department shall identify area agencies on aging that have demonstrated the ability to provide a collaborative response to the immediate needs of elders in the area agency on aging service area for the purpose of implementing elder abuse initiative, emergency shelter, and support services projects. The projects shall be implemented only in the counties within an area agency on aging service area that have a multidisciplinary team established pursuant to section 235B.1.

2. The target population of the projects shall be any elder residing in the service area of an area agency on aging who meets both of the following conditions:

a. Is the subject of a report of suspected dependent adult abuse pursuant to chapter 235B.

b. Is not receiving assistance under a county management plan approved pursuant to section 331.439.

3. The area agencies on aging implementing the projects shall identify allowable emergency shelter and support services, state funding, outcomes, reporting requirements, and approved community resources from which services may be obtained under the projects. The area agency on aging shall identify at least one provider of case management services for the project area.

4. The area agencies on aging shall implement the projects and shall coordinate the provider network through the use of referrals or other engagement of community resources to provide services to elders.

5. The department shall award funds to the area agencies on aging in accordance with the state's service contract process. Receipt and expenditures of moneys under the projects are subject to examination, including audit, by the department.

6. This section shall not be construed and is not intended as, and shall not imply, a grant of entitlement for services to individuals who are not otherwise eligible for the services or for utilization of services that do not currently exist or are not otherwise available.

Sec. 68. Section 232.71B, subsection 7A, if enacted by 2003 Iowa Acts, House File 558, section 1, is amended to read as follows:

7A. PROTECTIVE DISCLOSURE. If the department determines that disclosure is necessary for the protection of a child, the department may disclose to a subject of a child abuse report referred to in section 235A.15, subsection 2, paragraph "a", that an individual is listed in the child or dependent adult abuse registry or is required to register with the sex offender registry in accordance with chapter 692A.

Sec. 69. Section 235B.3, subsection 6A, if enacted by 2003 Iowa Acts, House File 558, section 2, is amended to read as follows:

6A. If the department determines that disclosure is necessary for the protection of a dependent adult, the department may disclose to a subject of a dependent adult abuse report referred to in section 235B.6, subsection 2, paragraph "a", that an individual is listed in the child or dependent adult abuse registry or is required to register with the sex offender registry in accordance with chapter 692A.

Sec. 70. Section 304B.3, subsections 4, 8, and 9, if enacted by 2003 Iowa Acts, House File 648, section 6, are amended to read as follows:

4. The director of revenue and finance.

8. The director of the department of general administrative services.

~~9. The director of the information technology department.~~

Sec. 71. Section 321.69, subsection 9, as amended by 2003 Iowa Acts, House File 502, section 3, is amended to read as follows:

9. This Except for subsection 9A, this section does not apply to motor trucks and truck tractors with a gross vehicle weight rating of sixteen thousand pounds or more, vehicles more than nine model years old, motorcycles, motorized bicycles, and special mobile equipment. This section does apply to motor homes. The requirement in subsection 1 that the new certificate of title and registration receipt shall state on the face of the title the total cumulative dollar amount of damage does not apply to a vehicle with a certificate of title bearing a designation that the vehicle was previously titled on a salvage certificate of title pursuant to section 321.52, subsection 4, paragraph "b", or to a vehicle with a certificate of title bearing a "REBUILT" or "SALVAGE" designation pursuant to section 321.24, subsection 4 or 5. This Except for subsection 9A, this section does not apply to new motor vehicles with a true mileage, as defined in section 321.71, of one thousand miles or less, unless such vehicle has incurred damage as defined in subsection 2.

Sec. 72. Section 356.7, subsection 1, as amended by 2003 Iowa Acts, House File 650, section 1, if enacted, is amended to read as follows:

1. The county sheriff, or a municipality operating a temporary municipal holding facility or jail, may charge a prisoner who is eighteen years of age or older and who has been convicted of a criminal offense or sentenced for contempt of court for violation of a domestic abuse order for the actual administrative costs relating to the arrest and booking of that prisoner, and for room and board provided to the prisoner while in the custody of the county sheriff or municipality. Moneys collected by the sheriff or municipality under this section shall be credited respectfully respectively to the county general fund or the city general fund and distributed as provided in this section. If a prisoner who has been convicted of a criminal offense or sentenced for contempt of court for violation of a domestic abuse order fails to pay for the administrative costs and the room and

board, the sheriff or municipality may file a room and board reimbursement claim with the district court as provided in subsection 2. The county attorney may file the reimbursement claim on behalf of the sheriff and the county or the municipality. The attorney for the municipality may also file a reimbursement claim on behalf of the municipality. This section does not apply to prisoners who are paying for their room and board by court order pursuant to sections 356.26 through 356.35.

Sec. 73. Section 459.401, subsection 2, paragraph a, subparagraph (3A), if enacted by 2003 Iowa Acts, House File 644, section 18, is amended to read as follows:

(3A) A commercial manure service license fee as provided in section ~~359.316~~ 459.316.

Sec. 74. Section 505A.1, article V, section 2, paragraph a, subparagraph (3), if enacted by 2003 Iowa Acts, House File 647, section 54, is amended to read as follows:

(3) Four members from those compacting states with less than two percent of the market, based on the premium volume described in subparagraph (1), with one selected from each of the four zone regions of the national association of insurance commissioners as provided in the bylaws.

Sec. 75. Section 508.31A, subsection 2, paragraph b, Code 2003, as amended by 2003 Iowa Acts, House File 647, section 7, if enacted, is amended to read as follows:

b. A funding agreement issued pursuant to paragraph "a", subparagraph (1), (2), or (3), shall be for a total amount of not less than one million dollars.

Sec. 76. Section 692A.13, subsection 9, if enacted by 2003 Iowa Acts, House File 558, section 3, is amended to read as follows:

9. If the department of human services determines that disclosure is necessary for the protection of a child or a dependent adult, the department may disclose to a subject of a child abuse report referred to in section 235A.15, subsection 2, paragraph "a", or to a subject of a dependent adult abuse

report referred to in section 235B.6, subsection 2, paragraph "a", that an individual is listed in the child or dependent adult abuse registry or is required to register under this chapter.

Sec. 77. Section 901.5, subsection 7A, paragraph d, as enacted by 2003 Iowa Acts, House File 404, section 1, is amended to read as follows:

d. Violation of a no-contact order issued under this section is punishable by summary contempt proceedings. A hearing in a contempt proceeding brought pursuant to this subsection shall be held not less than five days and not more than fifteen days after the issuance of a rule to show cause, as set by the court, unless the defendant is already in custody at the time of the alleged violation in which case the hearing shall be held not less than five days and not more than forty-five days after the issuance of the rule to show cause.

Sec. 78. 2003 Iowa Acts, Senate File 155, section 26, is repealed.

Sec. 79. 2003 Iowa Acts, Senate File 155, section 56, is repealed.

Sec. 80. 2003 Iowa Acts, Senate File 453, section 44, subsection 8, if enacted, is amended to read as follows:

8. STATUTORY REQUIREMENTS. The requirements of sections ~~18.6~~ 8A.311 and 72.3 and the administrative rules implementing section 8.47 are not applicable to the services procurement process used to implement the outcomes-based service system redesign in accordance with this section. The department of human services may enter into competitive negotiations and proposal modifications with each successful contractor as necessary to implement the provisions of this section.

Sec. 81. 2003 Iowa Acts, House File 601, section 2, is amended by striking the section and inserting in lieu thereof the following:

SEC. 2. Section 56.5, subsection 2, paragraph d, Code 2003, is amended by striking the paragraph.

Sec. 82. 2003 Iowa Acts, House File 624, section 22, if enacted, is amended to read as follows:

SEC. 22. HUNTING PRESERVES AND GAME BREEDERS -- AUTOMATIC CERTIFICATION. Any A fence enclosing farm deer kept on land which is owned by a person licensed pursuant to section 484B.5 or 481A.61 ~~and which is enclosed with a fence~~ on the effective date of this Act shall be deemed to comply with construction requirements of section 170.4 and shall be automatically certified by the department of agriculture and land stewardship without ~~submitting~~ submission of an application. The landowner is not required to notify the department of natural resources concerning removal of whitetail as otherwise required pursuant to section 170.5.

Sec. 83. 2003 Iowa Acts, House File 648, section 1, if enacted, is repealed.

Sec. 84. CONTINGENT EFFECTIVE DATES.

1. The section of this division of this Act amending section 8A.202, subsection 2, if enacted by 2003 Iowa Acts, House File 534, takes effect if House File 648, relating to the management of state archives and records, is enacted by the Eightieth General Assembly, 2003 Regular Session.

2. The sections of this division of this Act amending sections 12C.1, 99G.10, 99G.37, and 99G.38 take effect only if House File 534 is enacted by the Eightieth General Assembly, 2003 Regular Session.

3. The sections of this division of this Act amending section 304B.3, if enacted by 2003 Iowa Acts, House File 648, and repealing 2003 Iowa Acts, House File 648, section 1, if enacted, take effect if House File 534, establishing a department of administrative services, is enacted by the Eightieth General Assembly, 2003 Regular Session.

4. The section of this division of this Act repealing 2003 Iowa Acts, Senate File 155, section 26, takes effect if 2003 Iowa Acts, House File 614, relating to elections, is enacted by the Eightieth General Assembly, 2003 Regular Session.

DIVISION VII
MISCELLANEOUS PROVISIONS

Sec. 85. Section 7J.1, subsection 1, if enacted by 2003 Iowa Acts, Senate File 453, is amended to read as follows:

7J.1 CHARTER AGENCIES.

1. DESIGNATION OF CHARTER AGENCIES -- PURPOSE. The governor may, by executive order, designate up-to-five state departments or agencies, as described in section 7E.5, other than the department of administrative services, if the department is established in law, or the department of management, as a charter agency by July 1, 2003. The designation of a charter agency shall be for a period of five years which shall terminate as of June 30, 2008. The purpose of designating a charter agency is to grant the agency additional authority as provided by this chapter while reducing the total appropriations to the agency.

Sec. 86. Section 7J.1, subsection 3, paragraph a, if enacted by 2003 Iowa Acts, Senate File 453, is amended to read as follows:

a. It is the intent of the general assembly that state general fund operating appropriations to a charter agency for any the fiscal year beginning July 1, 2003, and ending June 30, 2004, shall be reduced, ~~with a target reduction of ten percent for each charter agency,~~ from the appropriation that would otherwise have been enacted for that charter agency which, along with any additional generated revenue to the general fund of the state attributed to the reinvention process as determined by the department of management, over that already committed to the general fund of the state by a charter agency, will achieve an overall target of fifteen million dollars.

Sec. 87. Section 7J.2, if enacted by 2003 Iowa Acts, Senate File 453, is amended to read as follows:

7J.2 CHARTER AGENCY ~~LOAN~~ GRANT FUND.

1. A charter agency ~~loan~~ grant fund is created in the state treasury under the control of the department of management for the purpose of providing funding to support innovation by those state agencies designated as charter

agencies in accordance with section 7J.1. Innovation purposes shall include but are not limited to training, development of outcome measurement systems, management system modifications, and other modifications associated with transition of operations to charter agency status. Moneys in the fund are appropriated to the department of management for the purposes described in this subsection.

2. A charter agency requesting a loan grant from the fund shall complete an application process designated by the director of the department of management. ~~Minimum loan requirements for charter agency requests shall be determined by the director.~~

~~3. In order for the fund to be self-supporting, the director of the department of management shall establish repayment schedules for each loan awarded. An agency shall repay the loan over a period not to exceed five years with interest at a rate to be determined by the director.~~

~~4. 3.~~ Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the charter agency loan grant fund shall be credited to the charter agency loan grant fund. Notwithstanding section 8.33, moneys credited to the charter agency loan grant fund shall not revert to the fund from which appropriated at the close of a fiscal year.

Sec. 88. Section 8.23, subsection 1, paragraph a, Code 2003, is amended by striking the paragraph.

Sec. 89. Section 8.31, Code 2003, is amended to read as follows:

8.31 QUARTERLY REQUISITIONS -- ALLOTMENTS OF APPROPRIATIONS -- EXCEPTIONS -- MODIFICATIONS.

1. a. Before an appropriation for ~~administration~~ operation and maintenance of any department or establishment shall become becomes available, there shall be submitted the department or establishment shall submit to the director of the department of management, ~~not less than twenty days before the beginning of each quarter of each fiscal year,~~ a requisition for an allotment of the amount estimated to be

necessary to carry on its work appropriation according to dates identified in the requisition during the ensuing quarter fiscal year by which portions of the appropriation will be needed. The department or establishment shall submit the requisition by June 1, prior to the start of a fiscal year or by another date identified by the director. The requisition shall contain details of proposed expenditures as may be required by the director ~~of the department of management~~ subject to review by the governor.

b. The director of the department of management shall approve the allotments subject to review by the governor, unless it is found that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, in which event such allotments may be modified to the extent the governor may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of the fiscal year, and the director shall submit copies of the allotments thus approved or modified to the head of the department or establishment concerned, who shall set up such allotments on the books and be governed accordingly in the control of expenditures.

~~Allotments of appropriations made for equipment, land, permanent improvements, and other capital projects may, however, be allotted in one amount by major classes or projects for which they are expendable without regard to quarterly periods. For fiscal years beginning on or after July 1, 1989, allotments of appropriations for equipment, land, permanent improvements, and other capital projects, except where contracts have been entered into with regard to the acquisition or project prior to July 1, 1989, shall not be allotted in one amount but shall be allotted at quarterly periods as provided in this section.~~

2. Allotments thus made in accordance with subsection 1 may be subsequently modified by the director of the department of management at the direction of the governor either upon the written request of the head of the department or establishment

concerned, or in the event the governor finds that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, upon the governor's own initiative to the extent the governor may deem necessary in order that there shall be no overdraft or deficit in the several funds of the state at the end of the fiscal year; and the head of the department or establishment shall be given notice of a modification in the same way as in the case of original allotments.

3. ~~Provided, however, that the~~ The allotment requests of all departments and establishments collecting governmental fees and other revenue which supplement a state appropriation shall attach to the summary of requests a statement showing how much of the proposed allotments are to be financed from ~~(1) state appropriations, (2) stores, and (3) repayment receipts.~~

4. The procedure to be employed in controlling the expenditures and receipts of the state fair board and the institutions under the state board of regents, whose collections are not deposited in the state treasury, is that outlined in section 421.31, subsection 6.

5. If the governor determines that the estimated budget resources during the fiscal year are insufficient to pay all appropriations in full, the reductions shall be uniform and prorated between all departments, agencies and establishments upon the basis of their respective appropriations.

6. Allotments from appropriations for the foreign trade offices of the department of economic development, if the appropriations are described by line item in the department's appropriation Act or another Act, may be made ~~without regard to quarterly periods~~ as is necessary to take advantage of the most favorable foreign currency exchange rates.

Sec. 90. Section 8.57, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. The amount appropriated in this section is not subject to the provisions of section 8.31, relating to quarterly

requisitions and allotment, or to section 8.32, relating to conditional availability of appropriations.

Sec. 91. Section 12B.10, subsection 6, paragraph d, subparagraph (4), Code 2003, is amended to read as follows:

(4) For investments of short-term operating funds, the funds shall not be invested in investments having effective maturities exceeding sixty-three months.

Sec. 92. Section 12B.10A, subsection 6, paragraph d, subparagraph (4), Code 2003, is amended to read as follows:

(4) For investments of short-term operating funds, the funds shall not be invested in investments having effective maturities exceeding sixty-three months.

Sec. 93. Section 12C.27, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

12C.27 FAILURE TO MAINTAIN REQUIRED COLLATERAL.

If the treasurer of state determines that a bank fails to comply with chapter 12C.22, subsections 2 and 3, the treasurer of state may restrict that bank from accepting uninsured public funds and shall notify the office of thrift supervision, the office of the comptroller of the currency, or the superintendent as applicable, who may take such action against the bank, its board of directors and officers as permitted by law.

Sec. 94. Section 12E.12, subsection 8, Code 2003, is amended to read as follows:

8. With respect to the payment of certain debt service, the debt service to be paid shall be those installments of debt service on bonds selected by the treasurer of state and identified in the authority's tax certificate delivered at the time of the issuance of the bonds issued pursuant to this chapter, or as otherwise selected by the treasurer of state. Once the bonds and the installments of debt service thereon are so selected, that debt service and bonds shall not be paid, or provided to be paid, from any other source including the state or any of its departments or agencies. Provided, however, that if funds are not appropriated to pay debt

service on such bonds when due, the issuing agency shall pay such the debt service from any available source as provided in the bond covenants for-such-bonds. To the extent that this section does not allow proceeds of previously issued refunding bonds to be applied for the purpose of the refunding, the issuing agency may expend such proceeds to improve, remodel, or repair buildings or other infrastructure upon authorization of the issuing agency's authority.

Sec. 95. Section 15E.42, subsection 3, Code 2003, is amended to read as follows:

3. "Investor" means an individual making a cash investment in a qualifying business or an individual taxed on income from a revocable trust's cash investment in a qualifying business or a person making a cash investment in a community-based seed capital fund. "Investor" does not include a person which is a current or previous owner, member, or shareholder in a qualifying business.

Sec. 96. Section 15E.43, subsection 1, paragraph a, Code 2003, is amended to read as follows:

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

Sec. 97. Section 15E.43, subsection 1, Code 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. In the case of a tax credit allowed against the taxes imposed in chapter 422, division II, where the taxpayer died prior to redeeming the entire tax credit, the remaining credit can be redeemed on the decedent's final income tax return.

Sec. 98. Section 15E.45, subsection 2, paragraph c, Code 2003, is amended to read as follows:

c. The fund has no fewer than ten ~~individual~~ investors who are not affiliates, with no single investor and affiliates of that investor together owning a total of more than twenty-five percent of the ownership interests outstanding in the fund.

Sec. 99. Section 15E.51, subsection 4, Code 2003, is amended to read as follows:

4. A taxpayer shall not claim a tax credit under this section if the taxpayer is a venture capital investment fund allocation manager for the Iowa fund of funds created in section 15E.65 or an investor that receives a tax credit for an the same investment in a community-based seed capital fund as defined in 2002 Iowa Acts, House File 2271.

Sec. 100. Section 15E.193B, subsection 4, Code 2003, is amended to read as follows:

4. The eligible housing business shall complete its building or rehabilitation within two years from the time the business begins construction on the single-family homes and dwelling units. The failure to complete construction or rehabilitation within two years shall result in the eligible housing business becoming ineligible and subject to the repayment requirements and penalties enumerated in subsection 7. The department may extend the prescribed two-year completion period for any project which has not been completed if the department determines that completion within the two-year period is impossible or impractical as a result of a substantial loss caused by flood, fire, earthquake, storm, or other catastrophe. For purposes of this subsection, "substantial loss" means damage or destruction in an amount in excess of thirty percent of the project's expected eligible

basis as set forth in the eligible housing business's application.

Sec. 101. NEW SECTION. 16.181 HOUSING TRUST FUND.

1. a. A housing trust fund is created within the authority. The moneys in the housing trust fund are annually appropriated to the authority to be used for the development and preservation of affordable housing for low-income people in the state. Payment of interest, recaptures of awards, or other repayments to the housing trust fund shall be deposited in the fund. Notwithstanding section 12C.7, interest or earnings on moneys in the housing trust fund or appropriated to the fund shall be credited to the fund. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the fund at the close of each fiscal year shall not revert but shall remain available for expenditure for the same purposes in the succeeding fiscal year.

b. Assets in the housing trust fund shall consist of all of the following:

- (1) Any assets received by the authority from the Iowa housing corporation.
- (2) Any assets transferred by the authority for deposit in the housing trust fund.
- (3) Any other moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the authority for placement in the housing trust fund.

c. The authority shall create the following programs within the housing trust fund:

(1) Local housing trust fund program. Sixty percent of available moneys in the housing trust fund shall be allocated for the local housing trust fund program. Any moneys remaining in the local housing trust fund program on April 1 of each fiscal year which have not been awarded to a local housing trust fund may be transferred to the project-based housing program at any time prior to the end of the fiscal year.

(2) Project-based housing program. Forty percent of the available moneys in the housing trust fund shall be allocated to the project-based housing program.

2. a. In order to be eligible to apply for funding from the local housing trust fund program, a local housing trust fund must be approved by the authority and have all of the following:

- (1) A local governing board recognized by the city, county, council of governments, or regional officials as the board responsible for coordinating local housing programs.
- (2) A housing assistance plan approved by the authority.
- (3) Sufficient administrative capacity in regard to housing programs.
- (4) A local match requirement approved by the authority.

b. An award from the local housing trust fund program shall not exceed ten percent of the balance in the program at the beginning of the fiscal year plus ten percent of any deposits made during the fiscal year.

c. By December 31 of each year, a local housing trust fund receiving moneys from the local housing trust fund program shall submit a report to the authority itemizing expenditures of the awarded moneys.

3. In an area where no local housing trust fund exists, a person may apply for moneys from the project-based housing program.

4. The authority shall adopt rules pursuant to chapter 17A necessary to administer this section.

Sec. 102. Section 25.1, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Notwithstanding subsections 1 and 2, and section 25.2, the state appeal board shall not consider claims for refund of the unused portion of vehicle registration fees collected under section 321.105.

Sec. 103. Section 28.9, subsection 2, Code 2003, is amended to read as follows:

2. a. A school ready children grants account is created in the Iowa empowerment fund under the authority of the director of the department of education. Moneys credited to the account shall be distributed by the department of education in the form of grants to community empowerment areas pursuant to criteria established by the Iowa board in accordance with law.

b. The distribution formula utilized by the Iowa board for school ready children grants in the fiscal year beginning July 1, 2004, and for each succeeding fiscal year, shall specifically incorporate the following components:

(1) A minimum statewide performance baseline shall be established for the core indicators of performance identified pursuant to section 28.8, subsection 1, paragraph "a".

(2) A community empowerment area must maintain its designated status in good standing and must have received continued approval of its school ready children grant plan.

(3) The community empowerment area must identify how the core indicators of performance will be addressed by the area and select two or more of the core indicators that will achieve a minimum percentage of improvement identified by the area, subject to approval by the Iowa board. The community empowerment area's data for the calendar year preceding the year in which the area initially received a school ready children grant shall be used as the area's baseline year.

(4) If an area achieves the identified percentage level of improvement in the preceding calendar year, the area's minimum grant amount shall be the annualized grant amount received in the area's initial year of funding. The Iowa board may implement provisions for averaging the performance levels over two or more years and other approaches to apply the requirements of this paragraph "b" in an equitable manner.

(5) If an area does not achieve the identified percentage level of improvement in the preceding calendar year, the area shall receive a reduction from the area's minimum grant amount. If the identified percentage level of improvement is

achieved in the next succeeding calendar year, the area's minimum grant amount shall be restored.

Sec. 104. Section 29C.8, subsection 3, Code 2003, is amended by adding the following new paragraphs:

NEW PARAGRAPH. f. (1) Approve and support the development and ongoing operations of an urban search and rescue team to be deployed as a resource to supplement and enhance emergency and disaster operations.

(2) A member of an urban search and rescue team acting under the authority of the administrator or pursuant to a governor's disaster proclamation as provided in section 29C.6 shall be considered an employee of the state under chapter 669 and shall be afforded protection as an employee of the state under section 669.21. Disability, workers' compensation, and death benefits for team members working under the authority of the administrator or pursuant to the provisions of section 29C.6 shall be paid by the state in a manner consistent with the provisions of chapter 85, 410, or 411 as appropriate, depending on the status of the member.

NEW PARAGRAPH. g. Develop, implement, and support a uniform incident command system to be used by state agencies to facilitate efficient and effective assistance to those affected by emergencies and disasters. This system shall be consistent with the requirements of the United States occupational safety and health administration and a national incident management system.

Sec. 105. Section 29C.20, subsection 1, Code 2003, is amended to read as follows:

1. a. A contingent fund is created in the state treasury for the use of the executive council which may be expended for the purpose of paying following purposes:

(1) Paying the expenses of suppressing an insurrection or riot, actual or threatened, when state aid has been rendered by order of the governor, ~~and for repairing.~~

(2) Repairing, rebuilding, or restoring state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, ~~and for repairing.~~

(3) Repairing, rebuilding, or restoring state property which that is fiberoptic cable and which that is injured or destroyed by a wild animal,--and-for-aid-to.

(4) Paying the expenses incurred by and claims of an urban search and rescue team when acting under the authority of the administrator and the provisions of section 29C.6 and disaster medical assistance teams when acting under the provisions of section 135.153.

(5) (a) Aiding any governmental subdivision in an area declared by the governor to be a disaster area due to natural disasters or to expenditures necessitated by the governmental subdivision toward averting or lessening the impact of the potential disaster, where the effect of the disaster or action on the governmental subdivision is the immediate financial inability to meet the continuing requirements of local government.

(b) Upon application by a governmental subdivision in such an area, accompanied by a showing of obligations and expenditures necessitated by an actual or potential disaster in a form and with further information the executive council requires, the aid may be made in the discretion of the executive council and, if made, shall be in the nature of a loan up to a limit of seventy-five percent of the showing of obligations and expenditures. The loan, without interest, shall be repaid by the maximum annual emergency levy authorized by section 24.6, or by the appropriate levy authorized for a governmental subdivision not covered by section 24.6. The aggregate total of loans shall not exceed one million dollars during a fiscal year. A loan shall not be for an obligation or expenditure occurring more than two years previous to the application.

b. When a state department or agency requests that moneys from the contingent fund be expended to repair, rebuild, or restore state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, or to repair, rebuild, or restore state property which that is fiberoptic cable and

which that is injured or destroyed by a wild animal, or for payment of the expenses incurred by and claims of an urban search and rescue team when acting under the authority of the administrator and the provisions of section 29C.6, the executive council shall consider the original source of the funds for acquisition of the property before authorizing the expenditure. If the original source was other than the general fund of the state, the department or agency shall be directed to utilize moneys from the original source if possible. The executive council shall not authorize the repairing, rebuilding, or restoring of the property from the disaster aid contingent fund if it determines that moneys from the original source are available to finance the project.

Sec. 106. Section 80B.5, Code 2003, is amended to read as follows:

80B.5 ADMINISTRATION.

The administration of the Iowa law enforcement academy and council Act shall be vested in the office of the governor. A ~~director-of-the-academy-and-such-staff~~ Staff as may be necessary for it the law enforcement academy to function shall be employed pursuant to the Iowa merit system.

Sec. 107. NEW SECTION. 80B.5A DIRECTOR.

The governor shall appoint the director of the Iowa law enforcement academy, subject to senate confirmation, to a four-year term beginning and ending as provided in section 69.19.

Sec. 108. Section 99G.9, subsection 3, paragraph j, if enacted by 2003 Iowa Acts, Senate File 453, is amended by striking the paragraph.

Sec. 109. Section 99G.40, subsection 5, if enacted by 2003 Iowa Acts, Senate File 453, is amended to read as follows:

5. The authority shall adopt the same fiscal year as that used by state government and shall be audited annually by the auditor of state or a certified public accounting firm appointed by the auditor. The auditor of state or a designee conducting an audit under this chapter shall have access and

authority to examine any and all records of licensees necessary to determine compliance with this chapter and the rules adopted pursuant to this chapter. The cost of audits and examinations conducted by the auditor of state or a designee shall be paid for by the authority.

Sec. 110. NEW SECTION. 174.24 LIABILITY OF COUNTY FAIR SOCIETY.

A society, as defined in section 174.1, shall be immune from liability for any damages incurred at a county fair held by the society if the damages were incurred on or at an exhibit, leased facility, amusement ride, or an activity not under the control of the society, if the county fair requires the vendor in control of the exhibit, leased facility, amusement ride, or other activity to obtain liability insurance of at least three hundred thousand dollars. An officer or employee of a society, as defined in section 174.1, shall not be held liable for punitive damages as a result of acts in the performance of the officer's or employee's duties, unless reckless misconduct is proven.

Sec. 111. Section 257.11, subsection 5, paragraph b, Code 2003, is amended to read as follows:

b. A school district which establishes a regional academy shall be eligible to assign its resident pupils attending classes at the academy a weighting of one-tenth of the percentage of the pupil's school day during which the pupil attends classes at the regional academy. For the purposes of this subsection, "regional academy" means an educational institution established by a school district to which multiple schools send pupils in grades seven nine through twelve, and may include a virtual academy. A regional academy shall include in its curriculum advanced-level courses and may include in its curriculum vocational-technical programs courses. The maximum amount of additional weighting for which a school district establishing a regional academy shall be eligible is an amount corresponding to fifteen additional pupils. The minimum amount of additional weighting for which

a school district establishing a regional academy shall be eligible is an amount corresponding to ten additional pupils if the academy provides both advanced-level courses and vocational-technical courses. However, if the sum of the funding amount calculated for all districts operating regional academies under this subsection exceeds one million dollars for the school year beginning July 1, 2004, and each succeeding fiscal year, the director of the department of management shall prorate the amount calculated for each district. The proration shall be based upon the amount calculated for each district when compared to the sum of the amount for all districts.

Sec. 112. Section 260C.14, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 20. Adopt a policy to offer not less than the following options to a student who is a member of the Iowa national guard or reserve forces of the United States and who is ordered to active state service or federal service or duty:

a. Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.

b. Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

c. Make arrangements with only some of the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

Sec. 113. Section 261.9, subsection 1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

"Accredited private institution" means an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state, except for county hospitals as provided in paragraph "c" of this subsection, and which meets at least one of the criteria in paragraphs "a" through "c" and all of the criteria in paragraphs "d" through "g":

Sec. 114. Section 261.9, subsection 1, Code 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. g. Adopts a policy to offer not less than the following options to a student who is a member of the Iowa national guard or reserve forces of the United States and who is ordered to active state service or federal service or duty:

- (1) Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.
- (2) Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.
- (3) Make arrangements with only some of the student's instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

Sec. 115. Section 262.9, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 29. Direct the institutions of higher education under its control to adopt a policy to offer not less than the following options to a student who is a member of the Iowa national guard or reserve forces of the United States and who is ordered to active state service or federal service or duty:

a. Withdraw from the student's entire registration and receive a full refund of tuition and mandatory fees.

b. Make arrangements with the student's instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

c. Make arrangements with only some of the student's instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

Sec. 116. Section 284.13, subsection 1, paragraph a, Code 2003, is amended to read as follows:

a. For each fiscal year in the fiscal year period beginning July 1, ~~2001~~ 2003, and ending June 30, ~~2002~~ 2005, the department shall reserve up to one-million five hundred thousand dollars of any moneys appropriated for purposes of this chapter. For each fiscal year in which moneys are appropriated by the general assembly for purposes of team-based variable pay pursuant to section 284.11, the amount of moneys allocated to school districts shall be in the proportion that the basic enrollment of a school district bears to the sum of the basic enrollments of all participating school districts for the budget year. However, the per pupil amount distributed to a school district under the pilot program shall not exceed one hundred dollars.

Sec. 117. Section 284.13, subsection 1, paragraph g, ~~unnumbered paragraph 1~~, Code 2003, is amended to read as follows:

For each fiscal year in which funds are appropriated for purposes of this chapter, the moneys remaining after

distribution as provided in paragraphs "a" through "f" and "h" shall be allocated to school districts for salaries and career development in accordance with the following formula:

Sec. 118. Section 294A.25, subsection 6, Code 2003, is amended by striking the subsection.

Sec. 119. Section 294A.25, subsections 7, 8, and 9, Code 2003, are amended to read as follows:

7. For Except as otherwise provided in this section, for the fiscal year beginning July 1, ~~1990~~ 2003, and succeeding fiscal years, the remainder of moneys appropriated in subsection 1 to the department of education shall be deposited in the educational excellence fund to be allocated in an amount to meet the ~~minimum-salary~~ requirements of this chapter for phase I, ~~in an amount to meet the requirements for and~~ phase II, ~~and the remainder of the appropriation for phase~~ ~~III~~.

8. Commencing with the fiscal year beginning July 1, ~~1997~~ 2003, the amount of two hundred thirty thousand dollars for a kindergarten to grade twelve management information system ~~from additional funds transferred from phase I to phase III~~.

9. For the fiscal year beginning July 1, ~~2000~~ 2003, and for each succeeding fiscal year, the amount of one hundred seventy thousand dollars to the state board of regents for distribution in the amount of sixty-eight thousand dollars to the Iowa braille and sight saving school and in the amount of one hundred two thousand dollars to the Iowa state school for the deaf ~~from phase III moneys~~.

Sec. 120. Section 321J.2, subsection 2, paragraph a, subparagraph (3), subparagraph subdivisions (a) and (b), as enacted by 2003 Iowa Acts, House File 65, section 2, are amended to read as follows:

(a) A defendant whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred. The defendant shall be ordered to

install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be ordered to install an ignition interlock device.

(b) A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained, and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

Sec. 121. Section 321J.4, subsection 1, paragraphs a and b, as enacted by 2003 Iowa Acts, House File 65, section 3, are amended to read as follows:

a. A defendant whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred. The defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be ordered to install an ignition interlock device.

b. A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained, and an

accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

Sec. 122. Section 321J.4, subsection 3, paragraphs a and b, as enacted by 2003 Iowa Acts, House File 65, section 3, are amended to read as follows:

a. A defendant whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained and an accident resulting in personal injury or property damage occurred. The defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be ordered to install an ignition interlock device.

b. A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained, and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

Sec. 123. Section 321J.12, subsection 2, paragraphs a and b, as enacted by 2003 Iowa Acts, House File 65, section 5, are amended to read as follows:

a. A person whose driver's license or nonresident operating privileges have been revoked under subsection 1, paragraph "a", whose alcohol concentration is .08 or more but not more than .10 shall not be eligible for any temporary restricted license for at least thirty days after the effective date of the revocation if a test was obtained and an accident resulting in personal injury or property damage occurred. The defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary license. There shall be no such period of ineligibility if no such accident occurred, and the defendant shall not be ordered to install an ignition interlock device.

b. A defendant whose alcohol concentration is more than .10 shall not be eligible for any temporary restricted license for at least thirty days if a test was obtained, and an accident resulting in personal injury or property damage occurred or the defendant's alcohol concentration exceeded .15. There shall be no such period of ineligibility if no such accident occurred and the defendant's alcohol concentration did not exceed .15. In either case, where a defendant's alcohol concentration is more than .10, the defendant shall be ordered to install an ignition interlock device of a type approved by the commissioner of public safety on all vehicles owned or operated by the defendant if the defendant seeks a temporary restricted license.

Sec. 124. Section 331.605C, subsections 1 and 2, if enacted by 2003 Iowa Acts, Senate File 453, are amended to read as follows:

1. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, the recorder shall collect a fee of five dollars for each recorded transaction, regardless of the

number of pages, for which a fee is paid pursuant to section 331.604 to be used for the purposes of planning and implementing electronic recording and electronic transactions in each county and developing county and statewide internet websites to provide electronic access to records and information.

2. Beginning July 1, 2004, the recorder shall collect a fee of one dollar for each recorded transaction, regardless of the number of pages, for which a fee is paid pursuant to section 331.604 to be used for the purpose of paying the county's ongoing costs of maintaining the systems developed and implemented under subsection 1.

Sec. 125. Section 331.605C, subsection 4, if enacted by 2003 Iowa Acts, Senate File 453, is amended to read as follows:

4. The state local electronic government electronic transaction fund is established in the office of the treasurer of state under the control of the treasurer of state. Moneys deposited into the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on moneys in the state local electronic government electronic transaction fund shall be credited to the fund. Moneys in the state local electronic government electronic transaction fund are not subject to transfer, appropriation, or reversion to any other fund, or any other use except as provided in this subsection. The treasurer of state shall enter into a contract with the Iowa state association of counties affiliate representing county recorders to ~~develop, implement, and maintain~~ hold the fund for the development, implementation, and maintenance of a statewide internet website for purposes of providing electronic access to records and information recorded or filed by county recorders. On a monthly basis, the county treasurer shall pay one dollar of each fee collected pursuant to subsection 1 to the treasurer of state for deposit into the state local electronic government electronic transaction fund. Moneys credited to the state

local electronic government electronic transaction fund are appropriated to the treasurer of state to be used for contract costs. This subsection is repealed June 30, 2004.

Sec. 126. Section 422.45, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 64. The gross receipts from noncustomer point of sale or noncustomer automated teller machine access or service charges assessed by a financial institution. For purposes of this subsection, "financial institution" means the same as defined in section 527.2.

Sec. 127. Section 423.4, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 9A. Vehicles subject to registration which are transferred from a corporation that is primarily engaged in the business of leasing vehicles subject to registration to a corporation that is primarily engaged in the business of leasing vehicles subject to registration when the transferor and transferee corporations are part of the same controlled group for federal income tax purposes.

Sec. 128. Section 435.26A, subsections 2 and 5, as enacted by 2003 Iowa Acts, Senate File 134, section 7, are amended to read as follows:

2. Upon receipt of a certificate of title from a manufactured home owner, a county treasurer shall notify the department of transportation that the certificate of title has been surrendered, remove the registration of title from the county treasurer's records, and destroy the certificate of title.

The manufactured home owner or the owner's representative shall provide to the county recorder the identifying data of the manufactured home, including the owner's name, the name of the manufacturer, the model name, the year of manufacture, and the serial number of the home, along with the legal description of the real estate on which the manufactured home is located. In addition, evidence shall be provided of the surrender of the certificate of title. After the surrender of

the certificate of title of a manufactured home under this section, conveyance of an interest in the manufactured home shall not require transfer of title so long as the manufactured home remains on the same real estate site.

5. An owner of a manufactured home who has surrendered a certificate of title under this section and requires another certificate of title for the manufactured home is required to apply for a bonded certificate of title under ~~chapter-321~~ section 321.42. If supporting documents for the reissuance of a title are not available or sufficient, the procedure for the reissuance of a title specified in the rules of the department of transportation shall be used.

Sec. 129. Section 452A.2, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 20A. "Nonterminal storage facility" means a facility where motor fuel or special fuel, other than liquefied petroleum gas, is stored that is not supplied by a pipeline or a marine vessel. "Nonterminal storage facility" includes a facility that manufactures products such as alcohol, biofuel, blend stocks, or additives which may be used as motor fuel or special fuel, other than liquefied petroleum gas, for operating motor vehicles or aircraft.

Sec. 130. Section 453A.2, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 5B. A tobacco compliance employee training fund is created in the office of the treasurer of state. The fund shall consist of civil penalties assessed by the Iowa department of public health under section 453A.22, for violations of this section. Moneys in the fund are appropriated to the alcoholic beverages division of the department of commerce and shall be used to develop and administer the tobacco compliance employee training program under section 453A.2A. Moneys deposited in the fund shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this subsection. Notwithstanding section 8.33, any unexpended balance in the

fund at the end of the fiscal year shall be retained in the fund.

Sec. 131. Section 453C.1, subsection 10, Code 2003, is amended to read as follows:

10. "Units sold" means the number of individual cigarettes sold in the state by the applicable tobacco product manufacturer, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, during the year in question, as measured by excise taxes collected by the state on packs or roll-your-own tobacco containers bearing ~~the excise tax stamp of the state.~~ The department of revenue and finance shall adopt rules as are necessary to ascertain the amount of state excise tax paid on the cigarettes of such tobacco product manufacturer for each year.

Sec. 132. Section 453C.2, subsection 2, paragraph b, subparagraph (2), Code 2003, is amended to read as follows:

(2) To the extent that a tobacco product manufacturer establishes that the amount the manufacturer was required to place into escrow on account of units sold in the state in a particular year was greater than the state's allocable share of the total payments that such manufacturer would have been required to make in that year under the master settlement agreement the master settlement agreement payments, as determined pursuant to section IX(i) of that agreement including after final determination of all adjustments, that such manufacturer would have been required to make on account of such units sold had such manufacturer been a participating manufacturer, ~~as such payments are determined pursuant to section IX(i)(2) of the master settlement agreement and before any of the adjustments or offsets described in section IX(i)(3) of that agreement other than the inflation adjustment,~~ the excess shall be released from escrow and ~~revert back to such tobacco product manufacturer.~~

Sec. 133. Section 455D.9, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. Yard waste may be accepted by a sanitary landfill for land disposal if the sanitary landfill operates an active methane collection system that produces electricity.

Sec. 134. Section 476.33, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 5. a. The board shall adopt rules that require the board, in a rate regulatory proceeding under sections 476.3 and 476.6, to consider both of the following for inclusion in rates:

(1) Capital infrastructure investments that will not produce significant additional revenues and will be in service in Iowa within nine months after the conclusion of the test year.

(2) Cost of capital changes that will occur within nine months after the conclusion of the test year that are associated with a new generating plant that has been the subject of a ratemaking principles proceeding pursuant to section 476.53.

b. This subsection is repealed effective July 1, 2007. However, any utilities board proceeding that is pending on July 1, 2007, that is being conducted pursuant to section 476.3 or 476.6 shall be completed as if this section had not been repealed. Upon repeal, the board may still consider the adjustments addressed in this subsection, but shall not be required to consider them.

Sec. 135. Section 505.7, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 9. The commissioner may retain funds collected during the fiscal year beginning July 1, 2003, pursuant to any settlement, enforcement action, or other legal action authorized under federal or state law for the purpose of reimbursing costs and expenses of the division.

Sec. 136. Section 518.18, unnumbered paragraph 2, Code 2003, is amended to read as follows:

1. Two The applicable percent of the gross amount of premiums received during the preceding calendar year, after deducting the amount returned upon the canceled policies, certificates, and rejected applications; and after deducting premiums paid for windstorm or hail reinsurance on properties specifically reinsured; provided, however, that. However, the reinsurer of such windstorm or hail risks shall pay two the applicable percent of the gross amount of reinsurance premiums received upon such risks after deducting the amounts returned upon canceled policies, certificates, and rejected applications. For purposes of this section, "applicable percent" means the same as specified in section 432.1, subsection 4.

2. Except as provided in subsection 3, the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend the certificate of authority of a county mutual insurance association that fails to pay its premium tax on or before the due date.

3. a. Each county mutual insurance association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year.

b. In addition to the prepayment amount in paragraph "a", each association shall remit on or before June 30, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

(1) For prepayment in the 2003 and 2004 calendar years, eleven percent.

(2) For prepayment in the 2005 calendar year, twenty-six percent.

(3) For prepayment in the 2006 and subsequent calendar years, fifty percent.

c. The sums prepaid by a county mutual insurance association under this subsection shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under this subsection exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner of insurance may suspend the certificate of authority of an association that fails to make a prepayment on or before the due date.

Sec. 137. Section 518A.35, Code 2003, is amended to read as follows:

518A.35 ANNUAL TAX.

1. A state mutual insurance association doing business under this chapter shall on or before the first day of March, each year, pay to the director of revenue and finance, or a depository designated by the director, a sum equivalent to two the applicable percent of the gross receipts from premiums and fees for business done within the state, including all insurance upon property situated in the state without including or deducting any amounts received or paid for reinsurance. However, a company reinsuring windstorm or hail risks written by county mutual insurance associations is required to pay a-two the applicable percent tax on the gross amount of reinsurance premiums received upon such risks, but after deducting the amount returned upon canceled policies and rejected applications covering property situated within the state, and dividends returned to policyholders on property situated within the state. For purposes of this section, "applicable percent" means the same as specified in section 432.1, subsection 4.

2. Except as provided in subsection 3, the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend the certificate of authority of a state mutual insurance association that fails to pay its premium tax on or before the due date.

3. a. Each state mutual insurance association transacting business in this state whose Iowa premium tax liability for the preceding calendar year was one thousand dollars or more shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the premium tax liability for the preceding calendar year.

b. In addition to the prepayment amount in paragraph "a", each association shall remit on or before June 30, on a prepayment basis, an additional amount equal to the following percent of the premium tax liability for the preceding calendar year as follows:

(1) For prepayment in the 2003 and 2004 calendar years, eleven percent.

(2) For prepayment in the 2005 calendar year, twenty-six percent.

(3) For prepayment in the 2006 and subsequent calendar years, fifty percent.

c. The sums prepaid by a state mutual insurance association under this subsection shall be allowed as credits against its premium tax liability for the calendar year during which the payments are made. If a prepayment made under this subsection exceeds the annual premium tax liability, the excess shall be allowed as a credit against subsequent prepayment or tax liabilities. The commissioner of insurance may suspend the certificate of authority of an association that fails to make a prepayment on or before the due date.

Sec. 138. 2003 Iowa Acts, Senate File 453, section 30, if enacted, is amended by striking the section and inserting in lieu thereof the following:

SEC. 30. CHARGE FOR RENT. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, the department of administrative services, if established in 2003 Iowa Acts, House File 534, shall transfer \$900,000 to the general fund of the state from the rent fund if established under section 8A.123 in 2003 Iowa Acts, House File 534.

Sec. 139. 2003 Iowa Acts, Senate File 453, section 35, if enacted, is amended to read as follows:

SEC. 35. CHARTER AGENCY APPROPRIATIONS.

1. Notwithstanding any provision of law to the contrary, the total operating appropriations reductions as allowed under section 7J.1 from the general fund of the state to those departments and agencies designated as charter agencies and additional revenue to the general fund of the state attributed to the reinvention process as determined by the department of management above that already committed to the general fund of the state generated for the fiscal year beginning July 1, 2003, and ending June 30, 2004, as provided by the appropriation to those agencies as enacted by the Eightieth General Assembly, 2003 Regular Session, shall be reduced by total \$15,000,000. The department of management shall apply the appropriation reductions, ~~with a target of a 10 percent reduction for each charter agency,~~ as necessary to which along with additional generated revenue shall achieve the overall reduction amount and shall make this information available to the legislative fiscal committee and the legislative fiscal bureau. ~~It is the intent of the general assembly that appropriations to a charter agency in subsequent fiscal years shall be similarly adjusted from the appropriation that would otherwise have been enacted.~~

2. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the charter agency loan grant fund created in section 7J.2:

..... \$ 3,000,000

~~3. For the fiscal year beginning July 1, 2003, and ending June 30, 2004, if the actual amount of revenue received by a charter agency exceeds the revenue amount budgeted for that charter agency by the governor and the general assembly, the~~

~~charter agency may consider the excess amount to be repayment receipts as defined in section 8r2.~~

Sec. 140. Notwithstanding section 8.33, unencumbered and unobligated funds remaining from the appropriation made in 1996 Iowa Acts, chapter 1218, section 13, subsection 2, paragraph "a", subparagraph (2), as amended by 1997 Iowa Acts, chapter 215, section 3, and from the appropriation made in 1997 Iowa Acts, chapter 215, section 4, subsection 1, shall not revert but shall be available for the purposes designated in those provisions until the close of the fiscal year beginning July 1, 2003.

Sec. 141. 2003 Iowa Acts, Senate File 453, section 49, subsection 1, unnumbered paragraph 1, if enacted, is amended to read as follows:

The department of human services shall establish a work group in cooperation with representatives of the insurance industry and members of the medical assistance advisory council to develop a plan for the redesign of the medical assistance program. In developing the redesign plan, the work group shall consider all of the following:

Sec. 142. 2003 Iowa Acts, Senate File 453, section 121, if enacted, is amended to read as follows:

SEC. 121. EFFECTIVE DATE. This division of this Act, creating the Iowa lottery authority, takes effect ~~September~~ July 1, 2003.

Sec. 143. Sections 266.8, 266.24, 266.25, and 266.26, Code 2003, are repealed.

Sec. 144. REPORT ON FEDERAL ELECTION LAW IMPLEMENTATION. The state committee, if formed, shall develop a plan for compliance with the federal Help America Vote Act, Pub. L. No. 107-252, and the state committee, in conjunction with the state commissioner of elections, shall provide quarterly updates to the Senate and House of Representatives standing committees on government oversight on the status of the implementation of Pub. L. No. 107-252.

Sec. 145. SALE OF DEPARTMENT OF CORRECTIONS' REAL PROPERTY.

1. Immediately after the effective date of this section, the department of corrections shall develop a plan to sell, at market value, the twenty-acre tract of undeveloped land adjacent to the Iowa correctional institution for women to any municipality with a population of less than twenty thousand persons. The plan shall include the sale of the tract of land within a commercially reasonable time. The sale shall be negotiated by the department and shall be handled in a manner that is financially beneficial to the department. The department shall as a condition of the sale to the municipality require that the land not be sold by the municipality for a period of ninety-nine years unless the land is resold back to the state. Appraisals conducted by the department of the value of the land shall be made available to the public immediately following the sale of the tract of land. If the department is unable to negotiate a financially beneficial sale, the tract of land shall not be sold, and the department shall provide the legislative fiscal bureau with the reasons the sale did not occur.

2. The proceeds from the sale of the property as provided in subsection 1 shall be retained by the department of corrections to be used for correctional facilities. The costs incident to the sale of the tract of land including, but not limited to, appraisals, invitations for offers, abstracts, and other necessary costs, may be paid from the proceeds of the sale or from moneys appropriated for support and maintenance to the institution at which the real estate is located.

3. The provisions of section 904.317 shall not apply to the sale of the tract of land sold in accordance with this section.

Sec. 146. SALES AND USE TAX REFUND.

1. Notwithstanding the one-year application period provided for in section 422.45, subsection 7, paragraph "b", an application by a city with a population between 550 and 625

located entirely in a county with a population between 39,750 and 41,750 for a refund of sales, services, or use tax paid upon any goods, wares, or merchandise, or services rendered, furnished, or performed and used in the performance of contracts involving a street construction project and a sewer project is considered timely filed under section 422.45, subsection 7, if the application for refund is filed with the department of revenue and finance on or before August 1, 2003.

2. Notwithstanding the amount applied for under subsection 1, the amount of a refund paid under this section shall not exceed \$15,000.

Sec. 147. SCHOOL DISTRICT REIMBURSEMENT CLAIM.

1. Any school district located in a county with a population between 11,550 and 12,000 is authorized to refile a claim for state reimbursement of the costs of providing vocational education programs at the secondary level in its district notwithstanding the denial of its previously filed claim with the state appeal board if the claim is filed by October 1, 2003. Such claim shall be considered timely filed notwithstanding any provision of law.

2. If the claim filed pursuant to subsection 1 is a valid claim for state reimbursement, the claim shall be paid subject to the following:

a. The amount of costs reimbursed shall not exceed 6.5 percent.

b. Any amount reimbursed pursuant to any previously filed claim relating to the same costs shall not be included.

c. The total amount reimbursed under this section shall not exceed \$6,000.

Sec. 148. COORDINATION OF PUBLIC TRANSPORTATION STUDY.

The state department of transportation shall conduct a study and prepare a report pertaining to administrative efficiencies that may be gained by the coordination of transit management and maintenance systems in the areas of school transportation, public transit, and other forms of public transportation. The report shall be provided to the general assembly by December 31, 2003.

Sec. 149. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN SERVICES. To the extent that, pursuant to law enacted by the Eightieth General Assembly, 2003 Session, supplemental payment adjustments are implemented for physician services provided to medical assistance program participants at publicly owned acute care hospitals, the department of human services shall not, directly or indirectly, recoup the supplemental payment adjustments for any reason, unless an amount equivalent to the amount of adjustment funds that were transferred to the department by the state university of Iowa college of medicine is transferred by the department to the qualifying physicians.

Sec. 150. UTILITIES BOARD REVIEW. The utilities board shall initiate and coordinate a review of current ratemaking procedures to determine whether different procedures would be cost-effective and would result in rates that more accurately reflect a utility's cost of providing service to its customers in Iowa. The board shall allow the consumer advocate division of the department of justice, the rate-regulated utilities, and other interested persons to participate in its review. The board shall report the results of its review to the general assembly, with recommendations as appropriate, on or before January 5, 2004.

Sec. 151. USE OF TEAM-BASED VARIABLE PAY MONEYS FOR FY 2003-2004. Notwithstanding section 284.13, subsection 1, paragraph a, of the moneys reserved for purposes of team-based variable pay for the fiscal year beginning July 1, 2003, and ending June 30, 2004, the sum of two hundred thousand dollars shall be used for purposes of the reading instruction pilot program established pursuant to 2003 Iowa Acts, House File 549, if enacted.

Sec. 152. FULL-SIZE OFF-HIGHWAY VEHICLE REGISTRATION PROGRAM -- PLAN. The department of natural resources and the state department of transportation, in consultation with the Iowa association of four wheel drive clubs, shall develop a plan for the establishment of a registration program for full-size off-highway vehicles for the purposes of regulating the

recreational use of full-size off-highway vehicles and establishing a full-size off-highway vehicle recreation area in the state. The plan shall include an analysis of the number of full-size off-highway vehicles expected to be registered prior to the establishment of a full-size off-highway vehicle recreation area and the number of registrations expected after the establishment of such a facility. The plan shall also include optimum locations for a full-size off-highway vehicle recreation area, estimated costs, if any, for maintenance of the area, and any other issues the departments and the association deem to be of importance in the planning process. The plan, which shall include any proposed legislation for implementation of the plan, shall be submitted to the legislative services agency and the general assembly no later than January 1, 2004.

Sec. 153. ELIMINATION OF POSITION -- IOWA LAW ENFORCEMENT ACADEMY DIRECTOR. The merit position of director of the Iowa law enforcement academy referred to in section 80B.5, Code 2003, is eliminated effective April 30, 2004.

Sec. 154. SEVERABILITY.

1. If this entire Act or any portion of section 453C.2, subsection 2, paragraph "b", subparagraph (2), as amended in this Act, is held by a court of competent jurisdiction to be unconstitutional, section 453C.2, subsection 2, paragraph "b", subparagraph (2), is repealed in its entirety.

2. If section 453C.2, subsection 2, paragraph "b", subparagraph (2), is repealed pursuant to subsection 1 and a court of competent jurisdiction subsequently finds that section 453C.2, subsection 2, paragraph "b", is unconstitutional due to such repeal, section 453C.2, subsection 2, paragraph "b", subparagraph (2), Code 2003, shall be restored.

3. Any holding of unconstitutionality or any repeal of section 453C.2, subsection 2, paragraph "b", subparagraph (2), as amended in this Act, or of section 453C.2, subsection 2, paragraph "b", subparagraph (2), Code 2003, shall not affect,

impair, or invalidate any other portion of section 453C.2 or the application of that section to any other person or circumstance, and the remaining portions of section 453C.2, shall continue in full force and effect.

Sec. 155. FEDERAL HOUSING MONEYS. Any federal moneys received by the department of economic development for the community development block grant program that are allocated for housing and any federal moneys received for the HOME investment partnership program shall be coordinated with projects within the housing trust fund established in section 16.181, if enacted.

Sec. 156. SMALLPOX VACCINATIONS. It is the intent of the general assembly that public safety workers, smallpox response teams, and others who will be required to be vaccinated pursuant to the federal Homeland Security Act be protected from both health-related and other results of the federally required vaccination. The emergency management division of the Iowa department of public defense and local governments should work with employees in the public safety areas or response teams to achieve the following:

1. Vaccinations should be given only on a voluntary basis.
2. Extensive screening should be employed to protect those workers who would be at risk from current health conditions if vaccinated.
3. Reprisals or discrimination for workers not voluntarily receiving vaccinations should be prohibited.
4. Public employers should protect employees from loss of income or seniority as a result of side effects from vaccinations. Homeland security moneys received by the emergency management division of the Iowa department of public defense from the federal government should include a set-aside to purchase supplemental insurance for public safety or response employees to cover those reactions not covered by traditional employer-provided health insurance.
5. Disability or long-term reactions from vaccinations should be considered a work-related injury and should be covered by local or state policies governing disability.

6. Vaccinations should be scheduled at staggered times to allow for normal loss of staff time because of vaccination-related illnesses without seriously hampering public safety service.

7. Vaccinations administered in Iowa should meet the requirements of the federal Needlestick Safety and Prevention Act of 2000 that requires safety features in the use of needles to administer medicine.

8. The emergency management division of the Iowa department of public defense should coordinate efforts to ensure adequate supplies of vaccinia immune globulin and cidofovir and other appropriate medical care and pharmaceuticals to protect those employees who suffer reactions to vaccinations.

Sec. 157. CODE EDITOR DIRECTIVE. The Code editor shall change the name of the department of public defense, emergency management division, to the department of public defense, homeland security and emergency management division, in chapter 29C and elsewhere throughout the Code, including references to the division made in law enacted by the Eightieth General Assembly, 2003 Regular Session and other enactments.

Sec. 158. RECORDING AND TRANSACTION FEE REPORT. The treasurer of state shall submit a report to the governor and general assembly on or before December 1, 2003, detailing the amount of fees collected statewide pursuant to section 331.604 in each fiscal year of the period beginning July 1, 2000, and ending June 30, 2003, and the amount of electronic transaction fees collected statewide for the period beginning July 1, 2003, and ending September 30, 2003, pursuant to section 331.605C, if enacted by 2003 Iowa Acts, Senate File 453, section 25.

Sec. 159. EFFECTIVE DATES. The following provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

1. The amendments to sections 8.23, 8.31, and 8.57 which are first applicable to appropriations made for the fiscal year beginning July 1, 2003.
2. The amendment to section 12E.12.
3. The amendments to sections 15E.42, 15E.43, 15E.45, and 15E.51, which apply retroactively to January 1, 2002, for tax years beginning on or after that date.
4. The amendment to section 15E.193B.
5. The amendment to section 435.26A.
6. The amendment to section 453A.2, which shall only take effect if 2003 Iowa Acts, Senate File 401, is enacted by the Eightieth General Assembly, 2003 Regular Session.
7. The amendments to sections 453C.1 and 453C.2 and the related severability provision.
8. The amendments to sections 518.18 and 518A.35.
9. The section directing the department of corrections to develop a plan for selling certain land.
10. The section relating to the sales and use tax refund.
11. The section relating to the school district reimbursement claim.

The sections of this division of this Act amending section 80B.5 and enacting section 80B.5A are applicable to the appointment of the director of the Iowa law enforcement academy for the term beginning May 1, 2004.

Section 29C.8, subsection 3, paragraph "f", as enacted in this division of this Act, and the amendment to section 29C.20, subsection 1, as enacted in this division of this Act, take effect July 1, 2004.

DIVISION VIII
MEDICAL ASSISTANCE PROGRAM

Sec. 160. Section 135C.31A, if enacted by 2003 Iowa Acts, House File 619, section 2, is amended to read as follows:
135C.31A ASSESSMENT OF RESIDENTS -- PROGRAM ELIGIBILITY.
Beginning July 1, 2003, a health care facility receiving reimbursement through the medical assistance program under chapter 249A shall assist the Iowa commission of veterans

affairs in determining, ~~prior to the initial~~ identifying, upon admission of a resident, the prospective resident's eligibility for benefits through the federal department of veterans affairs. The health care facility shall also assist the Iowa commission of veterans affairs in determining such eligibility for residents residing in the facility on July 1, 2003. The department of inspections and appeals, in cooperation with the department of human services, shall adopt rules to administer this section, including a provision that ensures that if a resident is eligible for benefits through the federal department of veterans affairs or other third-party payor, the payor of last resort for reimbursement to the health care facility is the medical assistance program. This section shall not apply to the admission of an individual to a state mental health institute for acute psychiatric care.

Sec. 161. Section 249A.20A, if enacted by 2003 Iowa Acts, House File 619, section 3, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. The department shall adopt rules to provide a procedure under which the department and the pharmaceutical and therapeutics committee may disclose information relating to the prices manufacturers or wholesalers charge for pharmaceuticals. The procedures established shall comply with 42 U.S.C. § 1396r-8 and with chapter 550.

Sec. 162. Section 249A.20B, if enacted by 2003 Iowa Acts, House File 619, section 4, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. The department of human services shall provide a reimbursement to nursing facilities under this section. The reimbursement amount shall be calculated as a per patient day amount and shall be paid to nursing facilities in addition to the reimbursement payment specified in 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c".

Sec. 163. 2003 Iowa Acts, House File 619, section 5, if enacted, is amended by striking the section and inserting in lieu thereof the following:

SEC. 5. CASE MANAGEMENT PROGRAM FOR FRAIL ELDERS.

1. The general assembly finds that the existing case management program for frail elders administered by the department of elder affairs is an important component of the long-term care system in this state. The program emphasizes the independence and dignity of the individual while providing services in a cost-effective manner.

2. The purposes of the case management program for frail elders include all of the following:

a. To provide planning, policy development, coordination, and administrative oversight.

b. To provide assistance in the form of assessment and care coordination under circumstances in which an elder or the elder's caregiver is experiencing diminished functional capacity or other conditions that require the provision of services by professional service providers.

c. To maintain a system that focuses on the delivery of home and community-based services that emphasize individual independence, individual needs and desires, and consumer-driven quality of services.

3. It is the intent of the general assembly that the department of elder affairs in collaboration with the department of human services, area agencies on aging, advocacy groups, industry representatives, and consumers submit recommendations to the general assembly by October 1, 2003, regarding the redesigning of the case management program for the frail elderly including preadmission screening methodologies, level of care determinations and ongoing methodologies for the coordination, provision, and delivery of home and community-based services.

4. It is also the intent of the general assembly that the department of elder affairs and the department of human services coordinate efforts to resolve issues relating to level of care determinations no later than October 1, 2003.

Sec. 164. 2003 Iowa Acts, House File 619, section 7, subsection 4, paragraph b, if enacted, is amended to read as follows:

b. Pharmacies and providers that are enrolled in the medical assistance program shall make available drug acquisition cost information, product availability information, and other information deemed necessary by the department for the determination of reimbursement rates and the efficient operation of the pharmacy benefit. Pharmacies and providers shall produce and submit the requested information in the manner and format requested by the department or its designee at no cost to the department or designee. Pharmacies and providers shall submit information to the department or its designee within thirty days following receipt of a request for information unless the department or its designee grants an extension upon written request of the pharmacy or provider. Notwithstanding the required provision of information by pharmacies and providers under this paragraph, if the department is able to obtain any of the information required to be provided under this paragraph in an alternative manner, through which the department is ensured of the validity and accuracy of the information and of the timely submission of the information, the department may instead obtain the information in the alternative manner. Chapter 550 shall apply to the information provided by pharmacies and providers under this paragraph.

Sec. 165. 2003 Iowa Acts, House File 619, section 9, if enacted, is amended to read as follows:

SEC. 9. NURSING FACILITY REIMBURSEMENT. Notwithstanding 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", and subsection 3, paragraph "a", subparagraph (2), if projected state fund expenditures for reimbursement of nursing facilities for the fiscal year beginning July 1, 2003, in accordance with the reimbursement rate specified in 2001 Iowa Acts, chapter 192, section 4, subsection 2, paragraph "c", exceeds exceed \$147,252,856, the department shall adjust

the inflation factor of the reimbursement rate calculation to provide reimbursement within the amount projected specified in this section. The department, in consultation with nursing facility representatives, shall review the projections on a quarterly basis to determine if an interim adjustment is necessary in order to provide reimbursement within the amount specified in this section. In reviewing the projections, the department shall consider the savings from the reduction in bed hold payments, elimination of crossover claims, and increases in Medicare part A utilization.

Sec. 166. 2003 Iowa Acts, House File 619, section 12, subsections 2 and 3, if enacted, are amended to read as follows:

2. The department of human services, in cooperation with the department's fiscal agent and in consultation with a chronic care management-resource-group consortium, shall profile medical assistance recipients within a select number of disease diagnosis categories. The assessment shall focus on those diagnosis areas that present the greatest opportunity for impact to improved care and cost reduction.

3. The department of human services, in consultation with a chronic care management-resource-group consortium, shall conduct a chronic disease management pilot project for a select number of individuals who are participants in the medical assistance program. The project shall focus on a select number of chronic diseases which may include congestive heart failure, diabetes, and asthma. The initial pilot project shall be implemented by October 1, 2003.

Sec. 167. 2003 Iowa Acts, House File 619, section 12, subsection 4, if enacted, is amended by striking the subsection and inserting in lieu thereof the following:

4. The department of human services may procure a sole source contract with a vendor to manage individuals with select chronic diseases following the conclusion of the profiling of medical assistance recipients. The management of chronic diseases for individuals under this subsection may be

coordinated with the pilot project established in subsection 3.

Sec. 168. 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 110, is amended by adding the following new paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, up to \$2,400,000 of the funds appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available in the succeeding fiscal year to be used for additional field operations, full-time equivalent positions and general administration. Four hundred thousand dollars of this amount shall be used for eight full-time equivalent positions to provide a case manager in each of the judicial districts to provide coordination of services for families that have a history of methamphetamine abuse and \$400,000 of this amount shall be used for general administration.

Sec. 169. VETERANS -- DIRECTIVE. The commission of veterans affairs shall work with the commandant of the Iowa veterans home, the department of human services, and the department of inspections and appeals to identify the residents of health care facilities who may be eligible for benefits through the federal department of veterans affairs pursuant to section 135C.31A, if enacted by 2003 Iowa Acts, House File 619.

Sec. 170. The section of this division of this Act amending 2002 Iowa Acts, Second Extraordinary Session, chapter 1003, section 110, relating to certain federal temporary assistance for needy families block grant funding, takes effect upon enactment.

DIVISION IX

Sec. 171. PURPOSE AND DEFINITIONS.

1. PURPOSE. The general assembly finds that the Iowa communications network is a valuable state asset that has served the people of the state well, but which requires significant ongoing financial support from the state in the

form of annual appropriations. The operation of a telecommunications network is a function that can be and generally is conducted by private enterprise. It is in the public interest to sell the Iowa communications network to a qualified private business enterprise that will commit to provide the same secure low-cost high-quality service to state and federal agencies and military installations now provided by the network. Through such a sale, the state would eliminate the need for ongoing annual appropriations while preserving the key benefits enjoyed by the state under the present state ownership of the network. The state also expects to obtain sufficient proceeds from such a sale to cover existing obligations and to realize additional proceeds above the level of such obligations. Given the current depressed state of the telecommunications industry, the state can reasonably be expected to maximize sales proceeds by allowing a purchaser a period of time in which to assemble financing for its purchase. During the interim between enactment of this division of this Act and completion of a sale, the services of a private-enterprise manager with experience operating telecommunications networks can reasonably be expected to reduce the costs of operating the Iowa communications network, thereby lowering annual appropriations.

2. DEFINITIONS. As used in this division of this Act, unless the context otherwise requires:

- a. "Board" means the state network privatization board.
- b. "Commission" means the Iowa telecommunications and technology commission established in section 8D.3 to oversee the operations of the network.
- c. "Management contract" means an agreement between the board and the manager for services to oversee and operate the network on behalf of the state.
- d. "Manager" means the private entity selected by the board to oversee and operate the network on behalf of the state.

e. "Network" means the Iowa or state communications network as defined in section 8D.2.

f. "Out-of-pocket expenses" means moneys paid to an unaffiliated third party for engineering, legal, consulting, or other services or goods by a manager or purchaser.

g. "Purchaser" means the entity that is selected by the board to purchase the network from the state.

h. "Required third-party approval" means any consent, conveyance, approval, or waiver that must be granted by a private, governmental, or quasi-governmental third party in order for the purchaser to receive clear title to all network assets and the right to use the network assets free of adverse claims. Required third-party approvals include but are not limited to all of the following:

(1) Approvals of assignments to the purchaser of the state's rights under leases or contracts between the state and the third party.

(2) Conveyance to the purchaser of property that the third party currently leases to the state on a term with less than fifteen years remaining.

(3) Release of restrictions in contracts that require that the state operate the network.

i. "Sales contract" means the contract between the state as seller, represented by the board, and the purchaser, for sale of the network to the purchaser.

Sec. 172. STATE NETWORK PRIVATIZATION BOARD CREATED -- DUTIES.

1. A state network privatization board is created. The board shall consist of the following members:

- a. A chairperson member appointed by the legislative council, subject to confirmation by the senate.
- b. A member, who shall not be of the same political party as the chairperson, appointed by the governor subject to confirmation by the senate.
- c. The adjutant general or the adjutant general's designee.

2. The board shall do all of the following:

a. Issue a request for proposals from qualified entities interested in serving as the manager of the network. This request for proposals shall be issued by July 1, 2004, and responses to the request for proposals shall be due by August 1, 2004.

b. Select a manager and enter into a management contract with the manager by October 1, 2004. The management contract shall provide for the continuation of all services currently being provided to state and federal agencies and military installations pursuant to chapter 8D, at the rates specified therein, for the duration of the contract. The contract shall also specify the manager's authority in relation to the duties of the commission during the period between execution of the management contract and closing of the sale of the network. The commission shall establish a dispute resolution process regarding rate increases, quality of service issues, and other areas of dispute involving network subscribers. The commission shall also make recommendations regarding imposition of an ongoing dispute resolution and appeals process commencing with the closing of the sale of the network.

c. Issue a request for proposals from qualified entities for the purchase of the network. This request for proposals shall be issued by January 1, 2005, and responses to the request for proposals shall be due by May 1, 2005.

d. Utilizing the criteria set forth in sections 173 and 174 of this Act, select a purchaser and enter into a sales contract with the purchaser by October 1, 2005.

e. Immediately upon execution of the management contract and the sales contract by the majority of the board, transmit the executed contract to the general assembly and to the governor. The board shall have full authority to enter into the management contract and the sales contract on behalf of the state, provided that the general assembly by legislation enacted regarding the specific purchase and approved by the governor, within thirty days after transmittal to the general

assembly and the governor in the case of the management contract, and within sixty days after transmittal to the general assembly and the governor in the case of the sales contract, may disapprove the board's action, in which case the disapproved contract shall have no force and effect. In the event of such disapproval, the state shall pay the manager or the purchaser, as the case may be, reasonable out-of-pocket expenses incurred in preparing a proposal and performing prior to disapproval, but such expenses shall not exceed two hundred thousand dollars in the case of disapproval of the management contract and five hundred thousand dollars in the case of disapproval of the sales contract.

f. Cause the sales contract to require closing by October 1, 2007, allowing time for the state to obtain third-party approvals as required by section 176 of this Act, including the filing of any necessary eminent domain actions, and for the purchaser to secure financing.

g. Execute all necessary documents relating to the closing of the sale of the network. The board may direct any other applicable official to assist in the execution of necessary documents relating to the closing.

h. Require by written directive that all state officials provide information and records concerning the network to the board, to the manager, or to a person submitting a proposal to purchase the network, whenever the board requires such provision of such records and other information.

i. Take all other steps necessary and proper as needed to carry out its responsibilities enumerated in this subsection. The board may adopt necessary rules pursuant to chapter 17A to administer this division of this Act.

Sec. 173. MINIMUM QUALIFICATIONS OF PURCHASER. The purchaser shall meet the following requirements:

1. The principal place of business of the purchaser and any parent of the purchaser shall be located in the state of Iowa.

2. For national security reasons, and because of the extensive military use of the network, the purchaser shall possess national security approval.

Sec. 174. CRITERIA FOR SELECTION OF PURCHASER. After issuing a request for proposals for the purchase of the network and considering the proposals received, the board shall select the highest and best offer for purchase of the network from those persons submitting proposals which meet all of the following criteria:

1. Satisfy the minimum qualifications of this division of this Act.
2. Submit a proposal in compliance with the request for proposals.
3. Demonstrate a likelihood of being able to obtain any financing necessary to close the transaction. However, the board shall not require that the purchaser have a commitment for financing to award the contract, but shall allow the purchaser at least one year to obtain any necessary financing. The board may also in its discretion consider proposals involving financing of the sale by the state.
4. Agree to continue all services currently being provided to state and federal agencies and military installations for the next ten years, with any annual rate increase not to exceed five percent per year, provided that the purchaser shall not be required to supply at such restricted prices a quantity or quality of service greater than that provided by the network as of execution of the contract for sale of the network.

Sec. 175. CLOSING OF SALE. Any debt of the state related to the network or other liens against network assets shall be discharged out of the state's proceeds of closing, so that the purchaser receives marketable title to the network. The purchaser shall receive bills of sale, in the case of personal property, and deeds, in the case of real property, transferring all network assets to the purchaser. The state shall also transfer its interest in right-of-way and leases and easements for uses of rights-of-way.

Sec. 176. THIRD-PARTY APPROVALS.

1. The state shall exercise all reasonable efforts to obtain each required third-party approval, including where necessary by use of eminent domain proceedings. To the extent feasible, the state may pay the costs of obtaining required third-party approvals out of the proceeds of sale rather than from the general fund of the state. In the event the state fails to obtain a required third-party approval, the purchaser may terminate the sales contract without penalty and shall be reimbursed by the state for reasonable out-of-pocket expenses incurred in preparing its proposal and fulfilling its obligations under the sales contract, not to exceed two million dollars.

2. The board and the purchaser shall develop a list of required third-party approvals and persons who may have claims that would constitute required third-party approvals if valid. The board shall mail to each person on the list at their last known address a notice that provides a description of the sale and invites the recipient to submit a claim on a form developed by the board by a deadline set by the board. The claim or interest of any person who fails to timely file a claim shall be deemed discharged and forfeited, and such person shall be forever barred and estopped from taking any action against the state or purchaser that would in any way interfere with the purchaser's use of the network. In addition, the board shall publish the notice in newspapers of general circulation in the state of Iowa, and failure to file a timely claim shall bar all persons whose rights could constitutionally be affected by such notice, just as if such person had been mailed notice.

3. Any eminent domain or other proceeding to obtain a required third-party approval shall be promptly filed by the attorney general at the request of the board and shall be added to the calendar of any trial or appellate court of this state so that the deadline in section 172 of this Act for closing the sale can be met.

Sec. 177. REMOVAL OF RESTRICTIONS -- REPEAL OF CHAPTER 8D. Chapter 8D is repealed, effective as of the date of the closing of the sale of the network under this division of this Act, as certified by the chairperson of the board to the governor.

Sec. 178. ASSISTANCE OF OTHER STATE AGENCIES.

1. The attorney general shall provide legal advice to the board.

2. All other state agencies shall provide whatever assistance may reasonably be required by the board in carrying out its duties under this division of this Act.

DIVISION X

GOVERNMENT ORGANIZATION REVIEW COMMITTEE

Sec. 179. Section 331.264, subsection 1, unnumbered paragraph 1, and paragraphs a through d, if enacted by 2003 Iowa Acts, Senate File 390, section 25, are amended to read as follows:

A local government organization review committee may be created in a county having a population in excess of one hundred thousand. The committee shall be composed of the following members:

- a. Three city council members appointed by the city council of each participating city with a population of twenty-five thousand or more.
- b. Three county supervisors appointed by the county board of supervisors.
- c. One city council member appointed by each participating city with a population of less than twenty-five thousand.
- d. One member shall be appointed by each state legislator whose legislative district is located in the county if a majority of the constituents of that legislative district reside in the county. However, if a county does not have a state representative's legislative district which has a majority of a state representative's constituency residing in the county, the state representative having the largest plurality of constituents residing in the county shall appoint

a member. The member appointed by each state legislator shall be a person who is not holding elected office and who is a resident of the legislative district of the state legislator. If any-portion more than one-half of the population of a legislative district is in the unincorporated area of the county, the member appointed by that legislator shall be a resident of the unincorporated area of the county.

Sec. 180. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

MARY E. KRAMER
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 458, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2003

THOMAS J. VILSACK
Governor