

Senate Study Bill 1219 - Introduced

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

A BILL FOR

1 An Act relating to the finances of state and local government
2 by providing for funding of property tax credits and
3 reimbursements, by making and adjusting appropriations,
4 providing for salaries and compensation of state employees,
5 providing for matters relating to tax credits, providing for
6 fees and penalties, providing for legal responsibilities,
7 and providing for properly related matters, and including
8 effective date and retroactive and other applicability
9 provisions.
10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS — FY 2011-2012

Section 1. BUDGET PROCESS FOR FISCAL YEAR 2012-2013.

1. For the budget process applicable to the fiscal year beginning July 1, 2012, on or before October 1, 2011, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 2. LIMITATION OF STANDING APPROPRIATIONS.

Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 3, paragraph "d", subparagraph (1):

..... \$ 416,702

2. For regional tourism marketing under section 99F.11, subsection 3, paragraph "d", subparagraph (2):

..... \$ 810,306

1 3. For the center for congenital and inherited disorders
2 central registry under section 144.13A, subsection 4, paragraph
3 "a":
4 \$ 171,121

5 4. For primary and secondary child abuse prevention
6 programs under section 144.13A, subsection 4, paragraph "a":
7 \$ 217,772

8 5. For programs for at-risk children under section 279.51:
9 \$ 10,728,891

10 The amount of any reduction in this subsection shall be
11 prorated among the programs specified in section 279.51,
12 subsection 1, paragraphs "a", "b", and "c".

13 6. For payment for nonpublic school transportation under
14 section 285.2:
15 \$ 7,060,931

16 If total approved claims for reimbursement for nonpublic
17 school pupil transportation exceed the amount appropriated in
18 accordance with this subsection, the department of education
19 shall prorate the amount of each approved claim.

20 7. For reimbursement for the homestead property tax credit
21 under section 425.1:
22 \$ 86,188,387

23 8. For reimbursement for the family farm and agricultural
24 land tax credits under sections 425A.1 and 426.1:
25 \$ 32,395,131

26 9. For the enforcement of chapter 453D relating to tobacco
27 product manufacturers under section 453D.8:
28 \$ 18,416

29 Sec. 3. INSTRUCTIONAL SUPPORT STATE AID — FY 2011-2012. In
30 lieu of the appropriation provided in section 257.20,
31 subsection 2, the appropriation for the fiscal year
32 beginning July 1, 2011, and ending June 30, 2012, for paying
33 instructional support state aid under section 257.20 for fiscal
34 year 2011-2012 is zero.

35 Sec. 4. Section 256.30, unnumbered paragraph 1, Code 2011,

1 is amended by striking the unnumbered paragraph and inserting
2 in lieu thereof the following:

3 For the fiscal year beginning July 1, 2011, and ending
4 June 30, 2012, and for each succeeding fiscal year, there
5 is appropriated from the general fund of the state to the
6 department the sum of one hundred thousand dollars. The
7 department shall distribute the appropriation to the tribal
8 council of the Sac and Fox Indian settlement for expenses of
9 educating American Indian children residing in the Sac and Fox
10 Indian settlement on land held in trust by the secretary of
11 the interior of the United States in excess of federal moneys
12 paid to the tribal council for educating the American Indian
13 children when moneys are appropriated for that purpose. The
14 tribal council shall administer the moneys distributed pursuant
15 to this section and shall submit an annual report and other
16 reports as required by the department to the department on the
17 expenditure of the moneys.

18 Sec. 5. Section 257.35, Code 2011, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 5A. Notwithstanding subsection 1, and in
21 addition to the reduction applicable pursuant to subsection
22 2, the state aid for area education agencies and the portion
23 of the combined district cost calculated for these agencies
24 for the fiscal year beginning July 1, 2011, and ending June
25 30, 2012, shall be reduced by the department of management by
26 twenty million dollars. The reduction for each area education
27 agency shall be prorated based on the reduction that the agency
28 received in the fiscal year beginning July 1, 2003.

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DIVISION II

30 SALARIES, COMPENSATION, AND RELATED MATTERS — FY 2011-2012

31 Sec. 6. APPOINTED STATE OFFICERS.

32 1. The governor shall establish a salary for appointed
33 nonelected persons in the executive branch of state government
34 holding a position enumerated in and within the salary
35 ranges provided in 2008 Iowa Acts, chapter 1191, section 14,

1 by considering, among other items, the experience of the
2 individual in the position, changes in the duties of the
3 position, the incumbent's performance of assigned duties, and
4 subordinates' salaries. However, the attorney general shall
5 establish the salary for the consumer advocate, the chief
6 justice of the supreme court shall establish the salary for the
7 state court administrator, the ethics and campaign disclosure
8 board shall establish the salary of the executive director, and
9 the Iowa public broadcasting board shall establish the salary
10 of the administrator of the public broadcasting division of the
11 department of education, each within the salary range provided
12 in 2008 Iowa Acts, chapter 1191, section 14.

13 2. The governor, in establishing salaries as provided in
14 this section, shall take into consideration other employee
15 benefits which may be provided for an individual including but
16 not limited to housing.

17 3. A person whose salary is established pursuant to this
18 section and who is a full-time, year-round employee of the
19 state shall not receive any other remuneration from the state
20 or from any other source for the performance of that person's
21 duties unless the additional remuneration is first approved by
22 the governor or authorized by law. However, this provision
23 does not exclude the reimbursement for necessary travel and
24 expenses incurred in the performance of duties or fringe
25 benefits normally provided to employees of the state.

26 Sec. 7. COLLECTIVE BARGAINING AGREEMENTS FUNDED. The
27 various state departments, boards, commissions, councils,
28 and agencies, including the state board of regents, for
29 the fiscal year beginning July 1, 2011, and ending June 30,
30 2012, shall provide from available sources pay adjustments,
31 expense reimbursements, and related benefits to fully fund the
32 following:

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

35 2. The collective bargaining agreement negotiated pursuant

1 to chapter 20 for employees in the public safety bargaining
2 unit.

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

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

7 5. The collective bargaining agreement negotiated pursuant
8 to chapter 20 for employees in the professional fiscal and
9 staff bargaining unit.

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

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

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

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

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

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

26 12. The collective bargaining agreement negotiated pursuant
27 to chapter 20 for employees in the university of northern Iowa
28 faculty bargaining unit.

29 13. The collective bargaining agreement negotiated pursuant
30 to chapter 20 for employees in the state university of Iowa
31 graduate student bargaining unit.

32 14. The collective bargaining agreement negotiated pursuant
33 to chapter 20 for employees in the state university of Iowa
34 hospital and clinics tertiary health care bargaining unit.

35 15. The annual pay adjustments, related benefits, and

1 expense reimbursements referred to in the sections of this
2 division of this Act addressing noncontract state and state
3 board of regents employees who are not covered by a collective
4 bargaining agreement.

5 Sec. 8. STATE EMPLOYEES — STATE BOARD OF REGENTS. For
6 the fiscal year beginning July 1, 2011, and ending June 30,
7 2012, funds shall be provided from available sources of the
8 state board of regents for funding of collective bargaining
9 agreements for state board of regents employees covered by
10 such agreements and for the following state board of regents
11 employees not covered by a collective bargaining agreement:

12 1. Regents merit system employees and merit supervisory
13 employees.

14 2. Faculty members and professional and scientific
15 employees.

16 Sec. 9. BONUS PAY. For the fiscal year beginning July 1,
17 2011, and ending June 30, 2012, employees of the executive
18 branch, judicial branch, and legislative branch shall not
19 receive bonus pay unless otherwise authorized by law, required
20 pursuant to a contract of employment entered into before July
21 1, 2011, or required pursuant to a collective bargaining
22 agreement. This section does not apply to employees of the
23 state board of regents. For purposes of this section, "bonus
24 pay" means any additional remuneration provided an employee in
25 the form of a bonus, including but not limited to a retention
26 bonus, recruitment bonus, exceptional job performance pay,
27 extraordinary job performance pay, exceptional performance pay,
28 extraordinary duty pay, or extraordinary or special duty pay,
29 and any extra benefit not otherwise provided to other similarly
30 situated employees.

31 Sec. 10. STATE TROOPER MEAL ALLOWANCE. For the fiscal
32 year beginning July 1, 2011, the sworn peace officers in the
33 department of public safety who are not covered by a collective
34 bargaining agreement negotiated pursuant to chapter 20 shall
35 receive the same per diem meal allowance as the sworn peace

1 officers in the department of public safety who are covered
2 by a collective bargaining agreement negotiated pursuant to
3 chapter 20.

4 Sec. 11. SALARY MODEL ADMINISTRATOR. The salary model
5 administrator shall work in conjunction with the legislative
6 services agency to maintain the state's salary model used for
7 analyzing, comparing, and projecting state employee salary
8 and benefit information, including information relating to
9 employees of the state board of regents. The department of
10 revenue, the department of administrative services, the five
11 institutions under the jurisdiction of the state board of
12 regents, the judicial district departments of correctional
13 services, and the state department of transportation shall
14 provide salary data to the department of management and the
15 legislative services agency to operate the state's salary
16 model. The format and frequency of provision of the salary
17 data shall be determined by the department of management and
18 the legislative services agency. The information shall be
19 used in collective bargaining processes under chapter 20 and
20 in calculating the funding needs contained within the annual
21 salary adjustment legislation. A state employee organization
22 as defined in section 20.3, subsection 4, may request
23 information produced by the model, but the information provided
24 shall not contain information attributable to individual
25 employees.

26 DIVISION III

27 PERFORMANCE OF DUTY

28 Sec. 12. Section 7D.10, Code 2011, is amended to read as
29 follows:

30 **7D.10 Court costs.**

31 If sufficient funds for court costs have not been
32 appropriated to a state department, or if sufficient funds are
33 not otherwise available for such purposes within the budget
34 of a state department, the executive council may ~~pay, out of~~
35 ~~any money in the state treasury not otherwise appropriated,~~

1 authorize, in accordance with section 7D.29, payment of
2 the expenses incurred, or costs taxed to the state, in any
3 proceeding brought by or against any of the state departments
4 or in which the state is a party or is interested. This section
5 shall not be construed to authorize the payment of travel or
6 other personal expenses of state officers or employees.

7 Sec. 13. Section 7D.10A, as amended by 2011 Iowa Acts,
8 Senate File 478, section 11, as enacted, is amended to read as
9 follows:

10 **7D.10A Allocation Payment to livestock remediation fund.**

11 If moneys are not sufficient to support the livestock
12 remediation fund as provided in chapter 459, subchapter V, the
13 executive council may ~~allocate from moneys in the general fund~~
14 ~~of the state, which are not otherwise obligated or encumbered,~~
15 authorize as an expense subject to section 7D.29 the payment
16 of an amount to the livestock remediation fund as provided
17 under section 459.501, subsection 5. However, not more than a
18 total of one million dollars ~~shall be allocated~~ shall be paid
19 pursuant to this section to the livestock remediation fund at
20 any time.

21 Sec. 14. Section 7D.29, Code 2011, is amended to read as
22 follows:

23 **7D.29 Performance of duty — expense.**

24 1. The executive council shall not employ others, or ~~incur~~
25 authorize any expense, for the purpose of performing any duty
26 imposed upon the council when the duty may, without neglect
27 of their usual duties, be performed by the members, or by
28 their regular employees, but, subject to this limitation, the
29 council may ~~incur~~ authorize the necessary expense to perform or
30 cause to be performed any legal duty imposed on the council,
31 ~~and pay the same out of any money in the state treasury not~~
32 ~~otherwise appropriated. Such expenses authorized by the~~
33 executive council in accordance with this section shall be paid
34 as follows:

35 a. From the appropriation made from the Iowa economic

1 emergency fund in section 8.55 for purposes of paying the
2 expenses authorized by the executive council under this
3 section.

4 b. To the extent the appropriation from the Iowa economic
5 emergency fund described in paragraph "a" is insufficient to
6 pay the expenses authorized by the executive council under this
7 section, there is appropriated from moneys in the general fund
8 of the state not otherwise appropriated the amount necessary to
9 fund the insufficiency.

10 2. At least two weeks prior to the executive council's
11 approval of a payment authorization under this section,
12 the secretary of the executive council shall notify the
13 legislative services agency that the authorization request
14 will be considered by the executive council and shall provide
15 background information justifying the request.

16 3. The executive council shall receive requests from the
17 Iowa department of public health relative to the purchase,
18 storing, and distribution of vaccines and medication for
19 prevention, prophylaxis, or treatment. Upon review and after
20 compliance with subsection 2, the executive council may approve
21 the request and may ~~incur~~ authorize payment of the necessary
22 ~~expense and pay the same out of any money in the state treasury~~
23 ~~not otherwise appropriated.~~ The expense authorized by the
24 executive council under this subsection shall be paid from the
25 appropriations referred to in subsection 1.

26 Sec. 15. Section 7D.30, Code 2011, is amended to read as
27 follows:

28 **7D.30 Necessary record.**

29 Before ~~incurring~~ authorizing any expense ~~authorized by in~~
30 accordance with section 7D.29, the executive council shall,
31 in each case, by resolution, entered upon its records, set
32 forth the necessity for ~~incurring~~ authorizing such expense,
33 the special fitness of the one employed to perform such work,
34 the definite rate of compensation or salary allowed, and the
35 total amount of money that may be expended. Compensation or

1 salary for personal services in such cases must be determined
2 by unanimous vote of all members of the council.

3 Sec. 16. Section 8.55, subsection 3, paragraph a, Code 2011,
4 is amended to read as follows:

5 a. Except as provided in paragraphs "b", and "c", and
6 "0d", the moneys in the Iowa economic emergency fund shall
7 only be used pursuant to an appropriation made by the general
8 assembly. An appropriation shall only be made for the fiscal
9 year in which the appropriation is made. The moneys shall
10 only be appropriated by the general assembly for emergency
11 expenditures.

12 Sec. 17. Section 8.55, subsection 3, Code 2011, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. 0d. There is appropriated from the Iowa
15 economic emergency fund to the executive council an amount
16 sufficient to pay the expenses authorized by the executive
17 council in accordance with section 7D.29.

18 Sec. 18. Section 8A.321, subsection 4, Code 2011, is amended
19 to read as follows:

20 4. Contract, with the approval of the executive council,
21 for the repair, remodeling, or, if the condition warrants,
22 demolition of all buildings and grounds of the state at
23 the seat of government, at the state laboratories facility
24 in Ankeny, and the institutions of the department of human
25 services and the department of corrections for which no
26 specific appropriation has been made, if the cost of repair,
27 remodeling, or demolition will not exceed one hundred thousand
28 dollars when completed. The cost of repair projects for which
29 no specific appropriation has been made shall be paid ~~from~~
30 ~~the fund~~ as an expense authorized by the executive council as
31 provided in section 7D.29.

32 Sec. 19. Section 8A.321, subsection 6, paragraphs a and b,
33 Code 2011, are amended to read as follows:

34 a. Lease all buildings and office space necessary to
35 carry out the provisions of this subchapter or necessary for

1 the proper functioning of any state agency at the seat of
2 government. For state agencies at the seat of government, the
3 director may lease buildings and office space in Polk county
4 or in a county contiguous to Polk county. If no specific
5 appropriation has been made, the proposed lease shall be
6 submitted to the executive council for ~~approval~~ authorization
7 as an expense in accordance with section 7D.29. ~~The cost of~~
8 ~~any lease for which no specific appropriation has been made~~
9 ~~shall be paid from the fund provided in section 7D.29.~~

10 **b.** When the general assembly is not in session, the
11 director may request moneys from the executive council for
12 moving state agencies located at the seat of government from
13 one location to another. The request may include moving
14 costs, telecommunications costs, repair costs, or any other
15 costs relating to the move. The executive council may ~~approve~~
16 ~~and shall pay the costs from funds~~ authorize the expenses
17 as provided in section 7D.29 if it determines the agency or
18 department ~~has no available~~ does not have funds available for
19 these expenses.

20 Sec. 20. Section 11.32, as amended by 2011 Iowa Acts,
21 House File 536, section 26, as enacted, is amended to read as
22 follows:

23 **11.32 Certified accountants employed.**

24 Nothing in this chapter shall prohibit the auditor of state,
25 with the prior written permission of the state executive
26 council, from employing certified public accountants for
27 specific assignments. The auditor of state may employ such
28 accountants for any assignment ~~now~~ expressly reserved to the
29 auditor of state. Payments, after approval by the executive
30 council, ~~will~~ shall be made to the accountants so employed from
31 funds from which the auditor of state would have been paid had
32 the auditor of state performed the assignment, or if ~~no~~ such
33 specific funds are ~~indicated~~ not available, then ~~payment will~~
34 ~~be made from the funds of~~ authorization of the expense by the
35 executive council shall be requested in accordance with section

1 7D.29.

2 Sec. 21. Section 13.3, subsection 2, Code 2011, is amended
3 to read as follows:

4 2. If the governor or a department is represented by an
5 attorney other than the attorney general in a court proceeding
6 as provided in this section, at the conclusion of the court
7 proceedings, the court shall review the fees charged to the
8 state to determine if the fees are fair and reasonable. The
9 executive council shall not ~~reimburse~~ authorize reimbursement
10 of attorney fees in excess of those determined by the court to
11 be fair and reasonable.

12 Sec. 22. Section 13.7, Code 2011, is amended to read as
13 follows:

14 **13.7 Special counsel.**

15 Compensation shall not be allowed to any person for services
16 as an attorney or counselor to an executive department of
17 the state government, or the head ~~thereof~~ of an executive
18 department of state government, or to a state board or
19 commission. However, the executive council may employ
20 legal assistance, at a reasonable compensation, authorized
21 as an expense under section 7D.29, in a pending action or
22 proceeding to protect the interests of the state, but only
23 upon a sufficient showing, in writing, made by the attorney
24 general, that the department of justice cannot for reasons
25 stated by the attorney general perform the service, ~~which.~~
26 The reasons and action of the council shall be entered upon
27 its records. ~~When~~ If the attorney general determines that
28 the department of justice cannot perform legal service in an
29 action or proceeding, the executive council shall request the
30 department involved in the action or proceeding to recommend
31 legal counsel to represent the department. If the attorney
32 general concurs with the department that the person recommended
33 is qualified and suitable to represent the department, the
34 person recommended shall be employed. If the attorney general
35 does not concur in the recommendation, the department shall

1 submit a new recommendation. This section does not affect the
2 general counsel for the utilities board of the department of
3 commerce, the legal counsel of the department of workforce
4 development, or the general counsel for the property assessment
5 appeal board.

6 Sec. 23. Section 29A.27, unnumbered paragraph 8, Code 2011,
7 is amended to read as follows:

8 All payments ~~herein~~ provided for under this section shall
9 be paid on the approval of the adjutant general from the
10 contingent fund of the executive council created in section
11 29C.20.

12 Sec. 24. Section 29C.8, subsection 3, paragraph f,
13 subparagraph (3), Code 2011, is amended to read as follows:

14 (3) Upon notification of a compensable loss to a member of
15 a homeland security and emergency management response team, the
16 department of administrative services shall process the claim
17 and seek funding authorization from the executive council ~~for~~
18 to pay as an expense under section 7D.29 those costs associated
19 with covered benefits.

20 Sec. 25. Section 29C.20, subsection 1, paragraph a,
21 unnumbered paragraph 1, Code 2011, is amended to read as
22 follows:

23 A contingent fund is created in the state treasury for the
24 use of the executive council ~~which~~. Funding for the contingent
25 fund shall be an authorized expense by the executive council
26 under section 7D.29. Moneys in the contingent fund may be
27 expended for the following purposes:

28 Sec. 26. Section 96.13, subsection 3, paragraph c, Code
29 2011, is amended to read as follows:

30 c. The department may appear before the executive council
31 and request ~~funds~~ authorization of moneys to meet unanticipated
32 emergencies as an expense under section 7D.29.

33 Sec. 27. Section 135.143, subsection 5, Code 2011, is
34 amended to read as follows:

35 5. Upon notification of a compensable loss, the department

1 of administrative services shall seek ~~funding~~ authorization
2 from the executive council ~~for~~ to pay as an expense under
3 section 7D.29 those costs associated with covered workers'
4 compensation benefits.

5 Sec. 28. Section 135.144, subsection 11, Code 2011, is
6 amended to read as follows:

7 11. If a public health disaster or other public health
8 emergency situation exists which poses an imminent threat
9 to the public health, safety, and welfare, the department,
10 in conjunction with the governor, may provide financial
11 assistance, from funds appropriated to the department that are
12 not otherwise encumbered, to political subdivisions as needed
13 to alleviate the disaster or the emergency. If the department
14 does not have sufficient unencumbered funds, the governor may
15 request ~~that the executive council, pursuant to the authority~~
16 ~~of section 7D.29, commit sufficient funds, to authorize the~~
17 payment of up to one million dollars, ~~that are not otherwise~~
18 ~~encumbered from the general fund, as needed and available, for~~
19 as an expense under section 7D.29 to alleviate the disaster or
20 the emergency. If additional financial assistance is required
21 in excess of one million dollars, approval by the legislative
22 council is also required.

23 Sec. 29. Section 163.3A, subsection 4, paragraph b, Code
24 2011, is amended to read as follows:

25 *b.* The department shall provide and update a list of
26 the registered members of each emergency response team,
27 including the members' names and identifying information, to
28 the department of administrative services. Upon notification
29 of a compensable loss suffered by a registered member, the
30 department of administrative services shall seek ~~funding~~
31 authorization from the executive council ~~for~~ to pay as an
32 expense under section 7D.29 those costs associated with covered
33 benefits.

34 Sec. 30. Section 163.10, Code 2011, is amended to read as
35 follows:

1 **163.10 Quarantining or destroying animals.**

2 The department may quarantine or destroy any animal exposed
3 to or afflicted with an infectious or contagious disease.
4 However, cattle exposed to or infected with tuberculosis shall
5 not be destroyed without the owner's consent, unless there are
6 sufficient moneys to reimburse the owner for the cattle, which
7 may be paid ~~from the appropriation~~ as an expense authorized
8 under section 7D.29 as provided in section 163.15, from moneys
9 in the brucellosis and tuberculosis eradication fund created
10 in section 165.18, or from moneys made available by the United
11 States department of agriculture.

12 Sec. 31. Section 163.15, subsection 2, paragraph a,
13 subparagraph (3), Code 2011, is amended to read as follows:

14 (3) A claim for an indemnity by the owner and a claim for
15 compensation and expenses by the appraisers shall be filed with
16 the department and submitted by the secretary of agriculture
17 to the executive council for ~~its approval or disapproval~~
18 authorization of payment of the claim as an expense under
19 section 7D.29.

20 Sec. 32. Section 163.15, subsection 2, paragraph a,
21 subparagraph (4), Code 2011, is amended by striking the
22 subparagraph.

23 Sec. 33. Section 163.15, subsection 2, paragraph b,
24 unnumbered paragraph 1, Code 2011, is amended to read as
25 follows:

26 A formula established by rule adopted by the department that
27 is effective as determined by the department in accordance
28 with chapter 17A and applicable upon approval of the ~~plan~~
29 program of eradication ~~approved~~ by the executive council.
30 The formula shall be applicable to indemnify owners if the
31 executive council, upon recommendation by the secretary of
32 agriculture, determines that an animal population in this state
33 is threatened with infection from an exceptionally contagious
34 disease.

35 Sec. 34. Section 163.15, subsection 2, paragraph b,

1 subparagraph (4), Code 2011, is amended to read as follows:

2 (4) ~~Upon approval by the~~ The executive council, ~~there is~~
3 ~~appropriated to the department from any moneys in the general~~
4 ~~fund of the state not otherwise appropriated moneys sufficient~~
5 ~~to carry out the~~ may authorize payment under the provisions of
6 this paragraph "b" as an expense under section 7D.29.

7 Sec. 35. Section 307.45, subsection 3, Code 2011, is amended
8 to read as follows:

9 3. Assessments against property owned by the state and
10 not under the jurisdiction and control of the department's
11 administrator of highways shall be made in the same manner
12 as those made against private property and payment shall
13 be ~~made~~ paid as an expense under section 7D.29, subject to
14 authorization by the executive council ~~from any funds of the~~
15 ~~state not otherwise appropriated.~~

16 Sec. 36. Section 384.56, subsection 1, Code 2011, is amended
17 to read as follows:

18 1. Cities may assess the cost of a public improvement which
19 extends through, abuts upon, or is adjacent to lands owned by
20 the state, and ~~the executive council shall pay~~ payment for the
21 assessable portion of the cost of the improvement through or
22 along the lands as provided shall be subject to authorization
23 by the executive council as an expense under section 7D.29.
24 ~~The executive council shall pay assessments as~~ and payable in
25 the manner provided in section 307.45 for property owned by the
26 state and not under the jurisdiction and control of the state
27 department of transportation.

28 Sec. 37. Section 459.501, subsection 5, as amended by 2011
29 Iowa Acts, Senate File 478, section 1, as enacted, is amended
30 to read as follows:

31 5. The following shall apply to moneys in the fund:

32 a. (1) ~~The executive council may allocate moneys from the~~
33 ~~general fund of the state as~~ authorize payment of moneys as
34 an expense under section 7D.29 and in the manner provided in
35 section 7D.10A in an amount necessary to support the fund,

1 including the following:

2 (a) The payment of claims as provided in section 459.505.

3 (b) The allocation of moneys to the department of
4 agriculture and land stewardship for the payment of expenses
5 incurred by the department of agriculture and land stewardship
6 associated with providing for the sustenance and disposition of
7 livestock pursuant to chapter 717.

8 (2) Notwithstanding subparagraph (1), ~~the allocation of~~
9 ~~moneys from the general fund of the state~~ executive council's
10 authorization for payment shall be ~~made~~ provided only if the
11 amount of moneys in the fund, which are not obligated or
12 encumbered, and not counting the department's estimate of the
13 cost to the fund for pending or unsettled claims, the amount
14 to be allocated to the department of agriculture and land
15 stewardship, and any amount required to be credited to the
16 general fund of the state under this subsection, is less than
17 one million dollars.

18 b. The department of natural resources shall credit an
19 amount to the ~~general fund of the state~~ from which the expense
20 authorized by the executive council as provided in paragraph
21 "a" was appropriated which is equal to an amount allocated to
22 support the livestock remediation fund by the executive council
23 under paragraph "a". ~~The~~ However, the department shall only be
24 required to credit the moneys to the general ~~such~~ fund of the
25 state if the moneys in the livestock remediation fund which are
26 not obligated or encumbered, and not counting the department's
27 estimate of the cost to the livestock remediation fund for
28 pending or unsettled claims, the amount to be allocated to the
29 department of agriculture and land stewardship, and any amount
30 required to be transferred to the ~~general fund under~~ from which
31 appropriated as described in this paragraph, are in excess of
32 two million five hundred thousand dollars. The department is
33 not required to credit the total amount to the ~~general fund~~
34 ~~of the state~~ from which appropriated as described in this
35 paragraph during any one fiscal year.

1 Sec. 38. Section 468.43, unnumbered paragraph 4, Code 2011,
2 is amended to read as follows:

3 The assessments against lands under the jurisdiction of the
4 department of natural resources shall be paid as an expense
5 under section 7D.29, if authorized by the executive council
6 upon certification of the amount by the county treasurer.
7 ~~There is appropriated from any funds in the general fund of the~~
8 ~~state not otherwise appropriated amounts sufficient to pay the~~
9 ~~certified assessments.~~

10 Sec. 39. Section 568.16, Code 2011, is amended to read as
11 follows:

12 **568.16 Purchase money refunded.**

13 If the grantee of the state, or the grantee's successors,
14 administrators, or assigns, shall be deprived of the land
15 conveyed by the state under this chapter by the final decree
16 of a court of record for the reason that the conveyance by the
17 state ~~passed no title whatever to the land therein~~ did not pass
18 title to the land described, because title ~~thereto~~ to the land
19 had previously for any reason been vested in others, then the
20 money ~~so~~ paid by the state for the ~~said~~ land shall be refunded
21 by the state to the person or persons entitled ~~thereto~~ to the
22 refund, provided the ~~said~~ grantee, or the grantee's successors,
23 administrators, or assigns, shall file a certified copy of
24 the transcript of the ~~said~~ final decree with the executive
25 council within one year from the date of the issuance of
26 such decree, and shall also file satisfactory proof with the
27 executive council that the action over the title to the land
28 was commenced within ten years from the date of the issuance of
29 patent or deed by the state. The amount of money to be refunded
30 under the provisions of this section shall be ~~certified~~
31 authorized and paid by the executive council ~~to the director~~
32 ~~of the department of administrative services, who shall draw a~~
33 ~~warrant therefor, and the same shall be paid out of the general~~
34 ~~fund~~ as an expense under section 7D.29.

35 Sec. 40. Section 602.10133, Code 2011, is amended to read

1 as follows:

2 **602.10133 Costs and expenses.**

3 The court costs incident to such proceedings, and the
4 reasonable expense of ~~said~~ the judges in attending ~~said~~ the
5 hearing after being approved by the supreme court shall be paid
6 as ~~court costs~~ an expense authorized by the executive council
7 under section 7D.29.

8 Sec. 41. Section 663.44, Code 2011, is amended to read as
9 follows:

10 **663.44 Costs.**

11 1. If the plaintiff is discharged, the costs shall be
12 assessed to the defendant, unless the defendant is an officer
13 holding the plaintiff in custody under a commitment, or under
14 other legal process, in which case the costs shall be assessed
15 to the county. If the plaintiff's application is refused,
16 the costs shall be assessed against the plaintiff, and, in
17 the discretion of the court, against the person who filed the
18 petition in the plaintiff's behalf.

19 2. ~~However, where~~ Notwithstanding subsection 1, if
20 the plaintiff is confined in any state institution, and is
21 discharged in habeas corpus proceedings, or ~~where~~ if the habeas
22 corpus proceedings fail, and costs and fees cannot be collected
23 from the person liable to pay ~~the same~~ costs and fees, ~~such~~
24 the costs and fees shall be paid by the county in which such
25 state institution is located. The facts of such payment and
26 the proceedings on which it is based, with a statement of the
27 amount of fees or costs incurred, with approval in writing by
28 the presiding judge appended to ~~such~~ the statement or endorsed
29 ~~thereon~~ on the statement, shall ~~then~~ be certified by the clerk
30 of the district court under the seal of office to the state
31 executive council. The executive council shall ~~then~~ review
32 the proceedings and authorize reimbursement, as expenses under
33 section 7D.29, for all such fees and costs or such part ~~thereof~~
34 of the fees and costs as the executive council ~~shall find~~ finds
35 justified, and shall notify the director of the department

1 of administrative services to draw a warrant to such county
2 treasurer ~~on the state general fund~~ in accordance with section
3 7D.29 for the amount authorized. The costs and fees referred
4 to above shall include any award of fees made to a court
5 appointed attorney representing an indigent party bringing the
6 habeas corpus action.

7

DIVISION IV

8 STANDING APPROPRIATIONS AND RELATED MATTERS — FY 2012-2013
9 Sec. 42. BUDGET PROCESS FOR FISCAL YEAR 2013-2014.

10 1. For the budget process applicable to the fiscal year
11 beginning July 1, 2013, on or before October 1, 2012, in lieu
12 of the information specified in section 8.23, subsection 1,
13 unnumbered paragraph 1, and paragraph "a", all departments and
14 establishments of the government shall transmit to the director
15 of the department of management, on blanks to be furnished by
16 the director, estimates of their expenditure requirements,
17 including every proposed expenditure, for the ensuing fiscal
18 year, together with supporting data and explanations as called
19 for by the director of the department of management after
20 consultation with the legislative services agency.

21 2. The estimates of expenditure requirements shall be
22 in a form specified by the director of the department of
23 management, and the expenditure requirements shall include all
24 proposed expenditures and shall be prioritized by program or
25 the results to be achieved. The estimates shall be accompanied
26 by performance measures for evaluating the effectiveness of the
27 programs or results.

28 Sec. 43. LIMITATION OF STANDING APPROPRIATIONS.

29 Notwithstanding the standing appropriations in the following
30 designated sections for the fiscal year beginning July 1, 2012,
31 and ending June 30, 2013, the amounts appropriated from the
32 general fund of the state pursuant to these sections for the
33 following designated purposes shall not exceed the following
34 amounts:

35 1. For operational support grants and community cultural

1 grants under section 99F.11, subsection 3, paragraph "d",
2 subparagraph (1):

3 \$ 208,351

4 2. For regional tourism marketing under section 99F.11,
5 subsection 3, paragraph "d", subparagraph (2):

6 \$ 405,153

7 3. For the center for congenital and inherited disorders
8 central registry under section 144.13A, subsection 4, paragraph
9 "a":

10 \$ 85,560

11 4. For primary and secondary child abuse prevention
12 programs under section 144.13A, subsection 4, paragraph "a":

13 \$ 108,886

14 5. For programs for at-risk children under section 279.51:

15 \$ 10,728,891

16 The amount of any reduction in this subsection shall be
17 prorated among the programs specified in section 279.51,
18 subsection 1, paragraphs "a", "b", and "c".

19 6. For payment for nonpublic school transportation under
20 section 285.2:

21 \$ 3,530,465

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

26 7. For reimbursement for the homestead property tax credit
27 under section 425.1:

28 \$ 86,188,387

29 8. For reimbursement for the family farm and agricultural
30 land tax credits under sections 425A.1 and 426.1:

31 \$ 32,395,131

32 9. For the enforcement of chapter 453D relating to tobacco
33 product manufacturers under section 453D.8:

34 \$ 9,208

35 Sec. 44. INSTRUCTIONAL SUPPORT STATE AID — FY

1 2012-2013. In lieu of the appropriation provided in section
2 257.20, subsection 2, the appropriation for the fiscal year
3 beginning July 1, 2012, and ending June 30, 2013, for paying
4 instructional support state aid under section 257.20 for fiscal
5 year 2012-2013 is zero.

6 DIVISION V

7 SALARIES, COMPENSATION, AND RELATED MATTERS — FY 2012-2013

8 Sec. 45. COLLECTIVE BARGAINING AGREEMENTS FUNDED. The
9 various state departments, boards, commissions, councils,
10 and agencies, including the state board of regents, for
11 the fiscal year beginning July 1, 2012, and ending June 30,
12 2013, shall provide from available sources pay adjustments,
13 expense reimbursements, and related benefits to fully fund the
14 following:

- 15 1. The collective bargaining agreement negotiated pursuant
16 to chapter 20 for employees in the blue collar bargaining unit.
- 17 2. The collective bargaining agreement negotiated pursuant
18 to chapter 20 for employees in the public safety bargaining
19 unit.
- 20 3. The collective bargaining agreement negotiated pursuant
21 to chapter 20 for employees in the security bargaining unit.
- 22 4. The collective bargaining agreement negotiated pursuant
23 to chapter 20 for employees in the technical bargaining unit.
- 24 5. The collective bargaining agreement negotiated pursuant
25 to chapter 20 for employees in the professional fiscal and
26 staff bargaining unit.
- 27 6. The collective bargaining agreement negotiated pursuant
28 to chapter 20 for employees in the clerical bargaining unit.
- 29 7. The collective bargaining agreement negotiated pursuant
30 to chapter 20 for employees in the professional social services
31 bargaining unit.
- 32 8. The collective bargaining agreement negotiated pursuant
33 to chapter 20 for employees in the community-based corrections
34 bargaining unit.
- 35 9. The collective bargaining agreements negotiated

1 pursuant to chapter 20 for employees in the judicial branch of
2 government bargaining units.

3 10. The collective bargaining agreement negotiated pursuant
4 to chapter 20 for employees in the patient care bargaining
5 unit.

6 11. The collective bargaining agreement negotiated pursuant
7 to chapter 20 for employees in the science bargaining unit.

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

11 13. The collective bargaining agreement negotiated pursuant
12 to chapter 20 for employees in the state university of Iowa
13 graduate student bargaining unit.

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

17 15. The annual pay adjustments, related benefits, and
18 expense reimbursements referred to in the sections of this
19 division of this Act addressing noncontract state and state
20 board of regents employees who are not covered by a collective
21 bargaining agreement.

22 Sec. 46. STATE EMPLOYEES — STATE BOARD OF REGENTS. For
23 the fiscal year beginning July 1, 2012, and ending June 30,
24 2013, funds shall be provided from available sources of the
25 state board of regents for funding of collective bargaining
26 agreements for state board of regents employees covered by
27 such agreements and for the following state board of regents
28 employees not covered by a collective bargaining agreement:

29 1. Regents merit system employees and merit supervisory
30 employees.

31 2. Faculty members and professional and scientific
32 employees.

33 Sec. 47. BONUS PAY. For the fiscal year beginning July
34 1, 2012, and ending June 30, 2013, employees of the executive
35 branch, judicial branch, and legislative branch shall not

1 receive bonus pay unless otherwise authorized by law, required
2 pursuant to a contract of employment entered into before July
3 1, 2012, or required pursuant to a collective bargaining
4 agreement. This section does not apply to employees of the
5 state board of regents. For purposes of this section, "bonus
6 pay" means any additional remuneration provided an employee in
7 the form of a bonus, including but not limited to a retention
8 bonus, recruitment bonus, exceptional job performance pay,
9 extraordinary job performance pay, exceptional performance pay,
10 extraordinary duty pay, or extraordinary or special duty pay,
11 and any extra benefit not otherwise provided to other similarly
12 situated employees.

13 Sec. 48. STATE TROOPER MEAL ALLOWANCE. For the fiscal
14 year beginning July 1, 2012, the sworn peace officers in the
15 department of public safety who are not covered by a collective
16 bargaining agreement negotiated pursuant to chapter 20 shall
17 receive the same per diem meal allowance as the sworn peace
18 officers in the department of public safety who are covered
19 by a collective bargaining agreement negotiated pursuant to
20 chapter 20.

21 Sec. 49. SALARY MODEL ADMINISTRATOR. The salary model
22 administrator shall work in conjunction with the legislative
23 services agency to maintain the state's salary model used for
24 analyzing, comparing, and projecting state employee salary
25 and benefit information, including information relating to
26 employees of the state board of regents. The department of
27 revenue, the department of administrative services, the five
28 institutions under the jurisdiction of the state board of
29 regents, the judicial district departments of correctional
30 services, and the state department of transportation shall
31 provide salary data to the department of management and the
32 legislative services agency to operate the state's salary
33 model. The format and frequency of provision of the salary
34 data shall be determined by the department of management and
35 the legislative services agency. The information shall be

1 used in collective bargaining processes under chapter 20 and
2 in calculating the funding needs contained within the annual
3 salary adjustment legislation. A state employee organization
4 as defined in section 20.3, subsection 4, may request
5 information produced by the model, but the information provided
6 shall not contain information attributable to individual
7 employees.

8 DIVISION VI

9 CORRECTIVE PROVISIONS

10 Sec. 50. Section 8.6, subsection 9A, as enacted by 2011 Iowa
11 Acts, House File 45, section 39, is amended to read as follows:

12 9A. *Budget and tax rate databases.* To develop and make
13 available to the public a searchable budget database and
14 internet site as required under chapter 8G, ~~division~~ subchapter
15 I, and to develop and make available to the public a searchable
16 tax rate database and internet site as required under chapter
17 8G, ~~division~~ subchapter II.

18 Sec. 51. Section 8.57E, subsection 3, paragraph a, as
19 enacted by 2011 Iowa Acts, Senate File 209, section 30, is
20 amended to read as follows:

21 a. Moneys in the ~~taxpayer's~~ taxpayers trust fund may be
22 used for cash flow purposes during a fiscal year provided that
23 any moneys so allocated are returned to the fund by the end of
24 that fiscal year.

25 Sec. 52. Section 8G.13, as enacted by 2011 Iowa Acts, House
26 File 45, section 50, is amended to read as follows:

27 **8G.13 Updating database.**

28 To facilitate the department of management's efforts in
29 creating and maintaining a searchable database of the taxes
30 identified in section 8G.12, subsection 3 1, for all taxing
31 jurisdictions in the state, each taxing jurisdiction may
32 annually be required to report its tax rates to the department
33 of management or the department of revenue and shall report any
34 changes to its tax rates within thirty days of the change.

35 Sec. 53. Section 16.193, subsection 3, paragraph a, Code

1 2011, as amended by 2011 Iowa Acts, Senate File 475, section
2 11, is amended to read as follows:

3 a. During the term of the Iowa jobs program and Iowa jobs
4 II program, the Iowa finance authority shall collect data on
5 all of the projects approved for the ~~program~~ programs. The
6 department of management and the state agencies associated
7 with the projects shall assist the authority with the data
8 collection and in developing the report required by this
9 subsection. The authority shall report quarterly to the
10 governor and the general assembly concerning the data.

11 Sec. 54. Section 68A.401, subsection 4, Code 2011, as
12 amended by 2011 Iowa Acts, Senate File 475, section 17, is
13 amended to read as follows:

14 4. Political committees expressly advocating the
15 nomination, election, or defeat of candidates for both
16 federal office and any elected office created by law or the
17 Constitution of the State of Iowa shall file statements and
18 reports with the board in addition to any federal reports
19 required to be filed with the board. However, a political
20 committee that is registered and filing full disclosure
21 reports of all financial activities with the federal election
22 commission may file verified statements as provided in section
23 ~~68B.201A~~ 68A.201A.

24 Sec. 55. Section 139A.19, subsection 3, as enacted by 2011
25 Iowa Acts, House File 467, section 20, is amended to read as
26 follows:

27 3. This section does not preclude a hospital, clinic, other
28 health facility, or a health care provider from providing
29 notification to a care provider under circumstances in
30 which the hospital's, clinic's, other health facility's, or
31 health care provider's policy provides for notification of
32 the hospital's, ~~elinies~~ clinic's, other health facility's,
33 or health care provider's own employees of exposure to a
34 contagious or infectious disease that is not life-threatening
35 if the notice does not reveal a patient's name, unless the

1 patient consents.

2 Sec. 56. Section 175.3, subsection 1, paragraph a, Code
3 2011, as amended by 2011 Iowa Acts, Senate File 429, section 1,
4 is amended to read as follows:

5 a. The agricultural development authority is established
6 within the department of agriculture and land stewardship. The
7 agency authority is constituted as a public instrumentality
8 and agency of the state exercising public and essential
9 governmental functions.

10 Sec. 57. Section 207.22, subsection 3, paragraph b, Code
11 2011, as amended by 2011 Iowa Acts, Senate File 475, section
12 47, is amended to read as follows:

13 b. Acquisition of coal refuse disposal sites and all
14 coal refuse thereon will serve the purposes of ~~Tit. IV of~~
15 Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25,
16 subch. IV, or that public ownership is desirable to meet
17 emergency situations and prevent recurrences of the adverse
18 effect of past coal mining practices.

19 Sec. 58. Section 232.71D, subsection 3, paragraph a,
20 unnumbered paragraph 1, as enacted by 2011 Iowa Acts, House
21 File 562, section 3, is amended to read as follows:

22 Unless any of the circumstances listed in paragraph "b" are
23 applicable, cases to which any of the following circumstances
24 apply shall not be placed ~~on~~ in the central registry:

25 Sec. 59. Section 256.7, subsection 26, paragraph a,
26 subparagraph (1), as enacted by 2011 Iowa Acts, Senate File
27 453, section 1, is amended to read as follows:

28 (1) The rules establishing high school graduation
29 requirements shall authorize a school district or
30 accredited nonpublic school to consider that any student who
31 satisfactorily completes a high school-level unit of English
32 or language arts, mathematics, science, or social studies has
33 satisfactorily completed a unit of the high school graduation
34 requirements for that area as specified in this lettered
35 paragraph, and ~~to~~ shall authorize the school district or

1 accredited nonpublic school to issue high school credit for the
2 unit to the student.

3 Sec. 60. Section 321.34, subsection 20C, paragraph a,
4 if enacted by 2011 Iowa Acts, House File 651, section 2, is
5 amended to read as follows:

6 a. The department, in consultation with the adjutant
7 general, shall design combat infantryman badge, combat action
8 badge, combat action ribbon, air force combat action medal,
9 and combat medical badge distinguishing processed emblems.
10 Upon receipt of two hundred fifty orders for ~~special~~ combat
11 infantryman badge, combat action badge, combat action ribbon,
12 air force combat action medal, or combat medical badge special
13 registration plates, accompanied by a start-up fee of twenty
14 dollars per order, the department shall begin issuing special
15 registration plates with the applicable distinguishing
16 processed emblem as provided in paragraphs "b" and "c". The
17 minimum order requirement shall apply separately to each of the
18 special registration plates created under this subsection.

19 Sec. 61. Section 321.34, subsection 25, paragraph a, if
20 enacted by 2011 Iowa Acts, House File 651, section 2, is
21 amended to read as follows:

22 a. The department, in consultation with the adjutant
23 general, shall design a civil war sesquicentennial
24 distinguishing processed emblem. Upon receipt of two hundred
25 fifty orders for ~~special~~ civil war sesquicentennial special
26 registration plates, accompanied by a start-up fee of twenty
27 dollars per order, the department shall begin issuing special
28 registration plates with a civil war sesquicentennial processed
29 emblem as provided in paragraph "b".

30 Sec. 62. Section 327B.5, Code 2011, is amended to read as
31 follows:

32 **327B.5 Penalty.**

33 Any person violating the provisions of this chapter shall,
34 upon conviction, be subject to a scheduled fine as provided in
35 section 805.8A, subsection 13, ~~paragraphs~~ paragraph "f" and ~~"g"~~.

1 Sec. 63. Section 422.110, subsection 5, paragraph a,
2 subparagraph (2), if enacted by 2011 Iowa Acts, Senate File
3 531, section 17, is amended to read as follows:

4 (2) The E-15 plus gasoline promotion tax credit pursuant to
5 section 422.11Y.

6 Sec. 64. Section 422.11Y, subsection 1, paragraph d, if
7 enacted by 2011 Iowa Acts, Senate File 531, section 35, is
8 amended to read as follows:

9 *d.* "Tax credit" means the E-15 plus gasoline promotion tax
10 credit as provided in this section.

11 Sec. 65. Section 422.11Y, subsection 3, unnumbered
12 paragraph 1, if enacted by 2011 Iowa Acts, Senate File 531,
13 section 35, is amended to read as follows:

14 The taxes imposed under this division, less the credits
15 allowed under section 422.12, shall be reduced by the amount of
16 the E-15 plus gasoline promotion tax credit for each tax year
17 that the taxpayer is eligible to claim a tax credit under this
18 subsection.

19 Sec. 66. Section 422.11Y, subsection 6, paragraph b,
20 subparagraph (2), if enacted by 2011 Iowa Acts, Senate File
21 531, section 35, is amended to read as follows:

22 (2) The retail dealer may claim the ethanol promotion
23 tax credit as provided in paragraph "a" for the same ethanol
24 gallonage used to calculate and claim the E-15 plus gasoline
25 promotion tax credit.

26 Sec. 67. Section 423.4, subsection 9, unnumbered paragraph
27 1, if enacted by 2011 Iowa Acts, Senate File 531, section 59,
28 is amended to read as follows:

29 A person who qualifies as a biodiesel producer as provided in
30 this subsection may apply to the director for a refund of the
31 amount of the sales or use tax imposed and paid upon purchases
32 made by the person.

33 Sec. 68. Section 483A.24A, Code 2011, as amended by 2011
34 Iowa Acts, Senate File 194, section 10, is amended to read as
35 follows:

1 **483A.24A License refunds — military service.**

2 Notwithstanding any provision of this chapter to the
3 contrary, a service member deployed for military service, ~~both~~
4 as defined in section 29A.1, subsection 3, shall receive a
5 refund of that portion of any license fee paid by the service
6 member representing the service member's period of military
7 service.

8 Sec. 69. Section 501.101, subsection 01, as enacted by 2011
9 Iowa Acts, House File 348, section 7, is amended to read as
10 follows:

11 01. "*Alternative voting method*" means a method of voting
12 other than a written ballot, including voting by electronic,
13 telephonic, internet, or other means that reasonably ~~allow~~
14 allows members the opportunity to vote.

15 Sec. 70. Section 501A.703, subsection 5, paragraph d, Code
16 2011, as amended by 2011 Iowa Acts, House File 348, section 19,
17 is amended to read as follows:

18 d. If the ballot of the member is received by the
19 cooperative on or before the date of the regular members'
20 meeting or as otherwise prescribed for an alternative, voting
21 method, the ballot or alternative voting method shall be
22 accepted and counted as the vote of the absent member.

23 Sec. 71. Section 511.8, subsection 22, paragraph i,
24 unnumbered paragraph 1, as enacted by 2011 Iowa Acts, Senate
25 File 406, section 25, is amended to read as follows:

26 Securities held in the legal reserve of a life insurance
27 company or association pledged as collateral for financial
28 instruments used in highly effective hedging transactions as
29 defined in the national association of insurance commissioners'
30 ~~Statement~~ statement of ~~Statutory Accounting Principles No.~~
31 statutory accounting principles no. 86 shall continue to
32 be eligible for inclusion ~~on~~ in the legal reserve of the
33 life insurance company or association subject to all of the
34 following:

35 Sec. 72. Section 514J.109, subsection 3, paragraph f,

1 if enacted by 2011 Iowa Acts, House File 597, section 9, is
2 amended to read as follows:

3 *f.* The covered person or the covered person's authorized
4 representative has provided all the information and forms
5 required by the commissioner that are necessary to process an
6 external review request pursuant to this section.

7 Sec. 73. Section 521F.4, subsection 1, paragraph b, as
8 enacted by 2011 Iowa Acts, Senate File 406, section 44, is
9 amended to read as follows:

10 *b.* The filing of a risk-based capital report by a health
11 organization which indicates that the health organization has
12 total adjusted capital which is greater than or equal to its
13 company-action-level risk-based capital but less than the
14 product of its authorized-control-level risk-based capital and
15 three and triggers the trend test determined in accordance with
16 the trend test ~~calculations~~ calculation included in the health
17 risk-based capital instructions.

18 Sec. 74. Section 524.310, subsection 5, paragraph b, Code
19 2011, as amended by 2011 Iowa Acts, Senate File 475, section
20 120, is amended to read as follows:

21 *b.* A corporate or company name reserved, registered, or
22 protected as provided in section 489.109, 490.402, 490.403,
23 ~~490A.402~~, 504.402, or 504.403.

24 Sec. 75. Section 717.3, subsection 5, paragraph b, Code
25 2011, as enacted by 2011 Iowa Acts, Senate File 478, section 6,
26 is amended to read as follows:

27 *b.* That the department shall assume supervision of and
28 provide for the sustenance of the livestock ~~and~~ as provided in
29 section 717.4.

30 Sec. 76. Section 717.4, subsection 2, as enacted by 2011
31 Iowa Acts, Senate File 478, section 7, is amended to read as
32 follows:

33 2. The court ordered lien shall be for the benefit of the
34 department. The amount of the lien shall not be ~~not~~ more than
35 for expenses incurred in providing sustenance to the livestock

1 pursuant to section 717.3 and providing for the disposition of
2 the livestock pursuant to section 717.5.

3 Sec. 77. Section 717.4A, as enacted by 2011 Iowa Acts,
4 Senate File 478, section 8, is amended to read as follows:

5 **717.4A Livestock in immediate need of sustenance — livestock**
6 **remediation fund.**

7 The department may utilize the moneys deposited into the
8 livestock remediation fund pursuant to section 459.501 to pay
9 for any expenses associated with providing sustenance to or
10 the disposition of the livestock pursuant to a court order
11 entered pursuant to section 717.3 or 717.5. The department
12 shall utilize moneys from the fund only to the extent that
13 the department determines that expenses cannot be timely
14 paid by utilizing the available provisions of sections 717.4
15 and 717.5. The department shall deposit any unexpended and
16 unobligated moneys in the fund. The department shall pay to
17 the fund the proceeds from the disposition of the livestock and
18 associated products less expenses incurred by the department in
19 providing for the sustenance and disposition of the livestock,
20 as provided in section 717.5.

21 Sec. 78. Section 903A.5, subsection 1, as enacted by 2011
22 Iowa Acts, House File 271, section 3, is amended to read as
23 follows:

24 1. An inmate shall not be discharged from the custody
25 of the director of the Iowa department of corrections until
26 the inmate has served the full term for which the inmate was
27 sentenced, less earned time and other credits earned and not
28 forfeited, unless the inmate is pardoned or otherwise legally
29 released. Earned time accrued and not forfeited shall apply
30 to reduce a mandatory minimum sentence being served pursuant
31 to section 124.406, 124.413, 902.7, 902.8, 902.8A, or 902.11.
32 An inmate shall be deemed to be serving the sentence from the
33 day on which the inmate is received into the institution. If
34 an inmate was confined to a county jail or other correctional
35 or mental facility at any time prior to sentencing, or after

1 sentencing but prior to the case having been decided on appeal,
2 because of failure to furnish bail or because of being charged
3 with a nonbailable offense, the inmate shall be given credit
4 for the days already served upon the term of the sentence.
5 However, if a person commits any offense while confined in a
6 county jail or other correctional or mental health facility,
7 the person shall not be granted ~~jail~~ credit for that offense.
8 Unless the inmate was confined in a correctional facility,
9 the sheriff of the county in which the inmate was confined
10 shall certify to the clerk of the district court from which
11 the inmate was sentenced and to the department of corrections'
12 records administrator at the Iowa medical and classification
13 center the number of days so served. The department of
14 corrections' records administrator, or the administrator's
15 designee, shall apply jail credit as ordered by the court
16 of proper jurisdiction or as authorized by this section and
17 section 907.3, subsection 3.

18 Sec. 79. EFFECTIVE DATES.

19 1. The section of this division of this Act amending section
20 422.110, subsection 5, paragraph a, subparagraph (2), if
21 enacted by 2011 Iowa Acts, Senate File 531, section 17, takes
22 effect January 1, 2012.

23 2. Section 423.4, subsection 9, unnumbered paragraph 1, if
24 enacted by 2011 Iowa Acts, Senate File 531, section 59, takes
25 effect January 1, 2012.

26 Sec. 80. APPLICABILITY.

27 1. The section of this division of this Act amending section
28 422.110, subsection 5, paragraph a, subparagraph (2), if
29 enacted by 2011 Iowa Acts, Senate File 531, section 17, applies
30 to tax years beginning on and after January 1, 2012.

31 2. The section of this division of this Act amending
32 section 422.11Y, subsection 1, paragraph d, if enacted by 2011
33 Iowa Acts, Senate File 531, section 35, applies to tax years
34 beginning on and after January 1, 2012, and to that part of a
35 retail dealer's tax year or tax years occurring during that

1 portion of the calendar year beginning on and after July 1,
2 2011, and ending on December 31, 2011.

3 3. The section of this division of this Act amending section
4 422.11Y, subsection 3, unnumbered paragraph 1, if enacted by
5 2011 Iowa Acts, Senate File 531, section 35, applies to tax
6 years beginning on and after January 1, 2012, and to that part
7 of a retail dealer's tax year or tax years occurring during
8 that portion of the calendar year beginning on and after July
9 1, 2011, and ending on December 31, 2011.

10 4. The section of this division of this Act amending section
11 422.11Y, subsection 6, paragraph b, subparagraph (2), if
12 enacted by 2011 Iowa Acts, Senate File 531, section 35, applies
13 to tax years beginning on and after January 1, 2012, and to
14 that part of a retail dealer's tax year or tax years occurring
15 during that portion of the calendar year beginning on and after
16 July 1, 2011, and ending on December 31, 2011.

17 DIVISION VII

18 MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

19 Sec. 81. VISION SCREENING PROGRAM — DEPARTMENT OF PUBLIC
20 HEALTH. There is appropriated from the general fund of the
21 state to the department of public health for the fiscal year
22 beginning July 1, 2011, and ending June 30, 2012, the following
23 amount, or so much thereof as is necessary, to be used for the
24 purposes designated:

25 For a grant to a national affiliated volunteer eye
26 organization that has an established program for children and
27 adults and that is solely dedicated to preserving sight and
28 preventing blindness through education, nationally certified
29 vision screening and training, and community and patient
30 service programs:

31 \$ 100,000

32 Sec. 82. APPROPRIATION — FARMERS WITH DISABILITIES. There
33 is appropriated from the general fund of the state to the
34 department of agriculture and land stewardship for the fiscal
35 year beginning July 1, 2011, and ending June 30, 2012, the

1 following amount, or so much thereof as is necessary, for a
2 program for farmers with disabilities:

3 \$ 97,000

4 The moneys appropriated in this section shall be used
5 for the public purpose of providing a grant to a national
6 nonprofit organization with over 80 years of experience in
7 assisting children and adults with disabilities and special
8 needs. The moneys shall be used to support a nationally
9 recognized program that began in 1986 and has been replicated
10 in at least 30 other states, but which is not available through
11 any other entity in this state, and that provides assistance
12 to farmers with disabilities in all 99 counties to allow the
13 farmers to remain in their own homes and be gainfully engaged
14 in farming through provision of agricultural worksite and home
15 modification consultations, peer support services, services
16 to families, information and referral, and equipment loan
17 services. Notwithstanding section 8.33, moneys appropriated
18 in this section that remain unencumbered or unobligated at the
19 close of the fiscal year shall not revert but shall remain
20 available for expenditure for the purposes designated until the
21 close of the succeeding fiscal year.

22 Sec. 83. APPROPRIATION — BATTLESHIP IOWA, BB-61.

23 1. There is appropriated from the general fund of the state
24 to the department of cultural affairs for the fiscal year
25 beginning July 1, 2010, and ending June 30, 2011, the following
26 amount, or so much thereof as is necessary, to be credited to
27 the BB-61 fund created in 2010 Iowa Acts, chapter 1194:

28 \$ 3,000,000

29 2. If the department of the navy, pursuant to a process
30 outlined in a notice published in the federal register on
31 May 24, 2010, volume 75, number 99, awards possession or
32 conditionally awards possession of the battleship Iowa,
33 BB-61, to a nonprofit group that is eligible to receive the
34 battleship, the department of cultural affairs shall award a
35 grant to the nonprofit group in an amount equal to \$3 million

1 in addition to any moneys awarded as a grant from the BB-61
2 fund.

3 3. Notwithstanding section 8.33, moneys appropriated in
4 this section that remain unencumbered or unobligated at the
5 close of the fiscal year shall not revert but shall remain
6 available for expenditure for the purposes designated for
7 succeeding fiscal years.

8 Sec. 84. GROUP HOME GRANT. There is appropriated from the
9 general fund of the state to the Iowa finance authority for the
10 fiscal year beginning July 1, 2010, and ending June 30, 2011,
11 the following amount, or so much thereof as is necessary, to be
12 used for the purposes designated:

13 For a grant to a nonprofit organization providing
14 residential services for persons with an intellectual
15 disability at the intermediate care facility level and services
16 under the medical assistance program habilitation and brain
17 injury home and community-based services waivers, that is
18 located in and providing such services in a county with a
19 population between 90,000 and 95,000, according to the latest
20 certified federal census:

21 \$ 100,000

22 The grant under this section shall be used for purchase or
23 remodeling costs to develop a group home for not more than four
24 individuals with intellectual disabilities or brain injury.
25 Notwithstanding section 8.33, moneys appropriated in this
26 section that remain unencumbered or unobligated at the close of
27 the fiscal year shall not revert but shall remain available for
28 expenditure for the purposes designated until the close of the
29 succeeding fiscal year.

30 Sec. 85. INVESTIGATIONS DIVISION OF DEPARTMENT OF
31 INSPECTIONS AND APPEALS — CONTINGENT FTE AUTHORIZATION. If
32 Senate File 313 or successor legislation providing for debt
33 setoff or other recovery activities for nonpayment of premiums
34 pursuant to section 249A.3, subsection 2, paragraph "a",
35 subparagraph (1), relating to a special income eligibility

1 group under the Medicaid program, or pursuant to section
2 249J.8, subsection 1, relating to the expansion population
3 eligibility group under the IowaCare program, is enacted by
4 the Eighty-fourth General Assembly, 2011 Session, in addition
5 to other full-time equivalent positions authorized for the
6 investigations division of the department of inspections and
7 appeals for the fiscal year beginning July 1, 2011, not more
8 than 2.00 FTEs are authorized, to the extent funded through
9 moneys available to the department of human services, to
10 be used to implement such provisions of Senate File 313 or
11 successor legislation.

12 Sec. 86. SPECIAL EDUCATION INSTRUCTIONAL PROGRAM. If a
13 school district that is participating on a contractual basis
14 in a special education instructional program operated by an
15 area education agency, in which the area education agency
16 employed teachers on behalf of the school district at the time
17 the department of management calculated the teacher salary
18 supplement cost per pupil under section 257.10, subsection
19 9, the professional development supplement cost per pupil
20 under section 257.10, subsection 10, the area education agency
21 teacher salary supplement cost per pupil under section 257.37A,
22 subsection 1, and the area education agency professional
23 development supplement cost per pupil under section 257.37A,
24 subsection 2, for the fiscal year beginning July 1, 2009,
25 terminates the contract for participation in the special
26 education instructional program, the area education agency
27 operating the program shall notify the department of management
28 of the contract termination by the following April 1. The
29 department of management shall recalculate the cost per
30 pupil amounts for the area education agency and the school
31 district for the fiscal year succeeding the notification
32 date for the teacher salary supplement cost per pupil under
33 section 257.10, subsection 9, the professional development
34 supplement cost per pupil under section 257.10, subsection
35 10, the area education agency teacher salary supplement cost

1 per pupil under section 257.37A, subsection 1, and the area
2 education agency professional development supplement cost
3 per pupil under section 257.37A, subsection 2, by estimating
4 the amount of the original allocations used in the cost per
5 pupil calculation that would have been allocated to the school
6 district rather than the area education agency had the special
7 education instructional program not existed, and the department
8 of management shall increase the annual supplement cost per
9 pupil for the school district and area education agency by the
10 appropriate allowable growth for the appropriate fiscal years.

11 Sec. 87. TASK FORCE ON THE PREVENTION OF SEXUAL ABUSE OF
12 CHILDREN.

13 1. A task force on the prevention of sexual abuse of
14 children is established consisting of the following members:

15 a. Four members of the general assembly serving as ex
16 officio, nonvoting members, with not more than one member from
17 each chamber being from the same political party. The two
18 senators shall be appointed, one each, by the majority leader
19 of the senate and by the minority leader of the senate. The two
20 representatives shall be appointed, one each, by the speaker of
21 the house of representatives and by the minority leader of the
22 house of representatives.

23 b. The director of human services or the director's
24 designee.

25 c. The director of the department of education or the
26 director's designee.

27 d. The director of public health or the director's designee.

28 e. The state court administrator or the state court
29 administrator's designee.

30 f. A representative of the Iowa county attorneys
31 association, appointed by the president of that association.

32 g. A representative of the chief juvenile court officers,
33 appointed by the chief justice of the supreme court.

34 h. A representative of the Iowa state education
35 association, appointed by the president of that organization.

- 1 i. A representative of prevent child abuse Iowa, appointed
2 by the director of human services.
- 3 j. A representative of school administrators of Iowa,
4 appointed by the president of that organization.
- 5 k. A representative of the Iowa association of school
6 boards, appointed by the executive director of that
7 organization.
- 8 l. A representative of the Iowa psychological association,
9 appointed by the president of that association.
- 10 m. A representative of the Iowa coalition against sexual
11 assault, appointed by the executive director of that coalition.
- 12 n. A representative of prevent child abuse Iowa, appointed
13 by the executive director of that organization.
- 14 o. A child abuse expert employed by or under contract with
15 one of Iowa's nationally accredited child protection centers,
16 appointed by the director of the regional child protection
17 center located in Des Moines.
- 18 2. Members of the task force shall be individuals who are
19 actively involved in the fields of child abuse prevention. To
20 the extent possible, appointment of members shall reflect the
21 geographic diversity of the state. The voting members of the
22 task force shall serve without compensation and shall not be
23 reimbursed for their expenses.
- 24 3. The director of prevent child abuse Iowa, or the
25 director's designee, shall convene the organizational meeting
26 of the task force. The task force shall elect from among
27 its members a chairperson. Meetings shall be held at the
28 call of the chairperson or at the request of two or more task
29 force members. Six members shall constitute a quorum and the
30 affirmative vote of six members shall be necessary for any
31 action taken by the task force.
- 32 4. Prevent child abuse Iowa shall provide staff support to
33 the task force.
- 34 5. The task force shall consult with employees of the
35 department of human services, the Iowa coalition against sexual

1 assault, the department of public safety, the state board
2 of education, and any other state agency or department as
3 necessary to accomplish the task force's responsibilities under
4 this section.

5 6. The task force shall develop a model policy addressing
6 sexual abuse of children that may include but is not limited
7 to the following:

8 a. Age-appropriate curricula for students enrolled in
9 prekindergarten through grade five.

10 b. Training options for school personnel on child sexual
11 abuse.

12 c. Educational information for parents and guardians that
13 may be provided in a school handbook and may include the
14 warning signs of a child being abused, along with any needed
15 assistance, referral, or resource information.

16 d. Counseling options and resources available statewide for
17 students affected by sexual abuse.

18 e. Emotional and educational support services that may
19 be available for a child subject to abuse to continue to be
20 successful in school.

21 f. Methods for increasing teacher, student, and parent
22 awareness of issues regarding sexual abuse of children,
23 including but not limited to knowledge of likely warning signs
24 indicating that a child may be a victim of sexual abuse.

25 g. Actions that a child who is a victim of sexual abuse
26 should take to obtain assistance and intervention.

27 7. The task force shall make recommendations for preventing
28 the sexual abuse of children in Iowa. In making those
29 recommendations, the task force shall do the following:

30 a. Gather information concerning child sexual abuse
31 throughout the state.

32 b. Receive reports and testimony from individuals, state
33 and local agencies, community-based organizations, and other
34 public and private organizations.

35 c. Create goals for state policy that would prevent child

1 sexual abuse.

2 d. Submit a final report with its recommendations to the
3 governor and the general assembly on or before January 16,
4 2012. The recommendations may include proposals for specific
5 statutory changes and methods to foster cooperation among state
6 agencies and between the state, local school districts, and
7 other local governments.

8 Sec. 88. RAILROAD COMPANY — LIMITED LIABILITY. A railroad
9 company which alters facilities described in section 327F.2
10 pursuant to a written agreement executed on or before December
11 31, 2012, with a political subdivision with a population of
12 more than 67,800, but less than 67,900, according to the 2010
13 certified federal census, to construct a flood mitigation
14 project shall receive the limitation on liability contained
15 in section 670.4, subsection 8, for its facilities described
16 in section 327F.2 governed by the written agreement for any
17 damages caused by the alteration due to a flood.

18 Sec. 89. STATE AGENCY OFFICE SUPPLIES PURCHASE,
19 EQUIPMENT PURCHASES, PRINTING AND BINDING, AND MARKETING
20 — APPLICABILITY. The limitation on expenditures made for
21 office supplies, purchases of equipment, office equipment, and
22 equipment noninventory, printing and binding, and marketing
23 implemented pursuant to 2011 Iowa Acts, House File 45, section
24 2, does not apply to a department or agency receiving a
25 supplemental appropriation for the fiscal year beginning July
26 1, 2010, pursuant to 2011 Iowa Acts, Senate File 209, division
27 III.

28 Sec. 90. ELECTIONS-RELATED SOFTWARE.

29 Any computer software developed by a county for purposes of
30 election activities is the property of the county unless the
31 county sells the rights to the software.

32 Sec. 91. EFFECTIVE DATE — 2011 IOWA ACTS, SENATE FILE 205.

33 1. 2011 Iowa Acts, Senate File 205, section 3, amending
34 section 321.47, subsection 2, being deemed of immediate
35 importance, takes effect on the effective date of this section

1 of this division of this Act.

2 2. 2011 Iowa Acts, Senate File 205, section 4, enacting
3 section 321.113, subsection 5, being deemed of immediate
4 importance, takes effect on the effective date of this section
5 of this division of this Act.

6 3. 2011 Iowa Acts, Senate File 205, section 5, amending
7 section 321.121, subsection 1, paragraph "b", being deemed of
8 immediate importance, takes effect on the effective date of
9 this section of this division of this Act.

10 4. 2011 Iowa Acts, Senate File 205, section 6, enacting
11 section 321.122, subsection 1, paragraph "b", subparagraph
12 (3), being deemed of immediate importance, takes effect on the
13 effective date of this section of this division of this Act.

14 Sec. 92. Section 80B.6, subsection 1, as amended by 2011
15 Iowa Acts, Senate File 236, section 1, is amended to read as
16 follows:

17 1. An Iowa law enforcement academy council is created
18 consisting of the following ~~thirteen~~ fifteen voting members
19 appointed by the governor, subject to confirmation by the
20 senate, to terms of four years commencing as provided in
21 section 69.19:

22 a. Three residents of the state.

23 b. A sheriff of a county with a population of fifty thousand
24 persons or more who is a member of the Iowa state sheriffs and
25 deputies association.

26 c. A sheriff of a county with a population of less than
27 fifty thousand persons who is a member of the Iowa state
28 sheriffs and deputies association.

29 d. A deputy sheriff of a county who is a member of the Iowa
30 state sheriffs and deputies association.

31 e. A member of the Iowa peace officers association.

32 f. A member of the Iowa state police association.

33 g. A member of the Iowa police chiefs association.

34 h. A police officer who is a member of a police department
35 of a city with a population of fifty thousand persons or more.

1 *i.* A police officer who is a member of a police department
2 of a city with a population of less than fifty thousand
3 persons.

4 *j.* A member of the department of public safety.

5 *k.* A member of the office of motor vehicle enforcement of
6 the department of transportation.

7 *l.* An employee of a county conservation board who is a
8 certified peace officer.

9 *m.* A conservation peace officer employed under section
10 456A.13.

11 Sec. 93. Section 256C.5, subsection 1, paragraph c, Code
12 2011, is amended to read as follows:

13 *c.* "*Preschool budget enrollment*" means the figure that
14 is equal to ~~sixty~~ fifty percent of the actual enrollment of
15 eligible students in the preschool programming provided by
16 a school district approved to participate in the preschool
17 program on October 1 of the base year, or the first Monday in
18 October if October 1 falls on a Saturday or Sunday.

19 Sec. 94. Section 279.51, subsection 2, Code 2011, is amended
20 to read as follows:

21 2. *a.* Funds allocated under subsection 1, paragraph "*b*",
22 shall be used by the child development coordinating council for
23 the following:

24 ~~*a.*~~ (1) To continue funding for programs previously
25 funded by grants awarded under section 256A.3 and to provide
26 additional grants under section 256A.3. The council shall seek
27 to provide grants on the basis of the location within the state
28 of children meeting at-risk definitions.

29 ~~*b.*~~ (2) At the discretion of the child development
30 coordinating council, award grants for the following:

31 ~~(1)~~ (a) To school districts to establish programs for
32 three-year-old, four-year-old, and five-year-old at-risk
33 children which are a combination of preschool and full-day
34 kindergarten.

35 ~~(2)~~ (b) To provide grants to provide educational support

1 services to parents of at-risk children age birth through three
2 years.

3 b. A grantee under this subsection may direct the use of
4 moneys received to serve any qualifying child ranging in age
5 from three years old to five years old, regardless of the age
6 of population indicated on the grant request in its initial
7 year of application. A grantee is encouraged to consider the
8 degree to which the program complements existing programs and
9 services for three-year-old, four-year-old, and five-year-old
10 at-risk children available in the area, including other child
11 care and preschool services, services provided through a school
12 district, and services available through an area education
13 agency.

14 Sec. 95. Section 303.19A, subsection 1, as enacted by 2011
15 Iowa Acts, House File 267, section 2, is amended to read as
16 follows:

17 1. The state historic preservation officer shall only
18 recommend that a rural electric cooperative or a municipal
19 utility constructing electric distribution and transmission
20 facilities for which it is receiving federal funding conduct
21 an archeological site survey of its proposed route when, based
22 upon a review of existing information on historic properties
23 within the area of potential effects of the construction, the
24 state historic preservation officer has determined that a
25 historic property, as defined by the federal National Historic
26 Preservation Act of 1966, as amended, is likely to exist within
27 the proposed route.

28 Sec. 96. Section 321J.2, subsection 4, paragraph b, Code
29 2011, is amended to read as follows:

30 b. Assessment of a minimum fine of one thousand eight
31 hundred ~~fifty~~ seventy-five dollars and a maximum fine of six
32 thousand two hundred fifty dollars. Surcharges and fees shall
33 be assessed pursuant to chapter 911.

34 Sec. 97. Section 453A.35, subsection 1, Code 2011, is
35 amended to read as follows:

1 1. a. ~~The~~ With the exception of revenues credited to the
2 health care trust fund pursuant to paragraph "b", the proceeds
3 derived from the sale of stamps and the payment of taxes, fees,
4 and penalties provided for under this chapter, and the permit
5 fees received from all permits issued by the department, shall
6 be credited to the general fund of the state. However, of
7 b. Of the revenues generated from the tax on cigarettes
8 pursuant to section 453A.6, subsection 1, and from the tax on
9 tobacco products as specified in section 453A.43, subsections
10 1, 2, 3, and 4, and credited to the general fund of the state
11 under this subsection, there is appropriated, annually, to the
12 health care trust fund created in section 453A.35A, the first
13 one hundred six million sixteen thousand four hundred dollars
14 shall be credited to the health care trust fund created in
15 section 453A.35A.

16 Sec. 98. Section 453A.35A, subsection 1, Code 2011, is
17 amended to read as follows:

18 1. A health care trust fund is created in the office of
19 the treasurer of state. The fund consists of the revenues
20 generated from the tax on cigarettes pursuant to section
21 453A.6, subsection 1, and from the tax on tobacco products
22 as specified in section 453A.43, subsections 1, 2, 3, and
23 4, that are credited to the ~~general fund of the state and~~
24 ~~appropriated to the~~ health care trust fund, annually, pursuant
25 to section 453A.35. Moneys in the fund shall be separate from
26 the general fund of the state and shall not be considered
27 part of the general fund of the state. However, the fund
28 shall be considered a special account for the purposes of
29 section 8.53 relating to generally accepted accounting
30 principles. Moneys in the fund shall be used only as specified
31 in this section and shall be appropriated only for the uses
32 specified. Moneys in the fund are not subject to section 8.33
33 and shall not be transferred, used, obligated, appropriated,
34 or otherwise encumbered, except as provided in this section.
35 Notwithstanding section 12C.7, subsection 2, interest or

1 earnings on moneys deposited in the fund shall be credited to
2 the fund.

3 Sec. 99. Section 466B.31, subsection 2, paragraph a, Code
4 2011, is amended by adding the following new subparagraphs:

5 NEW SUBPARAGRAPH. (17) One member selected by the
6 agribusiness association of Iowa.

7 NEW SUBPARAGRAPH. (18) One member selected by the Iowa
8 floodplain and stormwater management association.

9 NEW SUBPARAGRAPH. (19) One member selected by Iowa rivers
10 revival.

11 Sec. 100. Section 537A.5, subsection 1, as enacted by 2011
12 Iowa Acts, Senate File 396, section 1, is amended to read as
13 follows:

14 1. As used in this section, "*construction contract*"
15 means an agreement relating to the construction, alteration,
16 improvement, development, demolition, excavation,
17 rehabilitation, maintenance, or repair of buildings, ~~highways,~~
18 ~~roads, streets, bridges, tunnels, transportation facilities,~~
19 ~~airports,~~ water or sewage treatment plants, power plants,
20 or any other improvements to real property in this state,
21 including shafts, wells, and structures, whether on ground,
22 above ground, or underground, and includes agreements for
23 architectural services, design services, engineering services,
24 construction services, construction management services,
25 development services, maintenance services, material purchases,
26 equipment rental, and labor. "*Construction contract*" includes
27 all public, private, foreign, or domestic agreements as
28 described in this subsection other than such public agreements
29 relating to highways, roads, and streets.

30 Sec. 101. Section 654.4B, subsection 2, paragraph b, Code
31 2011, is amended to read as follows:

32 *b.* This subsection is repealed July 1, ~~2011~~ 2012.

33 Sec. 102. APPLICABILITY. The section of this division of
34 this Act amending section 256C.5, subsection 1, takes effect
35 upon enactment, and applies to budget years beginning on or

1 after July 1, 2011.

2 Sec. 103. EFFECTIVE UPON ENACTMENT. The following
3 provision or provisions of this division of this Act, being
4 deemed of immediate importance, take effect upon enactment:

5 1. The section of this division of this Act amending section
6 303.19A.

7 2. The section of this division of this Act amending section
8 654.4B.

9 3. The section of this division of this Act appropriating
10 moneys to the department of cultural affairs for purposes of a
11 grant for the battleship Iowa, BB-61.

12 4. The section of this division of this Act creating a task
13 force on the prevention of sexual abuse of children.

14 5. The section of this division of this Act providing
15 effective dates for certain provisions in 2011 Iowa Acts,
16 Senate File 205.

17 6. The section in this division of this Act making an
18 appropriation to the Iowa finance authority for a group home
19 grant.

20 7. The section of this division of this Act relating to
21 a school district participating on a contractual basis in a
22 special education instructional program operated by an area
23 education agency.

24 Sec. 104. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
25 APPLICABILITY. The provision of this division of this Act
26 relating to a limitation on state agency office supplies
27 purchase, equipment purchases, printing and binding, and
28 marketing as enacted by 2011 Iowa Acts, House File 45, being
29 deemed of immediate importance, takes effect upon enactment and
30 applies retroactively to March 7, 2011.

31 DIVISION VIII

32 APPROPRIATION TRANSFERS

33 REBUILD IOWA INFRASTRUCTURE FUND

34 Sec. 105. 2010 Iowa Acts, chapter 1184, section 26, is
35 amended to read as follows:

1 SEC. 26. There is appropriated from the rebuild Iowa
2 infrastructure fund to the department of economic development
3 for deposit in the grow Iowa values fund, for the fiscal year
4 beginning July 1, 2010, and ending June 30, 2011, the following
5 amount, notwithstanding section 8.57, subsection 6, paragraph
6 "c":

7 \$ 38,000,000

8 Of the moneys appropriated in this section, from the
9 amount allocated to the department of economic development
10 in accordance with 2010 Iowa Acts, chapter 1184, section 28,
11 subsection 1, \$1,200,000 shall be used for the department's
12 Iowans helping Iowans business assistance program.

13 Notwithstanding section 8.33, moneys designated pursuant
14 to this unnumbered paragraph that remain unencumbered or
15 unobligated at the close of the fiscal year shall not revert
16 but shall remain available for expenditure for the purposes
17 designated until the close of the succeeding fiscal year.

18 CASH RESERVE FUND

19 Sec. 106. 2010 Iowa Acts, chapter 1193, section 90,
20 subsection 1, is amended to read as follows:

21 1. DEPARTMENT OF HUMAN SERVICES

22 For the medical assistance program:

23 \$187,800,000

24 a. Of the moneys appropriated in this subsection, the
25 following amounts shall be transferred as follows:

26 (1) To the Iowa finance authority to be used for the Iowans
27 helping Iowans housing assistance program:

28 \$ 6,050,000

29 (2) To the department of human services to be used for the
30 unmet needs program administered by the department:

31 \$ 3,056,603

32 b. Notwithstanding section 8.33, moneys transferred
33 pursuant to paragraph "a" that remain unencumbered or
34 unobligated at the close of the fiscal year shall not revert
35 but shall remain available for expenditure for the purposes

1 designated until the close of the succeeding fiscal year.

2 Sec. 107. **EFFECTIVE DATE — APPLICABILITY.**

3 1. This division of this Act being deemed of immediate
4 importance takes effect upon enactment, and if approved by the
5 governor on or after July 1, 2011, are retroactively applicable
6 to the date specified in subsection 2.

7 2. The provisions of this division of this Act providing
8 for transfers are retroactively applicable to August 27,
9 2010, and apply in lieu of the transfers made for the same
10 purposes by the executive branch, as reported by the department
11 of management in the transfer notice to the governor and
12 lieutenant governor dated August 27, 2010.

13 **DIVISION IX**

14 **REORGANIZATION**

15 Sec. 108. **NEW SECTION. 8.75 Contract services — training.**

16 1. Each department, as defined in section 8.2, shall
17 separately track the budget and actual expenditures for
18 contract services and for employee training for each
19 appropriation line item.

20 2. The terms of the contracts for contracted services
21 entered into or revised during the fiscal year shall
22 incorporate quality assurance and cost control measures.

23 3. The employee training tracking information shall be
24 further divided into training categories. Each department's
25 report on training tracking shall specifically address the use
26 of electronically based training.

27 4. Each department shall report to the legislative services
28 agency on January 15 and July 15 of each year concerning
29 the budget, expenditure, quality assurance, and cost control
30 information addressed by this section for the previous six
31 calendar months.

32 Sec. 109. **NEW SECTION. 8A.319 State government purchasing**
33 **efforts — department of administrative services.**

34 In order to facilitate efficient and cost-effective
35 purchasing, the department of administrative services shall do

1 the following:

2 1. Require state agencies to provide the department with
3 a report regarding planned purchases on an annual basis and
4 to report on an annual basis regarding efforts to standardize
5 products and services within their own agencies and with other
6 state agencies.

7 2. Require state employees who conduct bids for services to
8 receive training on an annual basis about procurement rules and
9 procedures and procurement best practices.

10 3. Identify procurement compliance employees within the
11 department.

12 4. Review the process and basis for establishing
13 departmental fees for purchasing.

14 5. Establish a work group to collaborate on best practices
15 to implement the best cost savings for the state concerning
16 purchasing.

17 6. Explore interstate and intergovernmental purchasing
18 opportunities and encourage the legislative and judicial
19 branches to participate in consolidated purchasing and
20 efficiencies wherever possible.

21 7. Expand the use of procurement cards throughout state
22 government to facilitate purchasing of items by state agencies.

23 Sec. 110. DEPARTMENT OF ADMINISTRATIVE SERVICES INFORMATION
24 TECHNOLOGY — UTILIZATION BY LEGISLATIVE AND JUDICIAL
25 BRANCH. The department of administrative services shall
26 consult with and explore opportunities with the legislative
27 and judicial branches of government relative to the providing
28 of information technology services to those branches of
29 government.

30 Sec. 111. STATE AGENCY ELECTRONIC RENEWAL NOTICES. State
31 agencies, as defined in section 8A.101, should, to the greatest
32 extent possible, utilize electronic mail or similar electronic
33 means to notify holders of licenses or permits issued by that
34 state agency that the license or permit needs to be renewed.
35 The chief information officer of the state shall assist state

1 agencies in implementing the directive in this section.

2 Sec. 112. STATE AGENCY EFFICIENCY EFFORTS.

3 1. LEAN EFFORTS. State agencies shall budget for and plan
4 to conduct lean projects as described in section 8.70. Each
5 state agency shall coordinate its activities with the office of
6 lean enterprise created in section 8.70 in developing plans to
7 conduct lean projects.

8 2. SHARED RESOURCES. State agencies are encouraged to
9 share resources and services, including staff, training, and
10 educational services, to the greatest extent possible in order
11 to best fulfill the duties of each agency at the least cost.

12 Sec. 113. JOINT APPROPRIATIONS SUBCOMMITTEES — REVIEW OF
13 AGENCY FEES. Each joint appropriations subcommittee of the
14 general assembly shall examine and review on an annual basis
15 the fees charged by state agencies under the purview of that
16 joint appropriations subcommittee.

17 Sec. 114. DEPARTMENT OF ADMINISTRATIVE SERVICES —
18 STREAMLINED HIRING. The department of administrative services
19 shall, in consultation with the department of management,
20 examine the process by which state agencies hire personnel
21 with the goal of simplifying and reducing the steps needed
22 for state agencies to hire personnel. The department shall
23 provide information to the general assembly concerning steps
24 taken to implement a more streamlined hiring process and any
25 recommendations for legislative action.

26 Sec. 115. TOBACCO RETAIL COMPLIANCE CHECKS. For the
27 fiscal year beginning July 1, 2011, and ending June 30, 2012,
28 the terms of a chapter 28D agreement, entered into between
29 the division of tobacco use prevention and control of the
30 department of public health and the alcoholic beverages
31 division of the department of commerce, governing compliance
32 checks conducted to ensure licensed retail tobacco outlet
33 conformity with tobacco laws, regulations, and ordinances
34 relating to persons under eighteen years of age, shall restrict
35 the number of such checks to one check per retail outlet, and

1 (3) An individual who meets other criteria established by
2 the third-party payment provider contract, policy, or plan.

3 ~~b. The department of administrative services shall
4 utilize an advisory committee comprised of an equal number of
5 physicians and pharmacists to provide advice and oversight
6 regarding the request for proposals and evaluation processes.
7 The department shall appoint the members of the advisory
8 council based upon designees of the Iowa pharmacy association,
9 the Iowa medical society, and the Iowa osteopathic medical
10 association.~~

11 ~~e.~~ b. The contract shall require the company to provide
12 annual reports to the general assembly detailing the costs,
13 savings, estimated cost avoidance and return on investment,
14 and patient outcomes related to the medication therapy
15 management services provided. The company shall guarantee
16 demonstrated annual savings, including any savings associated
17 with cost avoidance at least equal to the program's costs
18 with any shortfall amount refunded to the state. As a proof
19 of concept in the program for the period beginning July 1,
20 2010, and ending June 30, 2011, the company shall offer a
21 dollar-for-dollar guarantee for drug product costs savings
22 alone. Prior to entering into a contract with a company,
23 the department and the company shall agree on the terms,
24 conditions, and applicable measurement standards associated
25 with the demonstration of savings. The department shall verify
26 the demonstrated savings reported by the company was performed
27 in accordance with the agreed upon measurement standards. The
28 company shall be prohibited from using the company's employees
29 to provide the medication therapy management services and shall
30 instead be required to contract with licensed pharmacies,
31 pharmacists, or physicians.

32 d. The fees for pharmacist-delivered medication therapy
33 management services shall be separate from the reimbursement
34 for prescription drug product or dispensing services; shall
35 be determined by each third-party payment provider contract,

1 policy, or plan; and must be reasonable based on the resources
2 and time required to provide the service.

3 e. A fee shall be established for physician reimbursement
4 for services delivered for medication therapy management as
5 determined by each third-party payment provider contract,
6 policy, or plan, and must be reasonable based on the resources
7 and time required to provide the service.

8 f. If any part of the medication therapy management
9 plan developed by a pharmacist incorporates services which
10 are outside the pharmacist's independent scope of practice
11 including the initiation of therapy, modification of dosages,
12 therapeutic interchange, or changes in drug therapy, the
13 express authorization of the individual's physician or other
14 appropriate prescriber is required.

15 g. For the contract period beginning July 1, 2011, the
16 department shall utilize the services of the college of
17 pharmacy at a state university to validate reported drug cost
18 savings.

19 h. The results of the pilot program for the period beginning
20 July 1, 2010, and ending December 31, 2011, shall be submitted
21 to the general assembly no later than March 1, 2012.

22 3. This section is repealed December 31, ~~2011~~ 2012.

23 Sec. 118. TRANSFER — MEDICATION THERAPY MANAGEMENT
24 PROGRAM. There is transferred \$510,000 from the fees collected
25 by the board of pharmacy pursuant to chapter 155A and retained
26 by the board pursuant to the authority granted in section
27 147.82 to the department of administrative services for the
28 fiscal year beginning July 1, 2011, and ending June 30, 2012,
29 to be used to be used for the medication therapy management
30 program.

31 Sec. 119. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
32 APPLICABILITY. This division of this Act, being deemed of
33 immediate importance, takes effect upon enactment, and is
34 retroactively applicable to June 15, 2011.

35

DIVISION XI

1 EARNED INCOME TAX CREDIT

2 Sec. 120. Section 422.12B, subsection 1, Code 2011, is
3 amended to read as follows:

4 1. The taxes imposed under this division less the credits
5 allowed under section 422.12 shall be reduced by an earned
6 income credit equal to ~~seven~~ ten percent of the federal earned
7 income credit provided in section 32 of the Internal Revenue
8 Code. Any credit in excess of the tax liability is refundable.

9 Sec. 121. RETROACTIVE APPLICABILITY. This division of this
10 Act applies retroactively to January 1, 2011, for tax years
11 beginning on or after that date.

12 DIVISION XII

13 REGULAR PROGRAM AND CATEGORICAL STATE PERCENT
14 OF GROWTH FOR EDUCATION — FY 2012-2013

15 Sec. 122. Section 257.8, subsection 1, Code 2011, is amended
16 to read as follows:

17 1. *State percent of growth.* ~~The state percent of growth~~
18 ~~for the budget year beginning July 1, 2009, is four percent.~~
19 The state percent of growth for the budget year beginning July
20 1, 2010, is two percent. The state percent of growth for the
21 budget year beginning July 1, 2012, is three percent. The
22 state percent of growth for each subsequent budget year shall
23 be established by statute which shall be enacted within thirty
24 days of the submission in the year preceding the base year of
25 the governor's budget under section 8.21. The establishment of
26 the state percent of growth for a budget year shall be the only
27 subject matter of the bill which enacts the state percent of
28 growth for a budget year.

29 Sec. 123. Section 257.8, subsection 2, Code 2011, is amended
30 to read as follows:

31 2. *Categorical state percent of growth.* The categorical
32 state percent of growth for the budget year beginning July 1,
33 2010, is two percent. The categorical state percent of growth
34 for the budget year beginning July 1, 2012, is three percent.
35 The categorical state percent of growth for each budget year

1 shall be established by statute which shall be enacted within
2 thirty days of the submission in the year preceding the
3 base year of the governor's budget under section 8.21. The
4 establishment of the categorical state percent of growth for a
5 budget year shall be the only subject matter of the bill which
6 enacts the categorical state percent of growth for a budget
7 year. The categorical state percent of growth may include
8 state percents of growth for the teacher salary supplement, the
9 professional development supplement, and the early intervention
10 supplement.

11 Sec. 124. CODE SECTION 257.8 — APPLICABILITY. The
12 requirements of section 257.8 regarding the time period
13 of enactment and the subject matter of the legislation
14 establishing the state percent of growth and the categorical
15 state percent of growth for a budget year are not applicable
16 to the division. The requirements of section 257.8 regarding
17 enactment of the regular program state percent of growth and
18 categorical state percent of growth within thirty days of
19 the submission in the year preceding the base year of the
20 governor's budget and the requirements that the subject matter
21 of each bill establishing the state percent of growth or the
22 categorical state percent of growth be the only subject matter
23 of the bill do not apply to this division of this Act.

24 Sec. 125. APPLICABILITY. This division of this Act is
25 applicable for computing state aid under the state school
26 foundation program for the school budget year beginning July
27 1, 2012.

28 DIVISION XIII

29 WITHHOLDING AGREEMENTS

30 Sec. 126. Section 403.19A, subsection 1, paragraphs c and f,
31 Code 2011, are amended to read as follows:

32 *c.* "Employer" means a business creating or retaining
33 targeted jobs in an urban renewal area of a pilot project city
34 pursuant to a withholding agreement.

35 *f.* "Targeted job" means a job in a business which is or

1 will be located in an urban renewal area of a pilot project
2 city that pays a wage at least equal to the countywide average
3 wage. "*Targeted job*" includes new or retained jobs from Iowa
4 business expansions or retentions within the city limits of the
5 pilot project city and those jobs resulting from established
6 out-of-state businesses, as defined by the department of
7 economic development, moving to or expanding in Iowa.

8 Sec. 127. Section 403.19A, subsection 3, paragraph c,
9 subparagraph (1), Code 2011, is amended to read as follows:

10 (1) The pilot project city shall enter into a withholding
11 agreement with each employer concerning the targeted jobs
12 withholding credit. The withholding agreement shall provide
13 for the total amount of withholding tax credits awarded. An
14 agreement shall not provide for an amount of withholding
15 credits that exceeds the amount of the qualifying investment
16 made in the project. An agreement shall not be entered into
17 by a pilot project city with a business currently located in
18 this state unless the business either creates or retains ten
19 new jobs or makes a qualifying investment of at least five
20 hundred thousand dollars within the urban renewal area. The
21 withholding agreement may have a term of up to ten years. An
22 employer shall not be obligated to enter into a withholding
23 agreement. An agreement shall not be entered into with an
24 employer not already located in a pilot project city when
25 another Iowa community is competing for the same project and
26 both the pilot project city and the other Iowa community are
27 seeking assistance from the department.

28 Sec. 128. Section 403.19A, subsection 3, paragraph f, Code
29 2011, is amended to read as follows:

30 *f.* If the employer ceases to meet the requirements of the
31 withholding agreement, the agreement shall be terminated and
32 any withholding tax credits for the benefit of the employer
33 shall cease. However, in regard to the number of ~~new~~ jobs
34 that are to be created or retained, if the employer has met
35 the number of ~~new~~ jobs to be created or retained pursuant to

1 the withholding agreement and subsequently the number of ~~new~~
2 jobs falls below the required level, the employer shall not
3 be considered as not meeting the ~~new~~ job requirement until
4 eighteen months after the date of the decrease in the number of
5 ~~new~~ jobs created or retained.

6 Sec. 129. EFFECTIVE UPON ENACTMENT AND RETROACTIVE
7 APPLICABILITY. This division of this Act, being deemed of
8 immediate importance, takes effect upon enactment and applies
9 retroactively to July 1, 2006, for agreements entered into on
10 or after that date.

11 DIVISION XIV

12 SCHOOL EMPLOYEE MISCONDUCT

13 Sec. 130. Section 272.2, subsection 1, paragraph b, Code
14 2011, is amended by striking the paragraph and inserting in
15 lieu thereof the following:

16 *b.* Provide annually to any person who holds a license,
17 certificate, authorization, or statement of recognition
18 issued by the board, training relating to the knowledge and
19 understanding of the board's code of professional conduct and
20 ethics. The board shall develop a curriculum that addresses
21 the code of professional conduct and ethics and shall annually
22 provide regional training opportunities throughout the state.

23 Sec. 131. Section 272.15, subsection 1, Code 2011, is
24 amended to read as follows:

25 1. *a.* The board of directors of a school district or area
26 education agency, the superintendent of a school district or
27 the chief administrator of an area education agency, and the
28 authorities in charge of a nonpublic school shall report to the
29 board the nonrenewal or termination, for reasons of alleged
30 or actual misconduct, of a person's contract executed under
31 sections 279.12, 279.13, 279.15 through 279.21, 279.23, and
32 279.24, and the resignation of a person who holds a license,
33 certificate, or authorization issued by the board as a result
34 of or following an incident or allegation of misconduct that,
35 if proven, would constitute a violation of the rules adopted

1 by the board to implement section 272.2, subsection 14,
2 paragraph "b", subparagraph (1), when the board or reporting
3 official has a good faith belief that the incident occurred
4 or the allegation is true. The board may deny a license or
5 revoke the license of an administrator if the board finds by
6 a preponderance of the evidence that the administrator failed
7 to report the termination or resignation of a school employee
8 holding a license, certificate, statement of professional
9 recognition, or coaching authorization, for reasons of alleged
10 or actual misconduct, as defined by this section.

11 b. Information reported to the board in accordance with this
12 section is privileged and confidential, and except as provided
13 in section 272.13, is not subject to discovery, subpoena, or
14 other means of legal compulsion for its release to a person
15 other than the respondent and the board and its employees and
16 agents involved in licensee discipline, and is not admissible
17 in evidence in a judicial or administrative proceeding other
18 than the proceeding involving licensee discipline. The board
19 shall review the information reported to determine whether a
20 complaint should be initiated. In making that determination,
21 the board shall consider the factors enumerated in section
22 272.2, subsection 14, paragraph "a".

23 c. For purposes of this section, unless the context
24 otherwise requires, "misconduct" means an action disqualifying
25 an applicant for a license or causing the license of a person
26 to be revoked or suspended in accordance with the rules
27 adopted by the board to implement section 272.2, subsection 14,
28 paragraph "b", subparagraph (1).

29 Sec. 132. Section 280.17, Code 2011, is amended to read as
30 follows:

31 **280.17 Procedures for handling child abuse reports.**

32 1. The board of directors of a ~~public~~ public school district
33 and the authorities in ~~control~~ charge of a nonpublic school
34 shall prescribe procedures, in accordance with the guidelines
35 contained in the model policy developed by the department

1 of education in consultation with the department of human
2 services, and adopted by the department of education pursuant
3 to chapter 17A, for the handling of reports of child abuse, as
4 defined in section 232.68, subsection 2, paragraph "a", "c", or
5 "e", alleged to have been committed by an employee or agent of
6 the public or nonpublic school.

7 2. a. The board of directors of a school district and the
8 authorities in charge of an accredited nonpublic school shall
9 place on administrative leave a school employee who is the
10 subject of an investigation of an alleged incident of abuse of
11 a student conducted in accordance with 281 IAC 102.

12 b. If the results of an investigation of abuse of a
13 student by a school employee who holds a license, certificate,
14 authorization, or statement of recognition issued by the board
15 of educational examiners finds that the school employee's
16 conduct constitutes a crime under any other statute, the board
17 or the authorities, as appropriate, shall report the results of
18 the investigation to the board of educational examiners.

19 Sec. 133. Section 280.27, Code 2011, is amended to read as
20 follows:

21 **280.27 Reporting violence — immunity.**

22 An employee of a school district, an accredited nonpublic
23 school, or an area education agency who participates in good
24 faith and acts reasonably in the making of a report to, or
25 investigation by, an appropriate person or agency regarding
26 violence, threats of violence, physical or sexual abuse of
27 a student, or other inappropriate activity against a school
28 employee or student in a school building, on school grounds,
29 or at a school-sponsored function shall be immune from civil
30 or criminal liability relating to such action, as well as for
31 participating in any administrative or judicial proceeding
32 resulting from or relating to the report or investigation.

33 DIVISION XV

34 BUSINESS PROPERTY TAX CREDITS

35 Sec. 134. Section 331.512, Code 2011, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 13A. Carry out duties relating to the
3 business property tax credit as provided in chapter 426C.

4 Sec. 135. Section 331.559, Code 2011, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 14A. Carry out duties relating to the
7 business property tax credit as provided in chapter 426C.

8 Sec. 136. NEW SECTION. **426C.1 Definitions.**

9 1. For the purposes of this chapter, unless the context
10 otherwise requires:

11 a. "*Contiguous parcels*" means any of the following:

12 (1) Parcels that share one or more common boundaries.

13 (2) Parcels within the same building or structure
14 regardless of whether the parcels share one or more common
15 boundaries.

16 (3) Improvements to the land that are situated on one or
17 more parcels of land that are assessed and taxed separately
18 from the improvements if the parcels of land upon which the
19 improvements are situated share one or more common boundaries.

20 b. "*Department*" means the department of revenue.

21 c. "*Fund*" means the business property tax credit fund
22 created in section 426C.2.

23 d. "*Parcel*" means as defined in section 445.1.

24 e. "*Property unit*" means contiguous parcels all of which
25 are located within the same county, with the same property tax
26 classification, each of which contains permanent improvements,
27 are owned by the same person, and are operated by that person
28 for a common use and purpose.

29 2. For purposes of this chapter, two or more parcels are
30 considered to be owned by the same person if the owners of
31 the parcels are business entities that share common ownership
32 of each entity in an amount equal to or in excess of fifty
33 percent.

34 Sec. 137. NEW SECTION. **426C.2 Business property tax credit**
35 **fund — appropriation.**

1 1. A business property tax credit fund is created in the
2 state treasury under the authority of the department. For the
3 fiscal year beginning July 1, 2012, there is appropriated from
4 the general fund of the state to the department to be credited
5 to the fund, the sum of fifty million dollars to be used for
6 business property tax credits authorized in this chapter. For
7 the fiscal year beginning July 1, 2013, and each fiscal year
8 thereafter, there is appropriated from the general fund of the
9 state to the department to be credited to the fund an amount
10 equal to the total amount appropriated by the general assembly
11 to the fund in the previous fiscal year. In addition, the sum
12 of fifty million dollars shall be added to the appropriation
13 in each fiscal year beginning on or after July 1, 2013, if
14 the revenue estimating conference certifies during its final
15 meeting of the calendar year ending prior to the beginning of
16 the fiscal year that the total amount of general fund revenues
17 collected during the fiscal year ending during such calendar
18 year was at least one hundred four percent of the total amount
19 of general fund revenues collected during the previous fiscal
20 year. However, the total appropriation to the fund shall not
21 exceed two hundred million dollars for any one fiscal year.

22 2. Notwithstanding section 12C.7, subsection 2, interest or
23 earnings on moneys deposited in the fund shall be credited to
24 the fund. Moneys in the fund are not subject to the provisions
25 of section 8.33 and shall not be transferred, used, obligated,
26 appropriated, or otherwise encumbered except as provided in
27 this chapter.

28 Sec. 138. NEW SECTION. **426C.3 Claims for credit.**

29 1. Each person who wishes to claim the credit allowed
30 under this chapter shall obtain the appropriate forms from the
31 assessor and file the claim with the assessor. The director
32 of revenue shall prescribe suitable forms and instructions for
33 such claims, and make such forms and instructions available to
34 the assessors.

35 2. *a.* Claims for the business property tax credit shall be

1 filed not later than March 15 preceding the fiscal year during
2 which the taxes for which the credit is claimed are due and
3 payable.

4 *b.* A claim filed after the deadline for filing claims shall
5 be considered as a claim for the following year.

6 3. Upon the filing of a claim and allowance of the credit,
7 the credit shall be allowed on the parcel or property unit for
8 successive years without further filing as long as the parcel
9 or property unit satisfies the requirements for the credit. If
10 the parcel or property unit owner ceases to qualify for the
11 credit under this chapter, the owner shall provide written
12 notice to the assessor by the date for filing claims specified
13 in subsection 2 following the date on which the parcel or
14 property unit ceases to qualify for the credit.

15 4. When all or a portion of a parcel or property unit that
16 is allowed a credit under this chapter is sold, transferred,
17 or ownership otherwise changes, the buyer, transferee, or new
18 owner who wishes to receive the credit shall refile the claim
19 for credit. When a portion of a parcel or property unit that
20 is allowed a credit under this chapter is sold, transferred,
21 or ownership otherwise changes, the owner of the portion of
22 the parcel or property unit for which ownership did not change
23 shall refile the claim for credit.

24 5. The assessor shall remit the claims for credit to the
25 county auditor with the assessor's recommendation for allowance
26 or disallowance. If the assessor recommends disallowance
27 of a claim, the assessor shall submit the reasons for the
28 recommendation, in writing, to the county auditor. The county
29 auditor shall forward the claims to the board of supervisors.
30 The board shall allow or disallow the claims.

31 6. For each claim and allowance of a credit for a property
32 unit, the county auditor shall calculate the average of all
33 consolidated levy rates applicable to the several parcels
34 within the property unit. All claims for credit which have
35 been allowed by the board of supervisors, the actual value of

1 the improvements to such parcels and property units applicable
2 to the fiscal year for which the credit is claimed that are
3 subject to assessment and taxation prior to imposition of any
4 applicable assessment limitation, the consolidated levy rates
5 for such parcels and the average consolidated levy rates for
6 such property units applicable to the fiscal year for which the
7 credit is claimed, and the taxing districts in which the parcel
8 or property unit is located, shall be certified on or before
9 June 15, in each year, by the county auditor to the department.

10 7. The assessor shall maintain a permanent file of current
11 business property tax credits. The assessor shall file a
12 notice of transfer of property for which a credit has been
13 allowed when notice is received from the office of the county
14 recorder, from the person who sold or transferred the property,
15 or from the personal representative of a deceased property
16 owner. The county recorder shall give notice to the assessor
17 of each transfer of title filed in the recorder's office. The
18 notice from the county recorder shall describe the property
19 transferred, the name of the person transferring title to the
20 property, and the name of the person to whom title to the
21 property has been transferred.

22 Sec. 139. NEW SECTION. 426C.4 Eligibility and amount of
23 credit.

24 1. Each parcel classified and taxed as commercial property,
25 industrial property, or railway property under chapter 434,
26 and improved with permanent construction, is eligible for a
27 credit under this chapter. A person may claim and receive one
28 credit under this chapter for each eligible parcel unless the
29 parcel is part of a property unit. A person may only claim and
30 receive one credit under this chapter for each property unit.
31 A credit approved for a property unit shall be allocated to the
32 several parcels within the property unit in the proportion that
33 each parcel's total amount of property taxes due and payable
34 attributable to the improvements bears to the total amount of
35 property taxes due and payable attributable to the improvements

1 for the property unit. Only property units comprised of
2 commercial property, comprised of industrial property, or
3 comprised of railway property under chapter 434 are eligible
4 for a credit under this chapter.

5 2. Using the actual value of the improvements and the
6 consolidated levy rate for each parcel or the average
7 consolidated levy rate for each property unit, as certified
8 by the county auditor to the department under section 426C.3,
9 subsection 6, the department shall calculate, for each fiscal
10 year, an initial amount of actual value of improvements for
11 use in determining the amount of the credit for each such
12 parcel or property unit so as to provide the maximum possible
13 credit according to the credit formula and limitations under
14 subsection 3, and to provide a total dollar amount of credits
15 against the taxes due and payable in the fiscal year equal to
16 ninety-eight percent of the moneys in the fund following the
17 deposit of the total appropriation for the fiscal year.

18 3. a. The amount of the credit for each parcel or property
19 unit for which a claim for credit under this chapter has
20 been approved shall be calculated under paragraph "b" using
21 the lesser of the initial amount of actual value of the
22 improvements determined by the department under subsection
23 2, and the actual value of the improvements to the parcel or
24 property unit as certified by the county auditor under section
25 426C.3, subsection 6.

26 b. The amount of the credit for each parcel or property
27 unit for which a claim for credit under this chapter has
28 been approved shall be equal to the amount of actual value
29 determined under paragraph "a" multiplied by the difference,
30 stated as a percentage, between the assessment limitation
31 applicable to the parcel or property unit under section 441.21,
32 subsection 5, and the assessment limitation applicable to
33 residential property under section 441.21, subsection 4,
34 divided by one thousand dollars, and then multiplied by the
35 consolidated levy rate or average consolidated levy rate per

1 one thousand dollars of taxable value applicable to the parcel
2 or property unit for the fiscal year for which the credit
3 is claimed as certified by the county auditor under section
4 426C.3, subsection 6.

5 Sec. 140. NEW SECTION. **426C.5 Payment to counties.**

6 1. Annually the department shall certify to the county
7 auditor of each county the amounts of the business property
8 tax credits allowed in the county. Each county auditor shall
9 then enter the credits against the tax levied on each eligible
10 parcel or property unit in the county, designating on the tax
11 lists the credit as being from the fund. Each taxing district
12 shall receive its share of the business property tax credit
13 allowed on each eligible parcel or property unit in such taxing
14 district, in the proportion that the levy made by such taxing
15 district upon the parcel or property unit bears to the total
16 levy upon the parcel or property unit by all taxing districts
17 imposing a property tax in such taxing district. However, the
18 several taxing districts shall not draw the moneys so credited
19 until after the semiannual allocations have been received by
20 the county treasurer, as provided in this section. Each county
21 treasurer shall show on each tax receipt the amount of credit
22 received from the fund.

23 2. The director of the department of administrative
24 services shall issue warrants on the fund payable to the county
25 treasurers of the several counties of the state under this
26 chapter.

27 3. The amount due each county shall be paid in two payments
28 on November 15 and March 15 of each fiscal year, drawn upon
29 warrants payable to the respective county treasurers. The two
30 payments shall be as nearly equal as possible.

31 Sec. 141. NEW SECTION. **426C.6 Appeals.**

32 1. If the board of supervisors disallows a claim for credit
33 under section 426C.3, subsection 5, the board of supervisors
34 shall send written notice, by mail, to the claimant at the
35 claimant's last known address. The notice shall state the

1 reasons for disallowing the claim for the credit. The board
2 of supervisors is not required to send notice that a claim for
3 credit is disallowed if the claimant voluntarily withdraws the
4 claim. Any person whose claim is denied under the provisions
5 of this chapter may appeal from the action of the board of
6 supervisors to the district court of the county in which the
7 parcel or property unit is located by giving written notice
8 of such appeal to the county auditor within twenty days from
9 the date of mailing of notice of such action by the board of
10 supervisors.

11 2. If any claim for credit has been denied by the board
12 of supervisors, and such action is subsequently reversed on
13 appeal, the credit shall be allowed on the applicable parcel
14 or property unit, and the director of revenue, the county
15 auditor, and the county treasurer shall provide the credit and
16 change their books and records accordingly. In the event the
17 appealing taxpayer has paid one or both of the installments of
18 the tax payable in the year or years in question, remittance
19 shall be made to such taxpayer of the amount of such credit.
20 The amount of such credit awarded on appeal shall be allocated
21 and paid from the balance remaining in the fund.

22 Sec. 142. NEW SECTION. 426C.7 Audit — denial.

23 1. If on the audit of a credit provided under this chapter,
24 the director of revenue determines the amount of the credit
25 to have been incorrectly calculated or that the credit is
26 not allowable, the director shall recalculate the credit and
27 notify the taxpayer and the county auditor of the recalculation
28 or denial and the reasons for it. The director shall not
29 adjust a credit after three years from October 31 of the year
30 in which the claim for the credit was filed. If the credit
31 has been paid, the director shall give notification to the
32 taxpayer, the county treasurer, and the applicable assessor
33 of the recalculation or denial of the credit and the county
34 treasurer shall proceed to collect the tax owed in the same
35 manner as other property taxes due and payable are collected,

1 if the parcel or property unit for which the credit was allowed
2 is still owned by the taxpayer. If the parcel or property unit
3 for which the credit was allowed is not owned by the taxpayer,
4 the amount may be recovered from the taxpayer by assessment in
5 the same manner that income taxes are assessed under sections
6 422.26 and 422.30. The amount of such erroneous credit, when
7 collected, shall be deposited in the fund.

8 2. The taxpayer or board of supervisors may appeal any
9 decision of the director of revenue to the state board of tax
10 review pursuant to section 421.1, subsection 5. The taxpayer,
11 the board of supervisors, or the director of revenue may seek
12 judicial review of the action of the state board of tax review
13 in accordance with chapter 17A.

14 Sec. 143. NEW SECTION. **426C.8 False claim — penalty.**

15 A person who makes a false claim for the purpose of obtaining
16 a credit provided for in this chapter or who knowingly receives
17 the credit without being legally entitled to it is guilty of a
18 fraudulent practice. The claim for a credit of such a person
19 shall be disallowed and if the credit has been paid the amount
20 shall be recovered in the manner provided in section 426C.7.
21 In such cases, the director of revenue shall send a notice of
22 disallowance of the credit.

23 Sec. 144. NEW SECTION. **426C.9 Rules.**

24 The director of revenue shall prescribe forms, instructions,
25 and rules pursuant to chapter 17A, as necessary, to carry out
26 the purposes of this chapter.

27 Sec. 145. IMPLEMENTATION. Notwithstanding the deadline
28 for filing claims established in section 426C.3, for a credit
29 against property taxes due and payable during the fiscal year
30 beginning July 1, 2012, the claim for the credit shall be filed
31 not later than January 15, 2012.

32 Sec. 146. APPLICABILITY. This division of this Act applies
33 to property taxes due and payable in fiscal years beginning on
34 or after July 1, 2012.

35

DIVISION XVI

1 COUNTY AND CITY BUDGET LIMITATION

2 Sec. 147. Section 28M.5, subsection 2, Code 2011, is amended
3 to read as follows:

4 2. If a regional transit district budget allocates
5 revenue responsibilities to the board of supervisors of a
6 participating county, the amount of the regional transit
7 district levy that is the responsibility of the participating
8 county shall be deducted from the maximum ~~rates~~ amount of taxes
9 authorized to be levied by the county pursuant to section
10 331.423, ~~subsections 1 and 2~~ subsection 3, paragraphs "b"
11 and "c", as applicable, unless the county meets its revenue
12 responsibilities as allocated in the budget from other
13 available revenue sources. However, for a regional transit
14 district that includes a county with a population of less than
15 three hundred thousand, the amount of the regional transit
16 district levy that is the responsibility of such participating
17 county shall be deducted from the maximum ~~rate~~ amount of taxes
18 authorized to be levied by the county pursuant to section
19 331.423, ~~subsection 1~~ subsection 3, paragraph "b".

20 Sec. 148. Section 331.263, subsection 2, Code 2011, is
21 amended to read as follows:

22 2. The governing body of the community commonwealth
23 shall have the authority to levy county taxes and shall
24 have the authority to levy city taxes to the extent the
25 city tax levy authority is transferred by the charter to
26 the community commonwealth. A city participating in the
27 community commonwealth shall transfer a portion of the
28 city's tax levy authorized under section 384.1 or 384.12,
29 whichever is applicable, to the governing body of the community
30 commonwealth. The maximum ~~rates~~ amount of taxes authorized to
31 be levied under ~~sections~~ section 384.1 and the maximum amount
32 of taxes authorized to be levied under section 384.12 by a city
33 participating in the community commonwealth shall be reduced
34 by an amount equal to the rates of the same or similar taxes
35 levied in the city by the governing body of the community

1 commonwealth.

2 Sec. 149. Section 331.421, Code 2011, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 7A. *Item* means a budgeted expenditure,
5 appropriation, or cash reserve from a fund for a service area,
6 program, program element, or purpose.

7 Sec. 150. Section 331.423, Code 2011, is amended by striking
8 the section and inserting in lieu thereof the following:

9 **331.423 Property tax dollars — basic levy maximums.**

10 1. Annually, the board shall determine separate property
11 tax levy limits to pay for general county services and rural
12 county services in accordance with this section. The basic
13 levies separately certified for general county services and
14 rural county services under section 331.434 shall not raise
15 property tax dollars that exceed the amount determined under
16 this section.

17 2. For purposes of this section and section 331.423B, unless
18 the context otherwise requires:

19 a. *Annual growth factor* means an index, expressed as
20 a percentage, determined by the department of management by
21 November 1 of the calendar year preceding the calendar year in
22 which the budget year begins. In determining the annual growth
23 factor, the department shall calculate the average of the
24 preceding three-year percentage change, which shall be computed
25 on an annual basis, in the midwest consumer price index, ending
26 with the percentage change for the month of September. The
27 department shall then add that average percentage change to one
28 hundred percent.

29 b. *Boundary adjustment* means annexation, severance,
30 incorporation, or discontinuance as those terms are defined in
31 section 368.1.

32 c. *Budget year* is the fiscal year beginning during the
33 calendar year in which a budget is certified.

34 d. *Current fiscal year* is the fiscal year ending during
35 the calendar year in which a budget is certified.

1 *e. "Net new valuation taxes"* means the amount of property
2 tax dollars equal to the current fiscal year's basic levy rate
3 in the county for general county services or for rural county
4 services, as applicable, multiplied by the increase from the
5 current fiscal year to the budget year in taxable valuation due
6 to the following:

7 (1) Net new construction, including all incremental
8 valuation that is released in any one year from a division of
9 revenue under section 260E.4 or an urban renewal area for which
10 taxes were being divided under section 403.19, regardless of
11 whether the property for the valuation being released remains
12 subject to the division of revenue under section 260E.4 or
13 remains part of the urban renewal area that is subject to
14 a division of revenue under section 403.19. The amount of
15 property tax dollars attributable to such incremental valuation
16 being released from a division of revenue shall be subtracted
17 from the maximum amount of property tax dollars which may
18 be certified for the next following fiscal year if such
19 incremental valuation is not released for the next following
20 fiscal year.

21 (2) Additions or improvements to existing structures.

22 (3) Remodeling of existing structures for which a building
23 permit is required.

24 (4) Net boundary adjustment.

25 (5) A municipality no longer dividing tax revenues in an
26 urban renewal area as provided in section 403.19 or a community
27 college no longer dividing revenues as provided in section
28 260E.4.

29 (6) That portion of taxable property located in an urban
30 revitalization area on which an exemption was allowed and such
31 exemption has expired.

32 *f. "Unfunded federal and state mandate cost growth"* means an
33 amount of increased expenditures for a county from the previous
34 fiscal year, to the extent such expenditures are not funded by
35 the county's supplemental levy under section 331.424, resulting

1 from any of the following:

2 (1) A federal statutory requirement or appropriation
3 that requires the county to establish, expand, or modify its
4 activities in a manner which necessitates additional annual
5 expenditures and for which insufficient funding is provided to
6 the county to satisfy such requirements.

7 (2) A state mandate as defined in section 25B.3, and for
8 which insufficient funding is provided to the county to satisfy
9 the requirements of the state mandate.

10 3. *a.* For the fiscal year beginning July 1, 2013, and
11 subsequent fiscal years, the maximum amount of property tax
12 dollars which may be certified for levy by a county for general
13 county services and rural county services shall be the maximum
14 property tax dollars calculated under paragraphs "*b*" and "*c*",
15 respectively.

16 *b.* The maximum property tax dollars that may be levied for
17 general county services is an amount equal to the sum of the
18 following:

19 (1) The annual growth factor times the current fiscal year's
20 maximum property tax dollars for general county services.

21 (2) The amount of net new valuation taxes in the county.

22 (3) The unfunded federal and state mandate cost growth minus
23 the amount specified in paragraph "*c*", subparagraph (3).

24 *c.* The maximum property tax dollars that may be levied for
25 rural county services is an amount equal to the sum of the
26 following:

27 (1) The annual growth factor times the current fiscal year's
28 maximum property tax dollars for rural county services.

29 (2) The amount of net new valuation taxes in the
30 unincorporated area of the county.

31 (3) The unfunded federal and state mandate cost growth
32 attributable to the costs incurred by the county for rural
33 county services.

34 4. *a.* For purposes of calculating maximum property tax
35 dollars for general county services for the fiscal year

1 beginning July 1, 2013, only, the term "*current fiscal year's*
2 *maximum property tax dollars*" shall mean the total amount of
3 property tax dollars certified by the county for general county
4 services for the fiscal year beginning July 1, 2012, excluding
5 those property tax dollars that resulted from a supplemental
6 levy under section 331.424, subsection 1.

7 **b.** For purposes of calculating maximum property tax dollars
8 for rural county services for the fiscal year beginning July
9 1, 2013, only, the term "*current fiscal year's maximum property*
10 *tax dollars*" shall mean the total amount of property tax dollars
11 certified by the county for rural county services for the
12 fiscal year beginning July 1, 2012, excluding those property
13 tax dollars that resulted from a supplemental levy under
14 section 331.424, subsection 2.

15 5. Property taxes certified under section 331.424, property
16 taxes certified for deposit in the mental health, mental
17 retardation, and developmental disabilities services fund in
18 section 331.424A, for the emergency services fund in section
19 331.424C, for the debt service fund in section 331.430, for any
20 capital projects fund established by the county for deposit of
21 bond, loan, or note proceeds, and for any temporary increase
22 approved pursuant to section 331.423C, are not included in the
23 maximum amount of property tax dollars that may be certified
24 for a budget year under subsection 3.

25 6. The department of management, in consultation with the
26 county finance committee, shall adopt rules to administer this
27 section. The department shall prescribe forms to be used by
28 counties when making calculations required by this section.

29 Sec. 151. NEW SECTION. 331.423B **Ending fund balance.**

30 1. **a.** Budgeted ending fund balances for a budget year
31 in excess of twenty-five percent of budgeted expenditures in
32 either the general fund or rural services fund for that budget
33 year shall be explicitly committed or assigned for a specific
34 purpose.

35 **b.** A county is encouraged, but not required, to reduce

1 budgeted, uncommitted, or unassigned ending fund balances for
2 the budget year to an amount equal to approximately twenty-five
3 percent of budgeted expenditures and transfers from the general
4 fund and rural services fund for that budget year unless a
5 decision is certified by the state appeal board ordering a
6 reduction in the ending fund balance of any of those funds.

7 *c.* In a protest to the county budget under section 331.436,
8 the county shall have the burden of proving that the budgeted
9 balances in excess of twenty-five percent are reasonably likely
10 to be appropriated for the explicitly committed or assigned
11 specific purpose. The excess budgeted balance for the specific
12 purpose shall be considered an increase in an item in the
13 budget for purposes of section 24.28.

14 2. *a.* For a county that has, as of June 30, 2012, reduced
15 its actual ending fund balance to less than twenty-five
16 percent of actual expenditures, additional property taxes may
17 be computed and levied as provided in this subsection. The
18 additional property tax levy amount is an amount not to exceed
19 twenty-five percent of actual expenditures from the general
20 fund and rural services fund for the fiscal year beginning July
21 1, 2011, minus the combined ending fund balances for those
22 funds for that year.

23 *b.* The amount of the additional property taxes shall be
24 apportioned between the general fund and the rural services
25 fund. However, the amount apportioned for general county
26 services and for rural county services shall not exceed for
27 each fund twenty-five percent of actual expenditures for the
28 fiscal year beginning July 1, 2011.

29 *c.* All or a portion of additional property tax dollars
30 may be levied for the purpose of increasing cash reserves
31 for general county services and rural county services in the
32 budget year. The additional property tax dollars authorized
33 under this subsection but not levied may be carried forward as
34 unused ending fund balance taxing authority until and for the
35 fiscal year beginning July 1, 2018. The amount carried forward

1 shall not exceed twenty-five percent of the maximum amount of
2 property tax dollars available in the current fiscal year.
3 Additionally, property taxes that are levied as unused ending
4 fund balance taxing authority under this subsection may be the
5 subject of a protest under section 331.436, and the amount
6 will be considered an increase in an item in the budget for
7 purposes of section 24.28. The amount of additional property
8 taxes levied under this subsection shall not be included in the
9 computation of the maximum amount of property tax dollars which
10 may be certified and levied under section 331.423.

11 Sec. 152. NEW SECTION. 331.423C Authority to levy beyond
12 maximum property tax dollars.

13 1. The board may certify additions to the maximum amount
14 of property tax dollars to be levied for a budget year if the
15 county conducts a second public hearing prior to certification
16 of the budget to the county auditor, in addition to the hearing
17 held as required under section 331.434. The second public
18 hearing shall be conducted in the same manner as the public
19 hearing on the budget required in section 331.434.

20 2. The amount of additional property tax dollars certified
21 under this section shall not be included in the computation
22 of the maximum amount of property tax dollars which may be
23 certified and levied under section 331.423 for future budget
24 years.

25 Sec. 153. Section 331.424, unnumbered paragraph 1, Code
26 2011, is amended to read as follows:

27 To the extent that the basic levies authorized under section
28 331.423 are insufficient to meet the county's needs for the
29 following services, the board may certify supplemental levies
30 as follows:

31 Sec. 154. Section 331.424A, subsection 4, Code 2011, is
32 amended to read as follows:

33 4. For the fiscal year beginning July 1, 1996, and for each
34 subsequent fiscal year, the county shall certify a levy for
35 payment of services. For each fiscal year, county revenues

1 from taxes imposed by the county credited to the services fund
2 shall not exceed an amount equal to the amount of base year
3 expenditures for services as defined in section 331.438, less
4 the amount of property tax relief to be received pursuant to
5 section 426B.2, in the fiscal year for which the budget is
6 certified. The county auditor and the board of supervisors
7 shall reduce the amount of the levy certified for the services
8 fund by the amount of property tax relief to be received. A
9 levy certified under this section is not subject to ~~the appeal~~
10 ~~provisions of section 331.426 or to~~ any other provision in law
11 authorizing a county to exceed, increase, or appeal a property
12 tax levy limit.

13 Sec. 155. Section 331.434, subsection 1, Code 2011, is
14 amended to read as follows:

15 1. The budget shall show the amount required for each class
16 of proposed expenditures, a comparison of the amounts proposed
17 to be expended with the amounts expended for like purposes for
18 the two preceding years, the revenues from sources other than
19 property taxation, and the amount to be raised by property
20 taxation, in the detail and form prescribed by the director
21 of the department of management. For each county that has
22 established an urban renewal area, the budget shall include
23 estimated and actual tax increment financing revenues and all
24 estimated and actual expenditures of the revenues, proceeds
25 from debt and all estimated and actual expenditures of the
26 debt proceeds, and identification of any entity receiving a
27 direct payment of taxes funded by tax increment financing
28 revenues and shall include the total amount of loans, advances,
29 indebtedness, or bonds outstanding at the close of the most
30 recently ended fiscal year, which qualify for payment from the
31 special fund created in section 403.19, including interest
32 negotiated on such loans, advances, indebtedness, or bonds.
33 For purposes of this subsection, "indebtedness" includes
34 written agreements whereby the county agrees to suspend, abate,
35 exempt, rebate, refund, or reimburse property taxes, provide

1 a grant for property taxes paid, or make a direct payment
2 of taxes, with moneys in the special fund. The amount of
3 loans, advances, indebtedness, or bonds shall be listed in
4 the aggregate for each county reporting. ~~The county finance
5 committee, in consultation with the department of management
6 and the legislative services agency, shall determine reporting
7 criteria and shall prepare a form for reports filed with the
8 department pursuant to this section. The department shall make
9 the information available by electronic means.~~

10 Sec. 156. Section 373.10, Code 2011, is amended to read as
11 follows:

12 **373.10 Taxing authority.**

13 The metropolitan council shall have the authority to
14 levy city taxes to the extent the city tax levy authority
15 is transferred by the charter to the metropolitan council.
16 A member city shall transfer a portion of the city's tax
17 levy authorized under section 384.1 or 384.12, whichever is
18 applicable, to the metropolitan council. The maximum ~~rates~~
19 amount of taxes authorized to be levied under ~~sections~~ section
20 384.1 and the taxes authorized to be levied under
21 section 384.12 by a member city shall be reduced by an amount
22 equal to the rates of the same or similar taxes levied in the
23 city by the metropolitan council.

24 Sec. 157. Section 384.1, Code 2011, is amended by striking
25 the section and inserting in lieu thereof the following:

26 **384.1 Property tax dollars — maximums.**

27 1. A city shall certify taxes to be levied by the city
28 on all taxable property within the city limits, for all city
29 government purposes. Annually, the city council may certify
30 basic levies for city government purposes, subject to the
31 limitation on property tax dollars provided in this section.

32 2. For purposes of this section and section 384.1B, unless
33 the context otherwise requires:

34 a. *"Annual growth factor"* means an index, expressed as
35 a percentage, determined by the department of management by

1 November 1 of the calendar year preceding the calendar year in
2 which the budget year begins. In determining the annual growth
3 factor, the department shall calculate the average of the
4 preceding three-year percentage change, which shall be computed
5 on an annual basis, in the midwest consumer price index, ending
6 with the percentage change for the month of September. The
7 department shall then add that average percentage change to one
8 hundred percent.

9 *b. "Boundary adjustment"* means annexation, severance,
10 incorporation, or discontinuance as those terms are defined in
11 section 368.1.

12 *c. "Budget year"* is the fiscal year beginning during the
13 calendar year in which a budget is certified.

14 *d. "Current fiscal year"* is the fiscal year ending during
15 the calendar year in which a budget is certified.

16 *e. "Net new valuation taxes"* means the amount of property
17 tax dollars equal to the current fiscal year's levy rate in the
18 city for the general fund multiplied by the increase from the
19 current fiscal year to the budget year in taxable valuation due
20 to the following:

21 (1) Net new construction, including all incremental
22 valuation that is released in any one year from a division of
23 revenue under section 260E.4 or an urban renewal area for which
24 taxes were being divided under section 403.19, regardless of
25 whether the property for the valuation being released remains
26 subject to the division of revenue under section 260E.4 or
27 remains part of the urban renewal area that is subject to
28 a division of revenue under section 403.19. The amount of
29 property tax dollars attributable to such incremental valuation
30 being released from a division of revenue shall be subtracted
31 from the maximum amount of property tax dollars which may
32 be certified for the next following fiscal year if such
33 incremental valuation is not released for the next following
34 fiscal year.

35 (2) Additions or improvements to existing structures.

1 (3) Remodeling of existing structures for which a building
2 permit is required.

3 (4) Net boundary adjustment.

4 (5) A municipality no longer dividing tax revenues in an
5 urban renewal area as provided in section 403.19 or a community
6 college no longer dividing revenues as provided in section
7 260E.4.

8 (6) That portion of taxable property located in an urban
9 revitalization area on which an exemption was allowed and such
10 exemption has expired.

11 *f.* "Unfunded federal and state mandate cost growth" means an
12 amount of increased expenditures for a city from the previous
13 fiscal year resulting from any of the following:

14 (1) A federal statutory requirement or appropriation
15 that requires the city to establish, expand, or modify its
16 activities in a manner which necessitates additional annual
17 expenditures and for which insufficient funding is provided to
18 the city to satisfy such requirements.

19 (2) A state mandate as defined in section 25B.3, and for
20 which insufficient funding is provided to the city to satisfy
21 the requirements of the state mandate.

22 3. *a.* For the fiscal year beginning July 1, 2013, and
23 subsequent fiscal years, the maximum amount of property
24 tax dollars which may be certified for levy by a city for
25 the general fund shall be the maximum property tax dollars
26 calculated under paragraph "b".

27 *b.* The maximum property tax dollars that may be levied for
28 deposit in the general fund is an amount equal to the sum of the
29 following:

30 (1) The annual growth factor times the current fiscal year's
31 maximum property tax dollars for the general fund.

32 (2) The amount of net new valuation taxes in the city.

33 (3) The unfunded federal and state mandate cost growth.

34 4. For purposes of calculating maximum property tax dollars
35 for the city general fund for the fiscal year beginning July

1 1, 2013, only, the term "*current fiscal year's maximum property*
2 *tax dollars*" shall mean the total amount of property tax dollars
3 certified by the city for the city's general fund for the
4 fiscal year beginning July 1, 2012.

5 5. Property taxes certified for deposit in the debt service
6 fund in section 384.4, trust and agency funds in section
7 384.6, capital improvements reserve fund in section 384.7,
8 the emergency fund in section 384.8, any capital projects
9 fund established by the city for deposit of bond, loan, or
10 note proceeds, any temporary increase approved pursuant to
11 section 384.12A, property taxes collected from a voted levy in
12 section 384.12, and property taxes levied under section 384.12,
13 subsection 18, are not counted against the maximum amount of
14 property tax dollars that may be certified for a fiscal year
15 under subsection 3.

16 6. Notwithstanding the maximum amount of taxes a city
17 may certify for levy, the tax levied by a city on tracts of
18 land and improvements on the tracts of land used and assessed
19 for agricultural or horticultural purposes shall not exceed
20 three dollars and three-eighths cents per thousand dollars
21 of assessed value in any year. Improvements located on such
22 tracts of land and not used for agricultural or horticultural
23 purposes and all residential dwellings are subject to the same
24 rate of tax levied by the city on all other taxable property
25 within the city.

26 7. The department of management, in consultation with the
27 city finance committee, shall adopt rules to administer this
28 section. The department shall prescribe forms to be used by
29 cities when making calculations required by this section.

30 Sec. 158. NEW SECTION. 384.1B Ending fund balance.

31 1. a. Budgeted general fund ending fund balances for
32 a budget year in excess of twenty-five percent of budgeted
33 expenditures from the general fund for that budget year shall
34 be explicitly committed or assigned for a specific purpose.

35 b. A city is encouraged, but not required, to reduce

1 budgeted, uncommitted, or unassigned ending fund balances for
2 the budget year to an amount equal to approximately twenty-five
3 percent of budgeted expenditures and transfers from the general
4 fund for that budget year unless a decision is certified by
5 the state appeal board ordering a reduction in the ending fund
6 balance of the fund.

7 *c.* In a protest to the city budget under section 384.19,
8 the city shall have the burden of proving that the budgeted
9 balances in excess of twenty-five percent are reasonably likely
10 to be appropriated for the explicitly committed or assigned
11 specific purpose. The excess budgeted balance for the specific
12 purpose shall be considered an increase in an item in the
13 budget for purposes of section 24.28.

14 2. *a.* For a city that has, as of June 30, 2012, reduced its
15 ending fund balance to less than twenty-five percent of actual
16 expenditures, additional property taxes may be computed and
17 levied as provided in this subsection. The additional property
18 tax levy amount is an amount not to exceed the difference
19 between twenty-five percent of actual expenditures for city
20 government purposes for the fiscal year beginning July 1, 2011,
21 minus the ending fund balance for that year.

22 *b.* All or a portion of additional property tax dollars
23 may be levied for the purpose of increasing cash reserves for
24 city government purposes in the budget year. The additional
25 property tax dollars authorized under this subsection but not
26 levied may be carried forward as unused ending fund balance
27 taxing authority until and for the fiscal year beginning
28 July 1, 2018. The amount carried forward shall not exceed
29 twenty-five percent of the maximum amount of property tax
30 dollars available in the current fiscal year. Additionally,
31 property taxes that are levied as unused ending fund balance
32 taxing authority under this subsection may be the subject of a
33 protest under section 384.19, and the amount will be considered
34 an increase in an item in the budget for purposes of section
35 24.28. The amount of additional property tax dollars levied

1 under this subsection shall not be included in the computation
2 of the maximum amount of property tax dollars which may be
3 certified and levied under section 384.1.

4 Sec. 159. Section 384.12, subsection 20, Code 2011, is
5 amended by striking the subsection.

6 Sec. 160. NEW SECTION. **384.12A Authority to levy beyond**
7 **maximum property tax dollars.**

8 1. The city council may certify additions to the maximum
9 amount of property tax dollars to be levied for a budget
10 year if the city conducts a second public hearing prior to
11 certification of the budget to the county auditor, in addition
12 to the hearing held as required under section 384.16. The
13 second public hearing shall be conducted in the same manner as
14 the public hearing on the budget required in section 384.16.

15 2. The amount of additional property tax dollars certified
16 under this section shall not be included in the computation
17 of the maximum amount of property tax dollars which may be
18 certified and levied under section 384.1 for future budget
19 years.

20 Sec. 161. Section 384.16, subsection 1, paragraph b, Code
21 2011, is amended to read as follows:

22 *b.* A budget must show comparisons between the estimated
23 expenditures in each program in the following year, the latest
24 estimated expenditures in each program in the current year,
25 and the actual expenditures in each program from the annual
26 report as provided in section 384.22, or as corrected by a
27 subsequent audit report. Wherever practicable, as provided in
28 rules of the committee, a budget must show comparisons between
29 the levels of service provided by each program as estimated for
30 the following year, and actual levels of service provided by
31 each program during the two preceding years. For each city
32 that has established an urban renewal area, the budget shall
33 include estimated and actual tax increment financing revenues
34 and all estimated and actual expenditures of the revenues,
35 proceeds from debt and all estimated and actual expenditures of

1 the debt proceeds, and identification of any entity receiving
2 a direct payment of taxes funded by tax increment financing
3 revenues and shall include the total amount of loans, advances,
4 indebtedness, or bonds outstanding at the close of the most
5 recently ended fiscal year, which qualify for payment from the
6 special fund created in section 403.19, including interest
7 negotiated on such loans, advances, indebtedness, or bonds.
8 The amount of loans, advances, indebtedness, or bonds shall
9 be listed in the aggregate for each city reporting. ~~The city~~
10 ~~finance committee, in consultation with the department of~~
11 ~~management and the legislative services agency, shall determine~~
12 ~~reporting criteria and shall prepare a form for reports filed~~
13 ~~with the department pursuant to this section. The department~~
14 ~~shall make the information available by electronic means.~~

15 Sec. 162. Section 384.19, Code 2011, is amended by adding
16 the following new unnumbered paragraph:

17 NEW UNNUMBERED PARAGRAPH. For purposes of a tax protest
18 filed under this section, "item" means a budgeted expenditure,
19 appropriation, or cash reserve from a fund for a service area,
20 program, program element, or purpose.

21 Sec. 163. Section 386.8, Code 2011, is amended to read as
22 follows:

23 **386.8 Operation tax.**

24 A city may establish a self-supported improvement district
25 operation fund, and may certify taxes not to exceed the
26 rate limitation as established in the ordinance creating the
27 district, or any amendment thereto, each year to be levied
28 for the fund against all of the property in the district,
29 for the purpose of paying the administrative expenses of
30 the district, which may include but are not limited to
31 administrative personnel salaries, a separate administrative
32 office, planning costs including consultation fees, engineering
33 fees, architectural fees, and legal fees and all other expenses
34 reasonably associated with the administration of the district
35 and the fulfilling of the purposes of the district. The taxes

1 levied for this fund may also be used for the purpose of paying
2 maintenance expenses of improvements or self-liquidating
3 improvements for a specified length of time with one or more
4 options to renew if such is clearly stated in the petition
5 which requests the council to authorize construction of the
6 improvement or self-liquidating improvement, whether or not
7 such petition is combined with the petition requesting creation
8 of a district. Parcels of property which are assessed as
9 residential property for property tax purposes are exempt from
10 the tax levied under this section except residential properties
11 within a duly designated historic district. A tax levied under
12 this section is not subject to the ~~levy~~ limitation in section
13 384.1.

14 Sec. 164. Section 386.9, Code 2011, is amended to read as
15 follows:

16 **386.9 Capital improvement tax.**

17 A city may establish a capital improvement fund for a
18 district and may certify taxes, not to exceed the rate
19 established by the ordinance creating the district, or any
20 subsequent amendment thereto, each year to be levied for
21 the fund against all of the property in the district, for
22 the purpose of accumulating moneys for the financing or
23 payment of a part or all of the costs of any improvement or
24 self-liquidating improvement. However, parcels of property
25 which are assessed as residential property for property tax
26 purposes are exempt from the tax levied under this section
27 except residential properties within a duly designated historic
28 district. A tax levied under this section is not subject to
29 the ~~levy~~ limitations in section 384.1 or 384.7.

30 Sec. 165. REPEAL. Sections 331.425 and 331.426, Code 2011,
31 are repealed.

32 Sec. 166. EFFECTIVE DATE AND APPLICABILITY. This division
33 of this Act takes effect July 1, 2012, and applies to fiscal
34 years beginning on or after July 1, 2013.

35

DIVISION XVII

1 RESIDENTIAL PROPERTY ASSESSMENT LIMITATION

2 Sec. 167. Section 441.21, subsection 4, Code 2011, is
3 amended to read as follows:

4 4. For valuations established as of January 1, 1979,
5 the percentage of actual value at which agricultural and
6 residential property shall be assessed shall be the quotient
7 of the dividend and divisor as defined in this section. The
8 dividend for each class of property shall be the dividend
9 as determined for each class of property for valuations
10 established as of January 1, 1978, adjusted by the product
11 obtained by multiplying the percentage determined for that
12 year by the amount of any additions or deletions to actual
13 value, excluding those resulting from the revaluation of
14 existing properties, as reported by the assessors on the
15 abstracts of assessment for 1978, plus six percent of the
16 amount so determined. However, if the difference between the
17 dividend so determined for either class of property and the
18 dividend for that class of property for valuations established
19 as of January 1, 1978, adjusted by the product obtained by
20 multiplying the percentage determined for that year by the
21 amount of any additions or deletions to actual value, excluding
22 those resulting from the revaluation of existing properties,
23 as reported by the assessors on the abstracts of assessment
24 for 1978, is less than six percent, the 1979 dividend for the
25 other class of property shall be the dividend as determined for
26 that class of property for valuations established as of January
27 1, 1978, adjusted by the product obtained by multiplying
28 the percentage determined for that year by the amount of
29 any additions or deletions to actual value, excluding those
30 resulting from the revaluation of existing properties, as
31 reported by the assessors on the abstracts of assessment for
32 1978, plus a percentage of the amount so determined which is
33 equal to the percentage by which the dividend as determined
34 for the other class of property for valuations established
35 as of January 1, 1978, adjusted by the product obtained by

1 multiplying the percentage determined for that year by the
2 amount of any additions or deletions to actual value, excluding
3 those resulting from the revaluation of existing properties,
4 as reported by the assessors on the abstracts of assessment
5 for 1978, is increased in arriving at the 1979 dividend for
6 the other class of property. The divisor for each class of
7 property shall be the total actual value of all such property
8 in the state in the preceding year, as reported by the
9 assessors on the abstracts of assessment submitted for 1978,
10 plus the amount of value added to said total actual value by
11 the revaluation of existing properties in 1979 as equalized
12 by the director of revenue pursuant to section 441.49. The
13 director shall utilize information reported on abstracts of
14 assessment submitted pursuant to section 441.45 in determining
15 such percentage. For valuations established as of January 1,
16 1980, and each year thereafter, the percentage of actual value
17 as equalized by the director of revenue as provided in section
18 441.49 at which agricultural and residential property shall be
19 assessed shall be calculated in accordance with the methods
20 provided herein including the limitation of increases in
21 agricultural and residential assessed values to the percentage
22 increase of the other class of property if the other class
23 increases less than the allowable limit adjusted to include
24 the applicable and current values as equalized by the director
25 of revenue, except that any references to six percent in this
26 subsection shall be four percent. For valuations established
27 as of January 1, 2012, and each assessment year thereafter,
28 the percentage of actual value as equalized by the director
29 of revenue as provided in section 441.49 at which residential
30 property shall be assessed shall be calculated in accordance
31 with the methods provided herein including the limitation of
32 increases in agricultural and residential assessed values to
33 the percentage increase of the other class of property if the
34 other class increases less than the allowable limit adjusted to
35 include the applicable and current values as equalized by the

1 director of revenue, except that in no assessment year shall
2 the percentage of actual value at which residential property is
3 assessed be less than fifty percent.

4 DIVISION XVIII

5 CONDITIONAL EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

6 Sec. 168. EFFECTIVE DATE AND RETROACTIVE
7 APPLICABILITY. Unless otherwise provided, this Act, if
8 approved by the governor on or after July 1, 2011, takes effect
9 upon enactment and applies retroactively to July 1, 2011.

10 EXPLANATION

11 This bill relates to state and local finances by providing
12 for funding of property tax credits and reimbursements, by
13 making, increasing, and reducing appropriations, providing
14 for salaries and compensation of state employees, providing
15 for matters relating to tax credits, providing for fees and
16 penalties, and providing for properly related matters. The
17 bill is organized by divisions.

18 STANDING APPROPRIATIONS AND RELATED MATTERS — FY 2011-2012.

19 This division relates to standing appropriations and other
20 appropriations-related matters. For the budget process
21 applicable to FY 2012-2013, state agencies are required to
22 submit estimates and other expenditure information as called
23 for by the director of the department of management instead of
24 the information required under Code section 8.23.

25 This division limits standing appropriations for FY
26 2011-2012 made for the following purposes: casino wagering
27 tax proceeds allocated for department of cultural affairs
28 operational support grants and community cultural grants and
29 for regional tourism marketing; the center for congenital
30 and inherited disorders; primary and secondary child abuse
31 prevention programs; programs for at-risk children; payment
32 for nonpublic school transportation; reimbursement for the
33 homestead property tax credit and for the family farm and
34 agricultural land tax credits; and the enforcement of Code
35 chapter 452D relating to tobacco product manufacturers.

1 The standing appropriation in Code section 257.20 of an
2 amount necessary to pay instructional support state aid, as
3 determined under that Code provision, is replaced with a zero
4 appropriation for FY 2011-2012.

5 Code section 256.30, relating to educational expenses for
6 American Indian children, is amended. Current law requires the
7 department of education to provide moneys to pay the expense
8 of educating American Indian children residing in the Sac and
9 Fox Indian settlement on land held in trust by the secretary of
10 the interior of the United States in excess of federal moneys
11 paid to the tribal council for educating the American Indian
12 children when moneys are appropriated for that purpose. The
13 division makes a standing appropriation of \$100,000 from the
14 general fund of the state to pay the expenses.

15 Code section 257.35 is amended to reduce area education
16 agencies' budgets for fiscal year 2011-2012 by \$20 million.

17 SALARIES, COMPENSATION, AND RELATED MATTERS — FY 2011-2012.
18 This division relates to the funding for the fiscal year
19 beginning July 1, 2011, of salary increases for appointed
20 nonelected officers, employees subject to collective bargaining
21 agreements, certain noncontract employees, and board of regents
22 employees.

23 The division prohibits bonus pay for employees of the
24 executive branch except for employees of the state board of
25 regents, the judicial branch, and the legislative branch,
26 unless the bonus pay is otherwise authorized by law, required
27 pursuant to an employment contract entered into before July
28 1, 2011, or required pursuant to a collective bargaining
29 agreement.

30 The salary model administrator is required to work in
31 conjunction with the department of management and the
32 legislative services agency to analyze, compare, and project
33 state salary and benefit information.

34 PERFORMANCE OF DUTY. This division provides that the
35 source of funding for the payment of expenses authorized by

1 the executive council is the Iowa economic emergency fund and
2 then the general fund of the state if the emergency fund is
3 insufficient. Current law provides that the source of funding
4 is the general fund or the state treasury. Various Code
5 provisions involving authorization of payment by the executive
6 council are amended as necessary to conform to the change in
7 the source of funding.

8 STANDING APPROPRIATIONS AND RELATED MATTERS — FY 2012-2013.
9 This division relates to the budget process for FY 2013-2014
10 and limits certain standing appropriations for FY 2012-2013.
11 The standing appropriation in Code section 257.20 of an
12 amount necessary to pay instructional support state aid, as
13 determined under that Code provision, is replaced with a zero
14 appropriation for FY 2012-2013.

15 SALARIES, COMPENSATION, AND RELATED MATTERS — FY 2012-2013.
16 This division relates to funding for FY 2012-2013 of salary
17 increases for employees subject to collective bargaining
18 agreements and board of regents employees. The division also
19 prohibits certain types of bonus pay and makes requirements for
20 the salary model administrator.

21 CORRECTIVE PROVISIONS. The division makes corrections to
22 legislation considered or enacted during the 2011 legislative
23 session.

24 MISCELLANEOUS PROVISIONS AND APPROPRIATIONS. This division
25 includes miscellaneous provisions and appropriations.

26 The division appropriates moneys to the department of public
27 health for FY 2011-2012 for a vision screening program.

28 The division appropriates moneys to the department of
29 agriculture and land stewardship for FY 2011-2012 for purposes
30 of a program for farmers with disabilities.

31 The division appropriates moneys to the department
32 of cultural affairs for FY 2010-2011 for purposes of the
33 battleship Iowa, BB-61. This provision takes effect upon
34 enactment.

35 An appropriation for FY 2010-2011 is provided to the Iowa

1 finance authority for a grant to a nonprofit organization
2 to be used for development of a group home for persons with
3 intellectual disabilities or brain injury. This provision
4 takes effect upon enactment.

5 The division authorizes not more than two additional
6 full-time equivalent positions (FTEs) for the investigations
7 division of the department of inspections and appeals for
8 FY 2011-2012 if Senate File 313 or successor legislation is
9 enacted providing for debt setoff or other recovery activities
10 for nonpayment of premiums pursuant to Code section 249A.3,
11 subsection 2, paragraph "a", subparagraph (1), (relating to a
12 special income eligibility group under the Medicaid program)
13 or pursuant to Code section 249J.8, subsection 1, (relating to
14 the expansion population eligibility group under the IowaCare
15 program). The additional FTEs are limited to the extent funded
16 through the department of human services.

17 The division provides a method for recalculating cost
18 per pupil amounts for an area education agency and a school
19 district when a school district participating on a contractual
20 basis in a special education instructional program operated
21 by an area education agency terminates the contract. This
22 provision takes effect upon enactment.

23 The division establishes a task force on the prevention of
24 sexual abuse of children in Iowa. The task force shall develop
25 a model policy addressing sexual abuse of children. The task
26 force shall make recommendations for reducing child sexual
27 abuse in Iowa and in making those recommendations shall gather
28 information concerning child sexual abuse throughout the state;
29 receive reports and testimony from individuals, state and local
30 agencies, community-based organizations, and other public and
31 private organizations; create goals for state policy that would
32 prevent child sexual abuse; and submit a final report with its
33 recommendations to the governor and the general assembly on
34 or before January 16, 2012. This provision takes effect upon
35 enactment.

1 The division provides that a railroad company which alters
2 facilities pursuant to a written agreement with a political
3 subdivision with a population or more than 67,800, but less
4 than 67,900, according to the 2010 certified federal census,
5 to construct a flood mitigation project, shall receive
6 certain limitations on liability for any damages caused by the
7 alteration due to a flood.

8 The division makes inapplicable the limitation on
9 expenditures made for office supplies, purchases of equipment,
10 office equipment, and equipment noninventory, printing and
11 binding, and marketing implemented pursuant to 2011 Iowa
12 Acts, House File 45, for FY 2010-2011 to a department or
13 agency receiving a supplemental appropriation for FY 2010-2011
14 pursuant to 2011 Iowa Acts, Senate File 209. This provision
15 takes effect upon enactment and is retroactively applicable to
16 the effective date of House File 45 of March 7, 2011.

17 The division provides that any computer software developed
18 by a county for purposes of election activities is the property
19 of the county unless the county sells the rights to the
20 software.

21 The division provides that certain sections of 2011 Iowa
22 Acts, Senate File 205, take effect upon enactment of this bill,
23 rather than on July 1, 2011. The affected provisions require
24 the department of transportation to waive the certificate
25 of title fee and surcharge when ownership of a vehicle is
26 transferred from a decedent to the surviving spouse who is
27 entitled to ownership of the vehicle under the laws of descent
28 or the terms of the decedent's will. The affected provisions
29 also provide that, for purposes of calculating the annual
30 registration fee of a such a motor vehicle, the term "owner"
31 includes a surviving spouse.

32 The division amends Code section 80B.6 to add two members to
33 the Iowa law enforcement academy council.

34 The division amends Code section 256C.5 to reduce the school
35 aid formula weighting for the statewide preschool program for

1 four-year-old children from 60 percent to 50 percent of the
2 actual enrollment of eligible students. This provision takes
3 effect upon enactment, and applies to budget years beginning on
4 or after July 1, 2011.

5 The division amends Code section 279.51 to expand the manner
6 in which grant moneys received from the child development
7 coordinating council for programs for at-risk children may be
8 used.

9 The division amends Code section 303.19A to provide that
10 the state historic preservation officer shall only recommend
11 that a municipal utility constructing electric distribution
12 and transmission facilities for which it is receiving federal
13 funding conduct an archeological site survey of its proposed
14 route when, based upon a review of existing information on
15 historic properties within the area of potential effects of
16 the construction, the state historic preservation officer
17 has determined that a historic property is likely to exist
18 within the proposed route. This provision takes effect upon
19 enactment.

20 The amendment to Code section 321J.2, subsection 4,
21 paragraph b, makes a correction to a criminal penalty provision
22 relating to the court's assessment of a mandatory minimum fine
23 in a second offense operating-while-intoxicated case to reflect
24 previous law in effect through November 30, 2010. Senate File
25 431 (2010 Iowa Acts) reorganized criminal penalty, sentencing,
26 and related license revocation provisions in Code section
27 321J.2.

28 The division amends Code section 435A.35 to provide that
29 the first \$106,016,400 of revenues generated from the tax on
30 cigarettes and from the tax on certain tobacco products are
31 credited to the health care trust fund. Currently, the moneys
32 are credited to the general fund of the state and appropriated
33 annually to the health care trust fund.

34 The division amends Code section 466B.31 to add three
35 members to the watershed planning advisory council.

1 The division amends Code section 537A.5, as amended by
2 2011 Iowa Acts, Senate File 396, section 1, by eliminating
3 from the definition of the term "construction contract", as
4 it relates to certain indemnity agreements for construction
5 contracts, agreements related to the construction,
6 alteration, improvement, development, demolition, excavation,
7 rehabilitation, maintenance, or repair of highways, roads,
8 streets, bridges, tunnels, transportation facilities, and
9 airports.

10 The division extends the repeal date in Code section
11 654.4B from July 1, 2011, to July 1, 2012, for certain notice
12 requirements related to acceleration of mortgage indebtedness.
13 This provision takes effect upon enactment.

14 APPROPRIATION TRANSFERS. This division revises and
15 reduces appropriation transfers in lieu of transfers made
16 by the executive branch, as reported by the department of
17 management on August 27, 2010. A portion of the appropriation
18 in 2010 Iowa Acts, chapter 1184, from the rebuild Iowa
19 infrastructure fund to the grow Iowa values fund is transferred
20 to the department of economic development's Iowans helping
21 Iowans business assistance program. Two amounts from the
22 appropriation made in 2010 Iowa Acts, chapter 1193, to the
23 department of human services for the medical assistance program
24 are transferred to the department's unmet needs program and to
25 the Iowa finance authority to be used for the Iowans helping
26 Iowans housing assistance program. The division takes effect
27 upon enactment and is retroactively applicable to August 27,
28 2010.

29 REORGANIZATION. This division addresses state government
30 reorganization.

31 New Code section 8.75 requires each department to separately
32 track the budget and actual expenditures for contract services
33 and for employee training for each appropriation line item.

34 New Code section 8A.319 requires the department of
35 administrative services to facilitate efficient and

1 cost-effective purchasing for state government by conducting
2 certain activities.

3 The division requires the department of administrative
4 services to consult with the legislative and judicial branches
5 and explore opportunities for providing information technology
6 services to those branches.

7 The division encourages state agencies to utilize electronic
8 mail or similar electronic means for license or permit
9 notification purposes.

10 The division requires state agencies to budget for and
11 plan to conduct lean projects. The division encourages state
12 agencies to share resources and services.

13 The division requires each joint appropriations subcommittee
14 of the general assembly to annually examine and review the fees
15 charged by state agencies.

16 The division requires the department of administrative
17 services, in consultation with the department of management,
18 to examine the state personnel hiring process with the goal of
19 simplifying and reducing the steps needed for state agencies
20 to hire personnel.

21 The division includes requirements for compliance checks of
22 licensed retail tobacco outlets.

23 The division requires the department of administrative
24 services to examine the possibility of merging all state
25 payroll systems into the centralized payroll system.

26 The division requires the department of administrative
27 services to implement to the greatest extent possible a payroll
28 system paying state employees on a semimonthly basis.

29 MEDICATION THERAPY MANAGEMENT. This division amends the
30 pilot program for medication therapy management implemented
31 on July 1, 2010, for eligible state employees, extending
32 the contract under the program for an additional year. The
33 division transfers funds to the department of administrative
34 services for the purpose of the program. The division takes
35 effect upon enactment.

1 EARNED INCOME TAX CREDIT. This division increases the
2 amount of the state earned income tax credit. Currently, the
3 credit is equal to 7 percent of the amount of a taxpayer's
4 federal earned income tax credit. The division increases the
5 amount of the credit to 10 percent.

6 The division applies retroactively to January 1, 2011, for
7 tax years beginning on or after that date.

8 ALLOWABLE GROWTH. This division establishes a state percent
9 growth of 3 percent for purposes of the state school foundation
10 program for the school budget year beginning July 1, 2012. The
11 division establishes a categorical state percent of growth
12 of 3 percent for purposes of the state school foundation
13 program for the school budget year beginning July 1, 2012. The
14 categorical state percent of growth includes the teacher salary
15 supplement, the professional development supplement, and the
16 early intervention supplement. The division is applicable for
17 computing state aid under the state school foundation program
18 for the school budget year beginning July 1, 2012.

19 WITHHOLDING AGREEMENTS. This division amends the terms
20 "employer" and "targeted job" related to withholding agreements
21 between a pilot project city and an employer concerning a
22 targeted jobs withholding credit authorized under Code section
23 403.19A. Currently the terms only relate to new or created
24 jobs. The division adds retained jobs to both terms.

25 SCHOOL EMPLOYEE MISCONDUCT. This division makes changes
26 relating to misconduct by a school employee and provides for
27 the related duties and responsibilities of certain other
28 persons, accredited public and private schools, area education
29 agencies, and the board of educational examiners.

30 The division directs the board of educational examiners
31 to provide annually to any person who holds a license,
32 certificate, authorization, or statement of recognition
33 issued by the board, training relating to the knowledge and
34 understanding of the board's code of professional conduct and
35 ethics. The board shall develop a curriculum that addresses

1 the code of professional conduct and ethics and shall annually
2 provide regional training opportunities throughout the state.

3 The division authorizes the board to deny a license or
4 revoke the license of an administrator if the board finds by
5 a preponderance of evidence that the administrator failed to
6 report the termination or resignation of a school employee
7 holding a license, certificate, statement of professional
8 recognition, or coaching authorization, for reasons of alleged
9 misconduct or actual misconduct.

10 The division also requires a school board and the
11 authorities in charge of an accredited nonpublic school to
12 place on administrative leave a school employee who is the
13 subject of an investigation of an alleged incident of abuse of
14 a student. If the results of the investigation of a school
15 employee who holds a license, certificate, authorization, or
16 statement of recognition issued by the board of educational
17 examiners find that the school employee's conduct constitutes a
18 crime under any other statute, the school board shall report
19 the results of the investigation to the board of educational
20 examiners.

21 The division provides civil and criminal immunity to an
22 employee of a school district, an accredited nonpublic school,
23 or an area education agency who participates in good faith and
24 acts reasonably in the making of a report to, or investigation
25 by, an appropriate person or agency regarding physical or
26 sexual abuse of a student.

27 BUSINESS PROPERTY TAX CREDITS. This division of the bill
28 creates a business property tax credit under new Code chapter
29 426C for property taxes due and payable in fiscal years
30 beginning on or after July 1, 2012.

31 The division establishes a business property tax credit
32 fund. For the fiscal year beginning July 1, 2012, the
33 division appropriates from the general fund of the state to the
34 department of revenue for deposit in the fund, \$50 million.
35 For the fiscal year beginning July 1, 2013, and each fiscal

1 year thereafter, the division appropriates from the general
2 fund of the state to the department of revenue for deposit
3 in the fund an amount equal to the total amount appropriated
4 by the general assembly to the fund in the previous fiscal
5 year. In addition, for fiscal years beginning on or after
6 July 1, 2013, the division appropriates an additional sum of
7 \$50 million to the fund if the revenue estimating conference
8 certifies that the total amount of general fund revenues
9 has grown by at least 4 percent as compared to the previous
10 fiscal year. The division provides, however, that the total
11 appropriation to the fund shall not exceed \$200 million in any
12 one fiscal year. Under the division, interest or earnings on
13 moneys deposited in the fund are credited to the fund, moneys
14 in the fund are not subject to the provisions of Code section
15 8.33, and moneys in the fund shall not be transferred, used,
16 obligated, appropriated, or otherwise encumbered except as
17 provided in new Code chapter 426C.

18 The division provides that each person who wishes to claim
19 a business property tax credit shall obtain the appropriate
20 forms from the assessor and file the claim with the assessor.
21 The director of revenue is required to prescribe suitable
22 forms and instructions for such claims, and make such forms
23 and instructions available to the assessors. The assessor
24 is required to remit the claims for credit to the county
25 auditor with the assessor's recommendation for allowance
26 or disallowance. If the assessor recommends disallowance
27 of a claim, the assessor shall submit the reasons for the
28 recommendation, in writing, to the county auditor. The county
29 auditor then forwards the claims to the board of supervisors.
30 The board is required to allow or disallow the claims. If
31 the board of supervisors disallows a claim for a credit, the
32 board of supervisors is required to send written notice, by
33 mail, to the claimant and the notice must state the reasons for
34 disallowing the claim for the credit. Any person whose claim
35 for credit is denied may appeal from the action of the board of

1 supervisors to the district court of the county in which the
2 parcel or property unit is located.

3 Claims for the business property tax credit must be filed
4 not later than March 15 preceding the fiscal year during which
5 the property taxes for which the credit is claimed are due
6 and payable. However, the deadline for filing claims against
7 property taxes due and payable in the fiscal year beginning
8 July 1, 2012, is January 15, 2012.

9 Upon the filing of a claim and allowance of a business
10 property tax credit, the credit is allowed on the parcel or
11 property unit for successive years without further filing as
12 long as the parcel or property unit satisfies the requirements
13 for the credit. The owner is required to provide written
14 notice to the assessor when the parcel or property unit ceases
15 to qualify for the credit. The division requires the assessor
16 to maintain a permanent file of current credits and also
17 specifies certain requirements for parcel or property unit
18 owners, assessors, and county recorders when all or a portion
19 of such parcels or property units are sold, transferred, or
20 ownership otherwise changes.

21 Under the division, each parcel classified and taxed
22 as commercial property, industrial property, or railway
23 property under Code chapter 434, and improved with permanent
24 construction, is eligible for a business property tax credit.
25 A person may claim and receive one credit for each eligible
26 parcel unless the parcel is part of a property unit. The
27 division defines "property unit" to mean contiguous parcels
28 located within the same county, with the same property tax
29 classification, each containing permanent improvements, owned
30 by the same person, and operated by that person for a common
31 use and purpose. A person may only claim and receive one
32 tax credit for each property unit. A credit approved for a
33 property unit is allocated to the several parcels within the
34 property unit in the proportion that each parcel's property
35 tax liability on improvements bears to the total property tax

1 liability on improvements for the property unit. Only those
2 property units comprised of commercial property, comprised of
3 industrial property, or comprised of railway property under
4 Code chapter 434 are eligible for a credit.

5 The division provides that all claims for credit which
6 have been allowed, the actual value of the improvements to
7 the applicable parcels and property units that are subject to
8 assessment and taxation, the consolidated levy rates or average
9 consolidated levy rates for such parcels and property units
10 applicable to the fiscal year for which the credit is claimed,
11 and the taxing districts in which each parcel or property unit
12 is located, shall be certified on or before June 15, in each
13 year, by the county auditor to the department of revenue.

14 The division provides that using the actual value of
15 the improvements and the consolidated levy rate or average
16 consolidated levy rate for each parcel or property unit, as
17 certified by the county auditor, the department is required to
18 calculate, for each fiscal year, an initial amount of actual
19 value of improvements for use in determining the amount of
20 the credit for each approved parcel or property unit so as to
21 provide the maximum possible credit according to the credit
22 formula and limitations in the division, and to provide a
23 total dollar amount of credits in the fiscal year equal to 98
24 percent of the moneys in the business property tax credit fund
25 following the deposit of the total appropriation for the fiscal
26 year.

27 The credit for each parcel or property unit for which a
28 claim for a business property tax credit has been approved is
29 calculated using the lesser of the initial amount of actual
30 value of the improvements determined by the department for
31 the fiscal year and the actual value of improvements to the
32 parcel or property unit as certified to the department of
33 revenue. The amount of the credit for each parcel or property
34 unit is then calculated by multiplying the lesser amount of
35 actual value, so determined, by the difference, stated as

1 a percentage, between the assessment limitation applicable
2 to the parcel or property unit under Code section 441.21(5)
3 (commercial, industrial, and railway property rollback) and the
4 assessment limitation applicable to residential property under
5 Code section 441.21(4) (residential property rollback), divided
6 by \$1,000, and then multiplied by the consolidated levy rate
7 or average consolidated levy rate per \$1,000 of taxable value
8 applicable to the parcel or property unit for the fiscal year
9 for which the credit is claimed.

10 The division specifies the procedures for the payment of
11 the amount of the business property tax credits to the county
12 treasurers and the resulting apportionment to the applicable
13 taxing districts. The division also specifies the requirements
14 and procedures for an appeal of a denial of a claim for
15 credit, specifies the requirements and procedures for an audit
16 of a business property tax credit allowed, and specifies
17 requirements relating to the collection of property taxes
18 due as the result of an incorrectly calculated or improperly
19 approved credit.

20 The division provides that a person who makes a false claim
21 for the purpose of obtaining a business property tax credit
22 or who knowingly receives the credit without being legally
23 entitled to it is guilty of a fraudulent practice and is
24 subject to a criminal penalty.

25 The division applies to property taxes due and payable in
26 fiscal years beginning on or after July 1, 2012.

27 COUNTY AND CITY BUDGET LIMITATION. This division removes
28 the property tax levy rate limitations on the general and rural
29 services funds for counties and on the general fund for cities
30 and substitutes a limitation on the maximum amount of property
31 tax dollars that may be certified for expenditure by a county
32 or city for budget years beginning on or after July 1, 2013.
33 For the budget year beginning July 1, 2013, and subsequent
34 budget years, the maximum amount of property tax dollars which
35 may be certified for levy shall be an amount equal to the

1 sum of the current fiscal year's total property tax dollars
2 certified by the applicable city or county multiplied by the
3 annual growth factor, as defined in the division, the amount
4 of net new valuation taxes, as defined in the division, and
5 certain unfunded state or federal mandate costs, as defined in
6 the division. The bill does not, however, modify a county's
7 ability to certify a supplemental levy for certain purposes
8 specified in Code section 331.424. The bill specifies the
9 various levies and funds that are subject to the maximum dollar
10 limitation.

11 The division also allows counties and cities to certify
12 additions to the maximum amount of property tax dollars to be
13 levied for a budget year if the city or county has conducted a
14 second public hearing on the budget. The division specifies
15 that such additional amounts are not to be included in the
16 computation of the maximum amount of property tax dollars for
17 future budget years.

18 The division specifies certain requirements for ending fund
19 balances for counties and cities. The division provides that
20 budgeted ending fund balances for a budget year in excess of 25
21 percent of budgeted expenditures shall be explicitly committed
22 or assigned for a specific purpose.

23 Under the division, counties and cities are encouraged, but
24 not required, to reduce budgeted, uncommitted, or unassigned
25 ending fund balances for the budget year to an amount equal
26 to approximately 25 percent of budgeted expenditures for that
27 budget year unless a decision is certified by the state appeal
28 board ordering a reduction in the ending fund balance of any of
29 those funds. The county or city, as applicable, has the burden
30 of proving that the budgeted balances in excess of 25 percent
31 are reasonably likely to be appropriated for the explicitly
32 committed or assigned specific purpose.

33 The division also allows for additional property taxes to
34 be levied in certain fiscal years for those counties or cities
35 that have, as of June 30, 2012, reduced their actual ending

1 fund balance to less than 25 percent of actual expenditures.
2 Such additional property tax dollars authorized but not levied
3 may be carried forward as unused ending fund balance taxing
4 authority until and for the fiscal year beginning July 1, 2018.
5 However, the amount carried forward shall not exceed 25 percent
6 of the maximum amount of property tax dollars available in the
7 current fiscal year. The amount of such additional property
8 taxes levied shall not, however, be included in the computation
9 of the maximum amount of property tax dollars which may be
10 certified and levied in future budget years.

11 The division also makes conforming amendments to other
12 provisions of the Code.

13 The division takes effect July 1, 2012, and applies to fiscal
14 years beginning on or after July 1, 2013.

15 RESIDENTIAL PROPERTY ASSESSMENT LIMITATION. This division
16 provides that for valuations established as of January 1,
17 2012, and each assessment year thereafter, the percentage of
18 actual value at which residential property is assessed shall
19 be calculated in accordance with the methods provided in Code
20 section 441.21, except that in no assessment year shall the
21 percentage of actual value at which residential property is
22 assessed be less than 50 percent.

23 RETROACTIVE APPLICABILITY. Unless otherwise provided, the
24 bill, if approved by the governor after July 1, 2011, applies
25 retroactively to July 1, 2011.