

**Senate File 538 - Reprinted**

SENATE FILE 538  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1219)

(As Amended and Passed by the Senate June 22, 2011)

**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:

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.

29

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 state board of regents  
3 employees who are not covered by a collective bargaining  
4 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 of  
34 a state department, upon authorization by the executive council  
35 ~~may pay, out of any money in the state treasury there is~~



1 appropriated from moneys in the general fund of the state not  
2 otherwise appropriated, an amount sufficient to pay expenses  
3 incurred, or costs taxed to the state, in any proceeding  
4 brought by or against any of the state departments or in which  
5 the state is a party or is interested. This section shall  
6 not be construed to authorize the payment of travel or other  
7 personal expenses of state officers or employees.

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

11 **7D.10A Allocation Payment to livestock remediation fund.**

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

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

24 **7D.29 Performance of duty — expense.**

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

1 provisions referencing the appropriations addressed in this  
2 section shall be paid as follows:

3 a. From the appropriation made from the Iowa economic  
4 emergency fund in section 8.55 for purposes of paying such  
5 expenses.

6 b. To the extent the appropriation from the Iowa economic  
7 emergency fund described in paragraph "a" is insufficient to  
8 pay such expenses, there is appropriated from moneys in the  
9 general fund of the state not otherwise appropriated the amount  
10 necessary to fund that deficiency.>

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

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

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

29 **7D.30 Necessary record.**

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

1 total amount of money that may be expended. Compensation or  
2 salary for personal services in such cases must be determined  
3 by unanimous vote of all members of the council.

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

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

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

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

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

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

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

35 a. Lease all buildings and office space necessary to

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

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

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

26     **11.32 Certified accountants employed.**

27     Nothing in this chapter shall prohibit the auditor of state,  
 28 with the prior written permission of the state executive  
 29 council, from employing certified public accountants for  
 30 specific assignments. The auditor of state may employ such  
 31 accountants for any assignment ~~now~~ expressly reserved to the  
 32 auditor of state. Payments, after approval by the executive  
 33 council, ~~will~~ shall be made to the accountants so employed from  
 34 funds from which the auditor of state would have been paid had  
 35 the auditor of state performed the assignment, or if ~~no~~ such

1 specific funds are ~~indicated~~ not available, then ~~payment will~~  
2 ~~be made from the funds of~~ authorization of the expense by the  
3 executive council shall be requested, and if authorized shall  
4 be paid from the appropriations addressed in section 7D.29.

5 Sec. 21. Section 13.3, Code 2011, is amended to read as  
6 follows:

7 **13.3 Disqualification — substitute.**

8 1. If, for any reason, the attorney general ~~be is~~  
9 disqualified from appearing in any action or proceeding, the  
10 executive council shall ~~appoint some~~ authorize the appointment  
11 of a suitable person for that purpose and defray the. There  
12 is appropriated from moneys in the general fund not otherwise  
13 appropriated an amount necessary to pay the reasonable expense  
14 thereof from any unappropriated funds in the state treasury for  
15 the person appointed. The department involved in the action or  
16 proceeding shall be requested to recommend a suitable person  
17 to represent the department and when the executive council  
18 concurs in the recommendation, the person recommended shall be  
19 appointed.

20 2. If the governor or a department is represented by an  
21 attorney other than the attorney general in a court proceeding  
22 as provided in this section, at the conclusion of the court  
23 proceedings, the court shall review the fees charged to the  
24 state to determine if the fees are fair and reasonable. The  
25 executive council shall not ~~reimburse~~ authorize reimbursement  
26 of attorney fees in excess of those determined by the court to  
27 be fair and reasonable.

28 Sec. 22. Section 13.7, Code 2011, is amended to read as  
29 follows:

30 **13.7 Special counsel.**

31 Compensation shall not be allowed to any person for services  
32 as an attorney or counselor to an executive department of  
33 the state government, or the head ~~thereof~~ of an executive  
34 department of state government, or to a state board or  
35 commission. However, the executive council may employ

1 authorize employment of legal assistance, at a reasonable  
 2 compensation, in a pending action or proceeding to protect the  
 3 interests of the state, but only upon a sufficient showing,  
 4 in writing, made by the attorney general, that the department  
 5 of justice cannot for reasons stated by the attorney general  
 6 perform the service, ~~which~~. The reasons and action of the  
 7 council shall be entered upon its records. ~~When~~ If the  
 8 attorney general determines that the department of justice  
 9 cannot perform legal service in an action or proceeding,  
 10 the executive council shall request the department involved  
 11 in the action or proceeding to recommend legal counsel to  
 12 represent the department. If the attorney general concurs with  
 13 the department that the person recommended is qualified and  
 14 suitable to represent the department, the person recommended  
 15 shall be employed. If the attorney general does not concur  
 16 in the recommendation, the department shall submit a new  
 17 recommendation. This section does not affect the general  
 18 counsel for the utilities board of the department of commerce,  
 19 the legal counsel of the department of workforce development,  
 20 or the general counsel for the property assessment appeal  
 21 board.

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

24 All payments ~~herein~~ provided for under this section shall  
 25 be paid on the approval of the adjutant general from the  
 26 contingent fund of the executive council created in section  
 27 29C.20.

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

30 (3) Upon notification of a compensable loss to a member of  
 31 a homeland security and emergency management response team, the  
 32 department of administrative services shall process the claim  
 33 and seek funding authorization from the executive council ~~for~~  
 34 to pay as an expense paid from the appropriations addressed in  
 35 section 7D.29 those costs associated with covered benefits.

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

4     A contingent fund is created in the state treasury for the  
5 use of the executive council ~~which~~. Funding for the contingent  
6 fund, if authorized by the executive council, shall be paid  
7 from the appropriations addressed in section 7D.29. Moneys in  
8 the contingent fund may be expended for the following purposes:

9     Sec. 26. Section 96.13, subsection 3, paragraph c, Code  
10 2011, is amended to read as follows:

11     c. The department may appear before the executive council  
12 and request ~~funds~~ authorization of moneys to meet unanticipated  
13 emergencies as an expense from the appropriations addressed in  
14 section 7D.29.

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

17     5. Upon notification of a compensable loss, the department  
18 of administrative services shall seek funding authorization  
19 from the executive council ~~for~~ to pay as an expense from  
20 the appropriations addressed in section 7D.29 those costs  
21 associated with covered workers' compensation benefits.

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

24     11. If a public health disaster or other public health  
25 emergency situation exists which poses an imminent threat  
26 to the public health, safety, and welfare, the department,  
27 in conjunction with the governor, may provide financial  
28 assistance, from funds appropriated to the department that  
29 are not otherwise encumbered, to political subdivisions as  
30 needed to alleviate the disaster or the emergency. If the  
31 department does not have sufficient unencumbered funds, the  
32 governor may request ~~that~~ the executive council, ~~pursuant to~~  
33 ~~the authority of section 7D.29, commit sufficient funds, to~~  
34 authorize the payment of up to one million dollars, ~~that are~~  
35 ~~not otherwise encumbered from the general fund, as needed and~~

1 ~~available, for~~ as an expense from the appropriations addressed  
2 in section 7D.29 to alleviate the disaster or the emergency.  
3 If additional financial assistance is required in excess of one  
4 million dollars, approval by the legislative council is also  
5 required.

6 Sec. 29. Section 163.3A, subsection 4, paragraph b, Code  
7 2011, is amended to read as follows:

8 b. The department shall provide and update a list of  
9 the registered members of each emergency response team,  
10 including the members' names and identifying information, to  
11 the department of administrative services. Upon notification  
12 of a compensable loss suffered by a registered member, the  
13 department of administrative services shall seek ~~funding~~  
14 authorization from the executive council ~~for~~ to pay as an  
15 expense from the appropriations addressed in section 7D.29  
16 those costs associated with covered benefits.

17 Sec. 30. Section 163.10, Code 2011, is amended to read as  
18 follows:

19 **163.10 Quarantining or destroying animals.**

20 The department may quarantine or destroy any animal exposed  
21 to or afflicted with an infectious or contagious disease.  
22 However, cattle exposed to or infected with tuberculosis shall  
23 not be destroyed without the owner's consent, unless there are  
24 sufficient moneys to reimburse the owner for the cattle, which  
25 may be paid ~~from the appropriation~~ as an expense authorized as  
26 provided in section 163.15, from moneys in the brucellosis and  
27 tuberculosis eradication fund created in section 165.18, or  
28 from moneys made available by the United States department of  
29 agriculture.

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

32 (3) A claim for an indemnity by the owner and a claim for  
33 compensation and expenses by the appraisers shall be filed with  
34 the department and submitted by the secretary of agriculture  
35 to the executive council for ~~its approval or disapproval~~



1 authorization of payment of the claim as an expense from the  
2 appropriations addressed in section 7D.29.

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

6 Sec. 33. Section 163.15, subsection 2, paragraph b,  
7 unnumbered paragraph 1, Code 2011, is amended to read as  
8 follows:

9 A formula established by rule adopted by the department that  
10 is effective as determined by the department in accordance  
11 with chapter 17A and applicable upon approval of the ~~plan~~  
12 program of eradication ~~approved~~ by the executive council.  
13 The formula shall be applicable to indemnify owners if the  
14 executive council, upon recommendation by the secretary of  
15 agriculture, determines that an animal population in this state  
16 is threatened with infection from an exceptionally contagious  
17 disease.

18 Sec. 34. Section 163.15, subsection 2, paragraph b,  
19 subparagraph (4), Code 2011, is amended to read as follows:

20 (4) ~~Upon approval by the~~ The executive council, ~~there is~~  
21 ~~appropriated to the department from any moneys in the general~~  
22 ~~fund of the state not otherwise appropriated moneys sufficient~~  
23 ~~to carry out the~~ may authorize payment under the provisions  
24 of this paragraph "b" as an expense from the appropriations  
25 addressed in section 7D.29.

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

28 3. Assessments against property owned by the state and  
29 not under the jurisdiction and control of the department's  
30 administrator of highways shall be made in the same manner  
31 as those made against private property and payment shall be  
32 made subject to authorization by the executive council ~~from~~  
33 ~~any funds of the state not otherwise appropriated.~~ There is  
34 appropriated from moneys in the general fund not otherwise  
35 appropriated an amount necessary to pay the expense authorized

1 by the executive council.

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

4 1. Cities may assess the cost of a public improvement which  
5 extends through, abuts upon, or is adjacent to lands owned  
6 by the state, and ~~the executive council shall pay~~ payment  
7 for the assessable portion of the cost of the improvement  
8 through or along the lands as provided shall be subject to  
9 authorization by the executive council. ~~The executive council~~  
10 ~~shall pay assessments as~~ and payable in the manner provided  
11 in section 307.45 for property owned by the state and not  
12 under the jurisdiction and control of the state department of  
13 transportation.

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

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

18 a. (1) The executive council may ~~allocate moneys from the~~  
19 ~~general fund of the state as~~ authorize payment of moneys as  
20 an expense paid from the appropriations addressed in section  
21 7D.29 and in the manner provided in section 7D.10A in an amount  
22 necessary to support the fund, including the following:

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

24 (b) The allocation of moneys to the department of  
25 agriculture and land stewardship for the payment of expenses  
26 incurred by the department of agriculture and land stewardship  
27 associated with providing for the sustenance and disposition of  
28 livestock pursuant to chapter 717.

29 (2) Notwithstanding subparagraph (1), ~~the allocation of~~  
30 ~~moneys from the general fund of the state~~ executive council's  
31 authorization for payment shall be ~~made~~ provided only if the  
32 amount of moneys in the fund, which are not obligated or  
33 encumbered, and not counting the department's estimate of the  
34 cost to the fund for pending or unsettled claims, the amount  
35 to be allocated to the department of agriculture and land

1 stewardship, and any amount required to be credited to the  
 2 general fund of the state under this subsection, is less than  
 3 one million dollars.

4 *b.* The department of natural resources shall credit an  
 5 amount to the ~~general fund of the state~~ from which the expense  
 6 authorized by the executive council as provided in paragraph  
 7 "a" was appropriated which is equal to an amount allocated to  
 8 support the livestock remediation fund by the executive council  
 9 under paragraph "a". ~~The~~ However, the department shall only be  
 10 required to credit the moneys to the general such fund of the  
 11 state if the moneys in the livestock remediation fund which are  
 12 not obligated or encumbered, and not counting the department's  
 13 estimate of the cost to the livestock remediation fund for  
 14 pending or unsettled claims, the amount to be allocated to the  
 15 department of agriculture and land stewardship, and any amount  
 16 required to be transferred to the ~~general fund under~~ from which  
 17 appropriated as described in this paragraph, are in excess of  
 18 two million five hundred thousand dollars. The department is  
 19 not required to credit the total amount to the ~~general fund~~  
 20 ~~of the state~~ from which appropriated as described in this  
 21 paragraph during any one fiscal year.

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

24 The assessments against lands under the jurisdiction  
 25 of the department of natural resources shall be paid as an  
 26 expense from the appropriations addressed in section 7D.29,  
 27 if authorized by the executive council upon certification of  
 28 the amount by the county treasurer. ~~There is appropriated~~  
 29 ~~from any funds in the general fund of the state not otherwise~~  
 30 ~~appropriated amounts sufficient to pay the certified~~  
 31 ~~assessments.~~

32 Sec. 39. Section 568.16, Code 2011, is amended to read as  
 33 follows:

34 **568.16 Purchase money refunded.**

35 If the grantee of the state, or the grantee's successors,

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

23 Sec. 40. Section 602.10133, Code 2011, is amended to read  
 24 as follows:

25 **602.10133 Costs and expenses.**

26 The court costs incident to such proceedings, and the  
 27 reasonable expense of ~~said~~ the judges in attending ~~said~~ the  
 28 hearing after being approved by the supreme court shall be paid  
 29 as ~~court costs~~ an expense authorized by the executive council  
 30 from the appropriations addressed in section 7D.29.

31 Sec. 41. Section 663.44, Code 2011, is amended to read as  
 32 follows:

33 **663.44 Costs.**

34 1. If the plaintiff is discharged, the costs shall be  
 35 assessed to the defendant, unless the defendant is an officer

1 holding the plaintiff in custody under a commitment, or under  
2 other legal process, in which case the costs shall be assessed  
3 to the county. If the plaintiff's application is refused,  
4 the costs shall be assessed against the plaintiff, and, in  
5 the discretion of the court, against the person who filed the  
6 petition in the plaintiff's behalf.

7 2. However, where Notwithstanding subsection 1, if  
8 the plaintiff is confined in any state institution, and is  
9 discharged in habeas corpus proceedings, or ~~where~~ if the habeas  
10 corpus proceedings fail, and costs and fees cannot be collected  
11 from the person liable to pay ~~the same~~ costs and fees, ~~such~~  
12 the costs and fees shall be paid by the county in which such  
13 state institution is located. The facts of such payment and  
14 the proceedings on which it is based, with a statement of the  
15 amount of fees or costs incurred, with approval in writing by  
16 the presiding judge appended to ~~such~~ the statement or endorsed  
17 ~~thereon~~ on the statement, shall ~~then~~ be certified by the clerk  
18 of the district court under the seal of office to the state  
19 executive council. The executive council shall ~~then~~ review  
20 the proceedings and authorize reimbursement for all such fees  
21 and costs or such part ~~thereof~~ of the fees and costs as the  
22 executive council ~~shall find~~ finds justified, and shall notify  
23 the director of the department of administrative services to  
24 draw a warrant to such county treasurer ~~on the state general~~  
25 ~~fund~~ for the amount authorized. There is appropriated from  
26 moneys in the general fund not otherwise appropriated an  
27 amount necessary to pay the reimbursement authorized by the  
28 executive council. The costs and fees referred to above shall  
29 include any award of fees made to a court appointed attorney  
30 representing an indigent party bringing the habeas corpus  
31 action.

32 DIVISION IV

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

35 1. For the budget process applicable to the fiscal year

1 beginning July 1, 2013, on or before October 1, 2012, in lieu  
2 of the information specified in section 8.23, subsection 1,  
3 unnumbered paragraph 1, and paragraph "a", all departments and  
4 establishments of the government shall transmit to the director  
5 of the department of management, on blanks to be furnished by  
6 the director, estimates of their expenditure requirements,  
7 including every proposed expenditure, for the ensuing fiscal  
8 year, together with supporting data and explanations as called  
9 for by the director of the department of management after  
10 consultation with the legislative services agency.

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

18 Sec. 43. LIMITATION OF STANDING APPROPRIATIONS.

19 Notwithstanding the standing appropriations in the following  
20 designated sections for the fiscal year beginning July 1, 2012,  
21 and ending June 30, 2013, the amounts appropriated from the  
22 general fund of the state pursuant to these sections for the  
23 following designated purposes shall not exceed the following  
24 amounts:

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

28 ..... \$ 208,351

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

31 ..... \$ 405,153

32 3. For the center for congenital and inherited disorders  
33 central registry under section 144.13A, subsection 4, paragraph  
34 "a":

35 ..... \$ 85,560

1 4. For primary and secondary child abuse prevention  
2 programs under section 144.13A, subsection 4, paragraph "a":  
3 ..... \$ 108,886

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

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

9 6. For payment for nonpublic school transportation under  
10 section 285.2:  
11 ..... \$ 3,530,465

12 If total approved claims for reimbursement for nonpublic  
13 school pupil transportation exceed the amount appropriated in  
14 accordance with this subsection, the department of education  
15 shall prorate the amount of each approved claim.

16 7. For reimbursement for the homestead property tax credit  
17 under section 425.1:  
18 ..... \$ 86,188,387

19 8. For reimbursement for the family farm and agricultural  
20 land tax credits under sections 425A.1 and 426.1:  
21 ..... \$ 32,395,131

22 9. For the enforcement of chapter 453D relating to tobacco  
23 product manufacturers under section 453D.8:  
24 ..... \$ 9,208

25 Sec. 44. INSTRUCTIONAL SUPPORT STATE AID — FY  
26 2012-2013. In lieu of the appropriation provided in section  
27 257.20, subsection 2, the appropriation for the fiscal year  
28 beginning July 1, 2012, and ending June 30, 2013, for paying  
29 instructional support state aid under section 257.20 for fiscal  
30 year 2012-2013 is zero.

31 DIVISION V

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

33 Sec. 45. COLLECTIVE BARGAINING AGREEMENTS FUNDED. The  
34 various state departments, boards, commissions, councils,  
35 and agencies, including the state board of regents, for

1 the fiscal year beginning July 1, 2012, and ending June 30,  
2 2013, shall provide from available sources pay adjustments,  
3 expense reimbursements, and related benefits to fully fund the  
4 following:

- 5 1. The collective bargaining agreement negotiated pursuant  
6 to chapter 20 for employees in the blue collar bargaining unit.
- 7 2. The collective bargaining agreement negotiated pursuant  
8 to chapter 20 for employees in the public safety bargaining  
9 unit.
- 10 3. The collective bargaining agreement negotiated pursuant  
11 to chapter 20 for employees in the security bargaining unit.
- 12 4. The collective bargaining agreement negotiated pursuant  
13 to chapter 20 for employees in the technical bargaining unit.
- 14 5. The collective bargaining agreement negotiated pursuant  
15 to chapter 20 for employees in the professional fiscal and  
16 staff bargaining unit.
- 17 6. The collective bargaining agreement negotiated pursuant  
18 to chapter 20 for employees in the clerical bargaining unit.
- 19 7. The collective bargaining agreement negotiated pursuant  
20 to chapter 20 for employees in the professional social services  
21 bargaining unit.
- 22 8. The collective bargaining agreement negotiated pursuant  
23 to chapter 20 for employees in the community-based corrections  
24 bargaining unit.
- 25 9. The collective bargaining agreements negotiated  
26 pursuant to chapter 20 for employees in the judicial branch of  
27 government bargaining units.
- 28 10. The collective bargaining agreement negotiated pursuant  
29 to chapter 20 for employees in the patient care bargaining  
30 unit.
- 31 11. The collective bargaining agreement negotiated pursuant  
32 to chapter 20 for employees in the science bargaining unit.
- 33 12. The collective bargaining agreement negotiated pursuant  
34 to chapter 20 for employees in the university of northern Iowa  
35 faculty bargaining unit.



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

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

7 15. The annual pay adjustments, related benefits, and  
8 expense reimbursements referred to in the sections of this  
9 division of this Act addressing state board of regents  
10 employees who are not covered by a collective bargaining  
11 agreement.

12 Sec. 46. STATE EMPLOYEES — STATE BOARD OF REGENTS. For  
13 the fiscal year beginning July 1, 2012, and ending June 30,  
14 2013, funds shall be provided from available sources of the  
15 state board of regents for funding of collective bargaining  
16 agreements for state board of regents employees covered by  
17 such agreements and for the following state board of regents  
18 employees not covered by a collective bargaining agreement:

19 1. Regents merit system employees and merit supervisory  
20 employees.

21 2. Faculty members and professional and scientific  
22 employees.

23 Sec. 47. BONUS PAY. For the fiscal year beginning July  
24 1, 2012, and ending June 30, 2013, employees of the executive  
25 branch, judicial branch, and legislative branch shall not  
26 receive bonus pay unless otherwise authorized by law, required  
27 pursuant to a contract of employment entered into before July  
28 1, 2012, or required pursuant to a collective bargaining  
29 agreement. This section does not apply to employees of the  
30 state board of regents. For purposes of this section, "bonus  
31 pay" means any additional remuneration provided an employee in  
32 the form of a bonus, including but not limited to a retention  
33 bonus, recruitment bonus, exceptional job performance pay,  
34 extraordinary job performance pay, exceptional performance pay,  
35 extraordinary duty pay, or extraordinary or special duty pay,

1 and any extra benefit not otherwise provided to other similarly  
2 situated employees.

3     Sec. 48. STATE TROOPER MEAL ALLOWANCE. For the fiscal  
4 year beginning July 1, 2012, the sworn peace officers in the  
5 department of public safety who are not covered by a collective  
6 bargaining agreement negotiated pursuant to chapter 20 shall  
7 receive the same per diem meal allowance as the sworn peace  
8 officers in the department of public safety who are covered  
9 by a collective bargaining agreement negotiated pursuant to  
10 chapter 20.

11     Sec. 49. SALARY MODEL ADMINISTRATOR. The salary model  
12 administrator shall work in conjunction with the legislative  
13 services agency to maintain the state's salary model used for  
14 analyzing, comparing, and projecting state employee salary  
15 and benefit information, including information relating to  
16 employees of the state board of regents. The department of  
17 revenue, the department of administrative services, the five  
18 institutions under the jurisdiction of the state board of  
19 regents, the judicial district departments of correctional  
20 services, and the state department of transportation shall  
21 provide salary data to the department of management and the  
22 legislative services agency to operate the state's salary  
23 model. The format and frequency of provision of the salary  
24 data shall be determined by the department of management and  
25 the legislative services agency. The information shall be  
26 used in collective bargaining processes under chapter 20 and  
27 in calculating the funding needs contained within the annual  
28 salary adjustment legislation. A state employee organization  
29 as defined in section 20.3, subsection 4, may request  
30 information produced by the model, but the information provided  
31 shall not contain information attributable to individual  
32 employees.

33                                   DIVISION VI

34                                   CORRECTIVE PROVISIONS

35     Sec. 50. Section 8.6, subsection 9A, as enacted by 2011 Iowa

1 Acts, House File 45, section 39, is amended to read as follows:

2 9A. *Budget and tax rate databases.* To develop and make  
3 available to the public a searchable budget database and  
4 internet site as required under chapter 8G, ~~division~~ subchapter  
5 I, and to develop and make available to the public a searchable  
6 tax rate database and internet site as required under chapter  
7 8G, ~~division~~ subchapter II.

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

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

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

17 **8G.13 Updating database.**

18 To facilitate the department of management's efforts in  
19 creating and maintaining a searchable database of the taxes  
20 identified in section 8G.12, subsection 3 1, for all taxing  
21 jurisdictions in the state, each taxing jurisdiction may  
22 annually be required to report its tax rates to the department  
23 of management or the department of revenue and shall report any  
24 changes to its tax rates within thirty days of the change.

25 Sec. 53. Section 16.193, subsection 3, paragraph a, Code  
26 2011, as amended by 2011 Iowa Acts, Senate File 475, section  
27 11, is amended to read as follows:

28 a. During the term of the Iowa jobs program and Iowa jobs  
29 II program, the Iowa finance authority shall collect data on  
30 all of the projects approved for the ~~program~~ programs. The  
31 department of management and the state agencies associated  
32 with the projects shall assist the authority with the data  
33 collection and in developing the report required by this  
34 subsection. The authority shall report quarterly to the  
35 governor and the general assembly concerning the data.

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

4     4. Political committees expressly advocating the  
5 nomination, election, or defeat of candidates for both  
6 federal office and any elected office created by law or the  
7 Constitution of the State of Iowa shall file statements and  
8 reports with the board in addition to any federal reports  
9 required to be filed with the board. However, a political  
10 committee that is registered and filing full disclosure  
11 reports of all financial activities with the federal election  
12 commission may file verified statements as provided in section  
13 ~~68B.201A~~ 68A.201A.

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

17     3. This section does not preclude a hospital, clinic, other  
18 health facility, or a health care provider from providing  
19 notification to a care provider under circumstances in  
20 which the hospital's, clinic's, other health facility's, or  
21 health care provider's policy provides for notification of  
22 the hospital's, ~~clinics~~ clinic's, other health facility's,  
23 or health care provider's own employees of exposure to a  
24 contagious or infectious disease that is not life-threatening  
25 if the notice does not reveal a patient's name, unless the  
26 patient consents.

27     Sec. 56. Section 175.3, subsection 1, paragraph a, Code  
28 2011, as amended by 2011 Iowa Acts, Senate File 429, section 1,  
29 is amended to read as follows:

30     a. The agricultural development authority is established  
31 within the department of agriculture and land stewardship. The  
32 ~~agency~~ authority is constituted as a public instrumentality  
33 and agency of the state exercising public and essential  
34 governmental functions.

35     Sec. 57. Section 207.22, subsection 3, paragraph b, Code

1 2011, as amended by 2011 Iowa Acts, Senate File 475, section  
2 47, is amended to read as follows:

3     *b.* Acquisition of coal refuse disposal sites and all  
4 coal refuse thereon will serve the purposes of ~~Tit. IV of~~  
5 Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25,  
6 subch. IV, or that public ownership is desirable to meet  
7 emergency situations and prevent recurrences of the adverse  
8 effect of past coal mining practices.

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

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

15     Sec. 59. Section 256.7, subsection 26, paragraph a,  
16 subparagraph (1), as enacted by 2011 Iowa Acts, Senate File  
17 453, section 1, is amended to read as follows:

18     (1) The rules establishing high school graduation  
19 requirements shall authorize a school district or  
20 accredited nonpublic school to consider that any student who  
21 satisfactorily completes a high school-level unit of English  
22 or language arts, mathematics, science, or social studies has  
23 satisfactorily completed a unit of the high school graduation  
24 requirements for that area as specified in this lettered  
25 paragraph, and ~~to~~ shall authorize the school district or  
26 accredited nonpublic school to issue high school credit for the  
27 unit to the student.

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

31     *a.* The department, in consultation with the adjutant  
32 general, shall design combat infantryman badge, combat action  
33 badge, combat action ribbon, air force combat action medal,  
34 and combat medical badge distinguishing processed emblems.  
35 Upon receipt of two hundred fifty orders for ~~special~~ combat

1 infantryman badge, combat action badge, combat action ribbon,  
2 air force combat action medal, or combat medical badge special  
3 registration plates, accompanied by a start-up fee of twenty  
4 dollars per order, the department shall begin issuing special  
5 registration plates with the applicable distinguishing  
6 processed emblem as provided in paragraphs "b" and "c". The  
7 minimum order requirement shall apply separately to each of the  
8 special registration plates created under this subsection.

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

12 a. The department, in consultation with the adjutant  
13 general, shall design a civil war sesquicentennial  
14 distinguishing processed emblem. Upon receipt of two hundred  
15 fifty orders for ~~special~~ civil war sesquicentennial special  
16 registration plates, accompanied by a start-up fee of twenty  
17 dollars per order, the department shall begin issuing special  
18 registration plates with a civil war sesquicentennial processed  
19 emblem as provided in paragraph "b".

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

22 **327B.5 Penalty.**

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

26 Sec. 63. Section 422.110, subsection 5, paragraph a,  
27 subparagraph (2), if enacted by 2011 Iowa Acts, Senate File  
28 531, section 17, is amended to read as follows:

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

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

34 d. "Tax credit" means the E-15 plus gasoline promotion tax  
35 credit as provided in this section.

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

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

9     Sec. 66. Section 422.11Y, subsection 6, paragraph b,  
10 subparagraph (2), if enacted by 2011 Iowa Acts, Senate File  
11 531, section 35, is amended to read as follows:

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

16     Sec. 67. Section 423.4, subsection 9, unnumbered paragraph  
17 1, if enacted by 2011 Iowa Acts, Senate File 531, section 59,  
18 is amended to read as follows:

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

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

26     **483A.24A License refunds — military service.**

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

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

1 01. "Alternative voting method" means a method of voting  
2 other than a written ballot, including voting by electronic,  
3 telephonic, internet, or other means that reasonably allow  
4 allows members the opportunity to vote.

5 Sec. 70. Section 501A.703, subsection 5, paragraph d, Code  
6 2011, as amended by 2011 Iowa Acts, House File 348, section 19,  
7 is amended to read as follows:

8 d. If the ballot of the member is received by the  
9 cooperative on or before the date of the regular members'  
10 meeting or as otherwise prescribed for an alternative, voting  
11 method, the ballot or alternative voting method shall be  
12 accepted and counted as the vote of the absent member.

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

16 Securities held in the legal reserve of a life insurance  
17 company or association pledged as collateral for financial  
18 instruments used in highly effective hedging transactions as  
19 defined in the national association of insurance commissioners'  
20 ~~Statement~~ statement of ~~Statutory Accounting Principles No.~~  
21 statutory accounting principles no. 86 shall continue to  
22 be eligible for inclusion ~~on~~ in the legal reserve of the  
23 life insurance company or association subject to all of the  
24 following:

25 Sec. 72. Section 514J.109, subsection 3, paragraph f,  
26 if enacted by 2011 Iowa Acts, House File 597, section 9, is  
27 amended to read as follows:

28 f. The covered person or the covered person's authorized  
29 representative has provided all the information and forms  
30 required by the commissioner that are necessary to process an  
31 external review request pursuant to this section.

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

35 b. The filing of a risk-based capital report by a health



1 organization which indicates that the health organization has  
2 total adjusted capital which is greater than or equal to its  
3 company-action-level risk-based capital but less than the  
4 product of its authorized-control-level risk-based capital and  
5 three and triggers the trend test determined in accordance with  
6 the trend test ~~calculations~~ calculation included in the health  
7 risk-based capital instructions.

8 Sec. 74. Section 524.310, subsection 5, paragraph b, Code  
9 2011, as amended by 2011 Iowa Acts, Senate File 475, section  
10 120, is amended to read as follows:

11 b. A corporate or company name reserved, registered, or  
12 protected as provided in section 489.109, 490.402, 490.403,  
13 ~~490A.402~~, 504.402, or 504.403.

14 Sec. 75. Section 717.3, subsection 5, paragraph b, Code  
15 2011, as enacted by 2011 Iowa Acts, Senate File 478, section 6,  
16 is amended to read as follows:

17 b. That the department shall assume supervision of and  
18 provide for the sustenance of the livestock ~~and~~ as provided in  
19 section 717.4.

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

23 2. The court ordered lien shall be for the benefit of the  
24 department. The amount of the lien shall not be ~~not~~ more than  
25 for expenses incurred in providing sustenance to the livestock  
26 pursuant to section 717.3 and providing for the disposition of  
27 the livestock pursuant to section 717.5.

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

30 **717.4A Livestock in immediate need of sustenance — livestock**  
31 **remediation fund.**

32 The department may utilize the moneys deposited into the  
33 livestock remediation fund pursuant to section 459.501 to pay  
34 for any expenses associated with providing sustenance to or  
35 the disposition of the livestock pursuant to a court order

1 entered pursuant to section 717.3 or 717.5. The department  
2 shall utilize moneys from the fund only to the extent that  
3 the department determines that expenses cannot be timely  
4 paid by utilizing the available provisions of sections 717.4  
5 and 717.5. The department shall deposit any unexpended and  
6 unobligated moneys in the fund. The department shall pay to  
7 the fund the proceeds from the disposition of the livestock and  
8 associated products less expenses incurred by the department in  
9 providing for the sustenance and disposition of the livestock,  
10 as provided in section 717.5.

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

14 1. An inmate shall not be discharged from the custody  
15 of the director of the Iowa department of corrections until  
16 the inmate has served the full term for which the inmate was  
17 sentenced, less earned time and other credits earned and not  
18 forfeited, unless the inmate is pardoned or otherwise legally  
19 released. Earned time accrued and not forfeited shall apply  
20 to reduce a mandatory minimum sentence being served pursuant  
21 to section 124.406, 124.413, 902.7, 902.8, 902.8A, or 902.11.  
22 An inmate shall be deemed to be serving the sentence from the  
23 day on which the inmate is received into the institution. If  
24 an inmate was confined to a county jail or other correctional  
25 or mental facility at any time prior to sentencing, or after  
26 sentencing but prior to the case having been decided on appeal,  
27 because of failure to furnish bail or because of being charged  
28 with a nonbailable offense, the inmate shall be given credit  
29 for the days already served upon the term of the sentence.  
30 However, if a person commits any offense while confined in a  
31 county jail or other correctional or mental health facility,  
32 the person shall not be granted jail credit for that offense.  
33 Unless the inmate was confined in a correctional facility,  
34 the sheriff of the county in which the inmate was confined  
35 shall certify to the clerk of the district court from which

1 the inmate was sentenced and to the department of corrections'  
2 records administrator at the Iowa medical and classification  
3 center the number of days so served. The department of  
4 corrections' records administrator, or the administrator's  
5 designee, shall apply jail credit as ordered by the court  
6 of proper jurisdiction or as authorized by this section and  
7 section 907.3, subsection 3.

8 Sec. 79. EFFECTIVE DATES.

9 1. The section of this division of this Act amending section  
10 422.110, subsection 5, paragraph a, subparagraph (2), if  
11 enacted by 2011 Iowa Acts, Senate File 531, section 17, takes  
12 effect January 1, 2012.

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

16 Sec. 80. APPLICABILITY.

17 1. The section of this division of this Act amending section  
18 422.110, subsection 5, paragraph a, subparagraph (2), if  
19 enacted by 2011 Iowa Acts, Senate File 531, section 17, applies  
20 to tax years beginning on and after January 1, 2012.

21 2. The section of this division of this Act amending  
22 section 422.11Y, subsection 1, paragraph d, if enacted by 2011  
23 Iowa Acts, Senate File 531, section 35, applies to tax years  
24 beginning on and after January 1, 2012, and to that part of a  
25 retail dealer's tax year or tax years occurring during that  
26 portion of the calendar year beginning on and after July 1,  
27 2011, and ending on December 31, 2011.

28 3. The section of this division of this Act amending section  
29 422.11Y, subsection 3, unnumbered paragraph 1, if enacted by  
30 2011 Iowa Acts, Senate File 531, section 35, applies to tax  
31 years beginning on and after January 1, 2012, and to that part  
32 of a retail dealer's tax year or tax years occurring during  
33 that portion of the calendar year beginning on and after July  
34 1, 2011, and ending on December 31, 2011.

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

1 422.11Y, subsection 6, paragraph b, subparagraph (2), if  
2 enacted by 2011 Iowa Acts, Senate File 531, section 35, applies  
3 to tax years beginning on and after January 1, 2012, and to  
4 that part of a retail dealer's tax year or tax years occurring  
5 during that portion of the calendar year beginning on and after  
6 July 1, 2011, and ending on December 31, 2011.

7 DIVISION VII

8 MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

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

15 For a grant to a national affiliated volunteer eye  
16 organization that has an established program for children and  
17 adults and that is solely dedicated to preserving sight and  
18 preventing blindness through education, nationally certified  
19 vision screening and training, and community and patient  
20 service programs:

21 ..... \$ 100,000

22 Sec. 82. APPROPRIATION — FARMERS WITH DISABILITIES. There  
23 is appropriated from the general fund of the state to the  
24 department of agriculture and land stewardship for the fiscal  
25 year beginning July 1, 2011, and ending June 30, 2012, the  
26 following amount, or so much thereof as is necessary, for a  
27 program for farmers with disabilities:

28 ..... \$ 97,000

29 The moneys appropriated in this section shall be used  
30 for the public purpose of providing a grant to a national  
31 nonprofit organization with over 80 years of experience in  
32 assisting children and adults with disabilities and special  
33 needs. The moneys shall be used to support a nationally  
34 recognized program that began in 1986 and has been replicated  
35 in at least 30 other states, but which is not available through

1 any other entity in this state, and that provides assistance  
2 to farmers with disabilities in all 99 counties to allow the  
3 farmers to remain in their own homes and be gainfully engaged  
4 in farming through provision of agricultural worksite and home  
5 modification consultations, peer support services, services  
6 to families, information and referral, and equipment loan  
7 services. Notwithstanding section 8.33, moneys appropriated  
8 in this section that remain unencumbered or unobligated at the  
9 close of the fiscal year shall not revert but shall remain  
10 available for expenditure for the purposes designated until the  
11 close of the succeeding fiscal year.

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

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

18 ..... \$ 3,000,000

19 2. If the department of the navy, pursuant to a process  
20 outlined in a notice published in the federal register on  
21 May 24, 2010, volume 75, number 99, awards possession or  
22 conditionally awards possession of the battleship Iowa,  
23 BB-61, to a nonprofit group that is eligible to receive the  
24 battleship, the department of cultural affairs shall award a  
25 grant to the nonprofit group in an amount equal to \$3 million  
26 in addition to any moneys awarded as a grant from the BB-61  
27 fund.

28 3. Notwithstanding section 8.33, moneys appropriated in  
29 this section that remain unencumbered or unobligated at the  
30 close of the fiscal year shall not revert but shall remain  
31 available for expenditure for the purposes designated for  
32 succeeding fiscal years.

33 Sec. 84. GROUP HOME GRANT. There is appropriated from the  
34 general fund of the state to the Iowa finance authority for the  
35 fiscal year beginning July 1, 2010, and ending June 30, 2011,

1 the following amount, or so much thereof as is necessary, to be  
2 used for the purposes designated:

3 For a grant to a nonprofit organization providing  
4 residential services for persons with an intellectual  
5 disability at the intermediate care facility level and services  
6 under the medical assistance program habilitation and brain  
7 injury home and community-based services waivers, that is  
8 located in and providing such services in a county with a  
9 population between 90,000 and 95,000, according to the latest  
10 certified federal census:

11 ..... \$ 100,000

12 The grant under this section shall be used for purchase or  
13 remodeling costs to develop a group home for not more than four  
14 individuals with intellectual disabilities or brain injury.  
15 Notwithstanding section 8.33, moneys appropriated in this  
16 section that remain unencumbered or unobligated at the close of  
17 the fiscal year shall not revert but shall remain available for  
18 expenditure for the purposes designated until the close of the  
19 succeeding fiscal year.

20 Sec. 85. INVESTIGATIONS DIVISION OF DEPARTMENT OF  
21 INSPECTIONS AND APPEALS — CONTINGENT FTE AUTHORIZATION. If  
22 Senate File 313 or successor legislation providing for debt  
23 setoff or other recovery activities for nonpayment of premiums  
24 pursuant to section 249A.3, subsection 2, paragraph "a",  
25 subparagraph (1), relating to a special income eligibility  
26 group under the Medicaid program, or pursuant to section  
27 249J.8, subsection 1, relating to the expansion population  
28 eligibility group under the IowaCare program, is enacted by  
29 the Eighty-fourth General Assembly, 2011 Session, in addition  
30 to other full-time equivalent positions authorized for the  
31 investigations division of the department of inspections and  
32 appeals for the fiscal year beginning July 1, 2011, not more  
33 than 2.00 FTEs are authorized, to the extent funded through  
34 moneys available to the department of human services, to  
35 be used to implement such provisions of Senate File 313 or

1 successor legislation.

2     Sec. 86. SPECIAL EDUCATION INSTRUCTIONAL PROGRAM. If a  
3 school district that is participating on a contractual basis  
4 in a special education instructional program operated by an  
5 area education agency, in which the area education agency  
6 employed teachers on behalf of the school district at the time  
7 the department of management calculated the teacher salary  
8 supplement cost per pupil under section 257.10, subsection  
9 9, the professional development supplement cost per pupil  
10 under section 257.10, subsection 10, the area education agency  
11 teacher salary supplement cost per pupil under section 257.37A,  
12 subsection 1, and the area education agency professional  
13 development supplement cost per pupil under section 257.37A,  
14 subsection 2, for the fiscal year beginning July 1, 2009,  
15 terminates the contract for participation in the special  
16 education instructional program, the area education agency  
17 operating the program shall notify the department of management  
18 of the contract termination by the following April 1. The  
19 department of management shall recalculate the cost per  
20 pupil amounts for the area education agency and the school  
21 district for the fiscal year succeeding the notification  
22 date for the teacher salary supplement cost per pupil under  
23 section 257.10, subsection 9, the professional development  
24 supplement cost per pupil under section 257.10, subsection  
25 10, the area education agency teacher salary supplement cost  
26 per pupil under section 257.37A, subsection 1, and the area  
27 education agency professional development supplement cost  
28 per pupil under section 257.37A, subsection 2, by estimating  
29 the amount of the original allocations used in the cost per  
30 pupil calculation that would have been allocated to the school  
31 district rather than the area education agency had the special  
32 education instructional program not existed, and the department  
33 of management shall increase the annual supplement cost per  
34 pupil for the school district and area education agency by the  
35 appropriate allowable growth for the appropriate fiscal years.

1     Sec. 87.   TASK FORCE ON THE PREVENTION OF SEXUAL ABUSE OF  
2 CHILDREN.

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

5     a.   Four members of the general assembly serving as ex  
6 officio, nonvoting members, with not more than one member from  
7 each chamber being from the same political party. The two  
8 senators shall be appointed, one each, by the majority leader  
9 of the senate and by the minority leader of the senate. The two  
10 representatives shall be appointed, one each, by the speaker of  
11 the house of representatives and by the minority leader of the  
12 house of representatives.

13    b.   The director of human services or the director's  
14 designee.

15    c.   The director of the department of education or the  
16 director's designee.

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

18    e.   The state court administrator or the state court  
19 administrator's designee.

20    f.   A representative of the Iowa county attorneys  
21 association, appointed by the president of that association.

22    g.   A representative of the chief juvenile court officers,  
23 appointed by the chief justice of the supreme court.

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

26    i.   A representative of prevent child abuse Iowa, appointed  
27 by the director of human services.

28    j.   A representative of school administrators of Iowa,  
29 appointed by the president of that organization.

30    k.   A representative of the Iowa association of school  
31 boards, appointed by the executive director of that  
32 organization.

33    l.   A representative of the Iowa psychological association,  
34 appointed by the president of that association.

35    m.   A representative of the Iowa coalition against sexual



1 assault, appointed by the executive director of that coalition.

2 n. A representative of prevent child abuse Iowa, appointed  
3 by the executive director of that organization.

4 o. A child abuse expert employed by or under contract with  
5 one of Iowa's nationally accredited child protection centers,  
6 appointed by the director of the regional child protection  
7 center located in Des Moines.

8 2. Members of the task force shall be individuals who are  
9 actively involved in the fields of child abuse prevention. To  
10 the extent possible, appointment of members shall reflect the  
11 geographic diversity of the state. The voting members of the  
12 task force shall serve without compensation and shall not be  
13 reimbursed for their expenses.

14 3. The director of prevent child abuse Iowa, or the  
15 director's designee, shall convene the organizational meeting  
16 of the task force. The task force shall elect from among  
17 its members a chairperson. Meetings shall be held at the  
18 call of the chairperson or at the request of two or more task  
19 force members. Six members shall constitute a quorum and the  
20 affirmative vote of six members shall be necessary for any  
21 action taken by the task force.

22 4. Prevent child abuse Iowa shall provide staff support to  
23 the task force.

24 5. The task force shall consult with employees of the  
25 department of human services, the Iowa coalition against sexual  
26 assault, the department of public safety, the state board  
27 of education, and any other state agency or department as  
28 necessary to accomplish the task force's responsibilities under  
29 this section.

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

33 a. Age-appropriate curricula for students enrolled in  
34 prekindergarten through grade five.

35 b. Training options for school personnel on child sexual

1 abuse.

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

6 d. Counseling options and resources available statewide for  
7 students affected by sexual abuse.

8 e. Emotional and educational support services that may  
9 be available for a child subject to abuse to continue to be  
10 successful in school.

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

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

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

20 a. Gather information concerning child sexual abuse  
21 throughout the state.

22 b. Receive reports and testimony from individuals, state  
23 and local agencies, community-based organizations, and other  
24 public and private organizations.

25 c. Create goals for state policy that would prevent child  
26 sexual abuse.

27 d. Submit a final report with its recommendations to the  
28 governor and the general assembly on or before January 16,  
29 2012. The recommendations may include proposals for specific  
30 statutory changes and methods to foster cooperation among state  
31 agencies and between the state, local school districts, and  
32 other local governments.

33 Sec. 88. RAILROAD COMPANY — LIMITED LIABILITY. A railroad  
34 company which alters facilities described in section 327F.2  
35 pursuant to a written agreement executed on or before December

1 31, 2012, with a political subdivision with a population of  
2 more than 67,800, but less than 67,900, according to the 2010  
3 certified federal census, to construct a flood mitigation  
4 project shall receive the limitation on liability contained  
5 in section 670.4, subsection 8, for its facilities described  
6 in section 327F.2 governed by the written agreement for any  
7 damages caused by the alteration due to a flood.

8     Sec. 89. STATE AGENCY OFFICE SUPPLIES PURCHASE,  
9 EQUIPMENT PURCHASES, PRINTING AND BINDING, AND MARKETING  
10 — APPLICABILITY. The limitation on expenditures made for  
11 office supplies, purchases of equipment, office equipment, and  
12 equipment noninventory, printing and binding, and marketing  
13 implemented pursuant to 2011 Iowa Acts, House File 45, section  
14 2, does not apply to a department or agency receiving a  
15 supplemental appropriation for the fiscal year beginning July  
16 1, 2010, pursuant to 2011 Iowa Acts, Senate File 209, division  
17 III.

18     Sec. 90. ELECTIONS-RELATED SOFTWARE.

19     Any computer software developed by a county for purposes of  
20 election activities is the property of the county unless the  
21 county sells the rights to the software.

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

23     1. 2011 Iowa Acts, Senate File 205, section 3, amending  
24 section 321.47, subsection 2, being deemed of immediate  
25 importance, takes effect on the effective date of this section  
26 of this division of this Act.

27     2. 2011 Iowa Acts, Senate File 205, section 4, enacting  
28 section 321.113, subsection 5, being deemed of immediate  
29 importance, takes effect on the effective date of this section  
30 of this division of this Act.

31     3. 2011 Iowa Acts, Senate File 205, section 5, amending  
32 section 321.121, subsection 1, paragraph "b", being deemed of  
33 immediate importance, takes effect on the effective date of  
34 this section of this division of this Act.

35     4. 2011 Iowa Acts, Senate File 205, section 6, enacting

1 section 321.122, subsection 1, paragraph "b", subparagraph  
2 (3), being deemed of immediate importance, takes effect on the  
3 effective date of this section of this division of this Act.

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

7 1. An Iowa law enforcement academy council is created  
8 consisting of the following ~~thirteen~~ fifteen voting members  
9 appointed by the governor, subject to confirmation by the  
10 senate, to terms of four years commencing as provided in  
11 section 69.19:

12 a. Three residents of the state.

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

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

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

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

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

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

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

26 i. A police officer who is a member of a police department  
27 of a city with a population of less than fifty thousand  
28 persons.

29 j. A member of the department of public safety.

30 k. A member of the office of motor vehicle enforcement of  
31 the department of transportation.

32 l. An employee of a county conservation board who is a  
33 certified peace officer.

34 m. A conservation peace officer employed under section  
35 456A.13.

1 Sec. 93. Section 256C.5, subsection 1, paragraph c, Code  
2 2011, is amended to read as follows:

3 c. "*Preschool budget enrollment*" means the figure that  
4 is equal to ~~sixty~~ fifty percent of the actual enrollment of  
5 eligible students in the preschool programming provided by  
6 a school district approved to participate in the preschool  
7 program on October 1 of the base year, or the first Monday in  
8 October if October 1 falls on a Saturday or Sunday.

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

11 2. a. Funds allocated under subsection 1, paragraph "b",  
12 shall be used by the child development coordinating council for  
13 the following:

14 ~~a.~~ (1) To continue funding for programs previously  
15 funded by grants awarded under section 256A.3 and to provide  
16 additional grants under section 256A.3. The council shall seek  
17 to provide grants on the basis of the location within the state  
18 of children meeting at-risk definitions.

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

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

25 ~~(2)~~ (b) To provide grants to provide educational support  
26 services to parents of at-risk children age birth through three  
27 years.

28 b. A grantee under this subsection may direct the use of  
29 moneys received to serve any qualifying child ranging in age  
30 from three years old to five years old, regardless of the age  
31 of population indicated on the grant request in its initial  
32 year of application. A grantee is encouraged to consider the  
33 degree to which the program complements existing programs and  
34 services for three-year-old, four-year-old, and five-year-old  
35 at-risk children available in the area, including other child

1 care and preschool services, services provided through a school  
2 district, and services available through an area education  
3 agency.

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

7 1. The state historic preservation officer shall only  
8 recommend that a rural electric cooperative or a municipal  
9 utility constructing electric distribution and transmission  
10 facilities for which it is receiving federal funding conduct  
11 an archeological site survey of its proposed route when, based  
12 upon a review of existing information on historic properties  
13 within the area of potential effects of the construction, the  
14 state historic preservation officer has determined that a  
15 historic property, as defined by the federal National Historic  
16 Preservation Act of 1966, as amended, is likely to exist within  
17 the proposed route.

18 Sec. 96. Section 321J.2, subsection 4, paragraph b, Code  
19 2011, is amended to read as follows:

20 b. Assessment of a minimum fine of one thousand eight  
21 hundred ~~thirty~~ seventy-five dollars and a maximum fine of six  
22 thousand two hundred fifty dollars. Surcharges and fees shall  
23 be assessed pursuant to chapter 911.

24 Sec. 97. Section 422.11S, subsection 7, paragraph a,  
25 subparagraph (2), Code 2011, is amended to read as follows:

26 (2) *"Total approved tax credits"* means for the tax year  
27 beginning in the 2006 calendar year, two million five hundred  
28 thousand dollars, for the tax year beginning in the 2007  
29 calendar year, five million dollars, and for tax years  
30 beginning on or after January 1, 2008, seven million five  
31 hundred thousand dollars. However, for tax years beginning on  
32 or after January 1, 2012, and only if legislation is enacted  
33 by the eighty-fourth general assembly, 2011 session, amending  
34 section 257.8, subsections 1 and 2, to establish both the state  
35 percent of growth and the categorical state percent of growth

1 for the budget year beginning July 1, 2012, at three percent,  
2 "total approved tax credits" means ten million dollars.

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

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

20 Sec. 99. Section 453A.35A, subsection 1, Code 2011, is  
21 amended to read as follows:

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

1 specified. Moneys in the fund are not subject to section 8.33  
2 and shall not be transferred, used, obligated, appropriated,  
3 or otherwise encumbered, except as provided in this section.  
4 Notwithstanding section 12C.7, subsection 2, interest or  
5 earnings on moneys deposited in the fund shall be credited to  
6 the fund.

7 Sec. 100. Section 466B.31, subsection 2, paragraph a, Code  
8 2011, is amended by adding the following new subparagraphs:

9 NEW SUBPARAGRAPH. (17) One member selected by the  
10 agribusiness association of Iowa.

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

13 NEW SUBPARAGRAPH. (19) One member selected by Iowa rivers  
14 revival.

15 Sec. 101. Section 523I.102, subsection 6, paragraph c, Code  
16 2011, is amended to read as follows:

17 c. A pioneer cemetery. However, a pioneer cemetery is a  
18 cemetery for purposes of sections 523I.316, 523I.317, 523I.401,  
19 and 523I.402.

20 Sec. 102. Section 537A.5, subsection 1, as enacted by 2011  
21 Iowa Acts, Senate File 396, section 1, is amended to read as  
22 follows:

23 1. As used in this section, "*construction contract*"  
24 means an agreement relating to the construction, alteration,  
25 improvement, development, demolition, excavation,  
26 rehabilitation, maintenance, or repair of buildings, highways,  
27 roads, streets, bridges, tunnels, transportation facilities,  
28 airports, water or sewage treatment plants, power plants,  
29 or any other improvements to real property in this state,  
30 including shafts, wells, and structures, whether on ground,  
31 above ground, or underground, and includes agreements for  
32 architectural services, design services, engineering services,  
33 construction services, construction management services,  
34 development services, maintenance services, material purchases,  
35 equipment rental, and labor. "*Construction contract*" includes



1 all public, private, foreign, or domestic agreements as  
2 described in this subsection other than such public agreements  
3 relating to highways, roads, and streets.

4 Sec. 103. Section 654.4B, subsection 2, paragraph b, Code  
5 2011, is amended to read as follows:

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

7 Sec. 104. APPLICABILITY. The section of this division of  
8 this Act amending section 256C.5, subsection 1, takes effect  
9 upon enactment, and applies to budget years beginning on or  
10 after July 1, 2011.

11 Sec. 105. EFFECTIVE UPON ENACTMENT. The following  
12 provision or provisions of this division of this Act, being  
13 deemed of immediate importance, take effect upon enactment:

14 1. The section of this division of this Act amending section  
15 303.19A.

16 2. The section of this division of this Act amending section  
17 654.4B.

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

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

23 5. The section of this division of this Act providing  
24 effective dates for certain provisions in 2011 Iowa Acts,  
25 Senate File 205.

26 6. The section in this division of this Act making an  
27 appropriation to the Iowa finance authority for a group home  
28 grant.

29 7. The section of this division of this Act relating to  
30 a school district participating on a contractual basis in a  
31 special education instructional program operated by an area  
32 education agency.

33 Sec. 106. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
34 APPLICABILITY. The provision of this division of this Act  
35 relating to a limitation on state agency office supplies

1 purchase, equipment purchases, printing and binding, and  
2 marketing as enacted by 2011 Iowa Acts, House File 45, being  
3 deemed of immediate importance, takes effect upon enactment and  
4 applies retroactively to March 7, 2011.

5 DIVISION VIII

6 APPROPRIATION TRANSFERS

7 REBUILD IOWA INFRASTRUCTURE FUND

8 Sec. 107. 2010 Iowa Acts, chapter 1184, section 26, is  
9 amended to read as follows:

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

16 ..... \$ 38,000,000

17 Of the moneys appropriated in this section, from the  
18 amount allocated to the department of economic development  
19 in accordance with 2010 Iowa Acts, chapter 1184, section 28,  
20 subsection 1, \$1,200,000 shall be used for the department's  
21 Iowans helping Iowans business assistance program.  
22 Notwithstanding section 8.33, moneys designated pursuant  
23 to this unnumbered paragraph that remain unencumbered or  
24 unobligated at the close of the fiscal year shall not revert  
25 but shall remain available for expenditure for the purposes  
26 designated until the close of the succeeding fiscal year.

27 CASH RESERVE FUND

28 Sec. 108. 2010 Iowa Acts, chapter 1193, section 90,  
29 subsection 1, is amended to read as follows:

30 1. DEPARTMENT OF HUMAN SERVICES

31 For the medical assistance program:

32 ..... \$187,800,000

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

35 (1) To the Iowa finance authority to be used for the Iowans

1 helping Iowans housing assistance program:

2 ..... \$ 6,050,000

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

5 ..... \$ 3,056,603

6 b. Notwithstanding section 8.33, moneys transferred  
7 pursuant to paragraph "a" that remain unencumbered or  
8 unobligated at the close of the fiscal year shall not revert  
9 but shall remain available for expenditure for the purposes  
10 designated until the close of the succeeding fiscal year.

11 Sec. 109. EFFECTIVE DATE — APPLICABILITY.

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

16 2. The provisions of this division of this Act providing  
17 for transfers are retroactively applicable to August 27,  
18 2010, and apply in lieu of the transfers made for the same  
19 purposes by the executive branch, as reported by the department  
20 of management in the transfer notice to the governor and  
21 lieutenant governor dated August 27, 2010.

22 DIVISION IX

23 REORGANIZATION

24 Sec. 110. NEW SECTION. 8.75 **Contract services — training.**

25 1. Each department, as defined in section 8.2, shall  
26 separately track the budget and actual expenditures for  
27 contract services and for employee training for each  
28 appropriation line item.

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

32 3. The employee training tracking information shall be  
33 further divided into training categories. Each department's  
34 report on training tracking shall specifically address the use  
35 of electronically based training.

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

6 Sec. 111. NEW SECTION. 8A.319 State government purchasing  
7 efforts — department of administrative services.

8 In order to facilitate efficient and cost-effective  
9 purchasing, the department of administrative services shall do  
10 the following:

11 1. Require state agencies to provide the department with  
12 a report regarding planned purchases on an annual basis and  
13 to report on an annual basis regarding efforts to standardize  
14 products and services within their own agencies and with other  
15 state agencies.

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

19 3. Identify procurement compliance employees within the  
20 department.

21 4. Review the process and basis for establishing  
22 departmental fees for purchasing.

23 5. Establish a work group to collaborate on best practices  
24 to implement the best cost savings for the state concerning  
25 purchasing.

26 6. Explore interstate and intergovernmental purchasing  
27 opportunities and encourage the legislative and judicial  
28 branches to participate in consolidated purchasing and  
29 efficiencies wherever possible.

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

32 Sec. 112. DEPARTMENT OF ADMINISTRATIVE SERVICES INFORMATION  
33 TECHNOLOGY — UTILIZATION BY LEGISLATIVE AND JUDICIAL  
34 BRANCH. The department of administrative services shall  
35 consult with and explore opportunities with the legislative

1 and judicial branches of government relative to the providing  
2 of information technology services to those branches of  
3 government.

4     Sec. 113. STATE AGENCY ELECTRONIC RENEWAL NOTICES. State  
5 agencies, as defined in section 8A.101, should, to the greatest  
6 extent possible, utilize electronic mail or similar electronic  
7 means to notify holders of licenses or permits issued by that  
8 state agency that the license or permit needs to be renewed.  
9 The chief information officer of the state shall assist state  
10 agencies in implementing the directive in this section.

11     Sec. 114. STATE AGENCY EFFICIENCY EFFORTS.

12     1. LEAN EFFORTS. State agencies shall budget for and plan  
13 to conduct lean projects as described in section 8.70. Each  
14 state agency shall coordinate its activities with the office of  
15 lean enterprise created in section 8.70 in developing plans to  
16 conduct lean projects.

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

21     Sec. 115. JOINT APPROPRIATIONS SUBCOMMITTEES — REVIEW OF  
22 AGENCY FEES. Each joint appropriations subcommittee of the  
23 general assembly shall examine and review on an annual basis  
24 the fees charged by state agencies under the purview of that  
25 joint appropriations subcommittee.

26     Sec. 116. DEPARTMENT OF ADMINISTRATIVE SERVICES —  
27 STREAMLINED HIRING. The department of administrative services  
28 shall, in consultation with the department of management,  
29 examine the process by which state agencies hire personnel  
30 with the goal of simplifying and reducing the steps needed  
31 for state agencies to hire personnel. The department shall  
32 provide information to the general assembly concerning steps  
33 taken to implement a more streamlined hiring process and any  
34 recommendations for legislative action.

35     Sec. 117. TOBACCO RETAIL COMPLIANCE CHECKS. For the

1 fiscal year beginning July 1, 2011, and ending June 30, 2012,  
2 the terms of a chapter 28D agreement, entered into between  
3 the division of tobacco use prevention and control of the  
4 department of public health and the alcoholic beverages  
5 division of the department of commerce, governing compliance  
6 checks conducted to ensure licensed retail tobacco outlet  
7 conformity with tobacco laws, regulations, and ordinances  
8 relating to persons under eighteen years of age, shall restrict  
9 the number of such checks to one check per retail outlet, and  
10 one additional check for any retail outlet found to be in  
11 violation during the first check.

12     Sec. 118. DEPARTMENT OF ADMINISTRATIVE SERVICES —  
13 CENTRALIZED PAYROLL SYSTEM. The department of administrative  
14 services shall examine the possibility of merging all state  
15 payroll systems into the centralized payroll system operated  
16 by the department. The department shall consult with those  
17 entities of state government not utilizing the centralized  
18 payroll system, including but not limited to the state  
19 department of transportation, about strategies for encouraging  
20 utilization of the state's centralized payroll system and by  
21 identifying those barriers preventing merging of the payroll  
22 systems. The department shall provide information to the joint  
23 appropriations subcommittee on administration and regulation  
24 concerning efforts by the department to merge payroll systems  
25 and any recommendations for legislative action to encourage, or  
26 eliminate barriers to, the provision of payroll services by the  
27 department to other state agencies.

28                                   DIVISION X

29                                   MEDICATION THERAPY MANAGEMENT

30     Sec. 119. 2010 Iowa Acts, chapter 1193, section 166,  
31 subsections 2 and 3, are amended to read as follows:

32     2. a. Prior to July 1, 2010, the department of  
33 administrative services shall utilize a request for proposals  
34 process to contract for the provision of medication therapy  
35 management services beginning July 1, 2010, and prior to July

1 1, 2011, shall amend the contract to continue the provision of  
2 medication therapy management services beginning July 1, 2011,  
3 for eligible employees who meet any of the following criteria:

4 (1) An individual who takes four or more prescription drugs  
5 to treat or prevent two or more chronic medical conditions.

6 (2) An individual with a prescription drug therapy problem  
7 who is identified by the prescribing physician or other  
8 appropriate prescriber, and referred to a pharmacist for  
9 medication therapy management services.

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

12 ~~b. The department of administrative services shall~~  
13 ~~utilize an advisory committee comprised of an equal number of~~  
14 ~~physicians and pharmacists to provide advice and oversight~~  
15 ~~regarding the request for proposals and evaluation processes.~~  
16 ~~The department shall appoint the members of the advisory~~  
17 ~~council based upon designees of the Iowa pharmacy association,~~  
18 ~~the Iowa medical society, and the Iowa osteopathic medical~~  
19 ~~association.~~

20 e. b. The contract shall require the company to provide  
21 annual reports to the general assembly detailing the costs,  
22 savings, estimated cost avoidance and return on investment,  
23 and patient outcomes related to the medication therapy  
24 management services provided. The company shall guarantee  
25 demonstrated annual savings, including any savings associated  
26 with cost avoidance at least equal to the program's costs  
27 with any shortfall amount refunded to the state. As a proof  
28 of concept in the program for the period beginning July 1,  
29 2010, and ending June 30, 2011, the company shall offer a  
30 dollar-for-dollar guarantee for drug product costs savings  
31 alone. Prior to entering into a contract with a company,  
32 the department and the company shall agree on the terms,  
33 conditions, and applicable measurement standards associated  
34 with the demonstration of savings. The department shall verify  
35 the demonstrated savings reported by the company was performed

1 in accordance with the agreed upon measurement standards. The  
2 company shall be prohibited from using the company's employees  
3 to provide the medication therapy management services and shall  
4 instead be required to contract with licensed pharmacies,  
5 pharmacists, or physicians.

6 d. The fees for pharmacist-delivered medication therapy  
7 management services shall be separate from the reimbursement  
8 for prescription drug product or dispensing services; shall  
9 be determined by each third-party payment provider contract,  
10 policy, or plan; and must be reasonable based on the resources  
11 and time required to provide the service.

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

17 f. If any part of the medication therapy management  
18 plan developed by a pharmacist incorporates services which  
19 are outside the pharmacist's independent scope of practice  
20 including the initiation of therapy, modification of dosages,  
21 therapeutic interchange, or changes in drug therapy, the  
22 express authorization of the individual's physician or other  
23 appropriate prescriber is required.

24 g. For the contract period beginning July 1, 2011, the  
25 department shall utilize the services of the college of  
26 pharmacy at a state university to validate reported drug cost  
27 savings.

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

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

32 Sec. 120. TRANSFER — MEDICATION THERAPY MANAGEMENT  
33 PROGRAM. There is transferred \$510,000 from the fees collected  
34 by the board of pharmacy pursuant to chapter 155A and retained  
35 by the board pursuant to the authority granted in section



1 147.82 to the department of administrative services for the  
2 fiscal year beginning July 1, 2011, and ending June 30, 2012,  
3 to be used to be used for the medication therapy management  
4 program.

5 Sec. 121. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
6 APPLICABILITY. This division of this Act, being deemed of  
7 immediate importance, takes effect upon enactment, and is  
8 retroactively applicable to June 15, 2011.

9 DIVISION XI

10 EARNED INCOME TAX CREDIT

11 Sec. 122. Section 422.12B, subsection 1, Code 2011, is  
12 amended to read as follows:

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

18 Sec. 123. RETROACTIVE APPLICABILITY. This division of this  
19 Act applies retroactively to January 1, 2011, for tax years  
20 beginning on or after that date.

21 DIVISION XII

22 REGULAR PROGRAM AND CATEGORICAL STATE PERCENT  
23 OF GROWTH FOR EDUCATION — FY 2012-2013

24 Sec. 124. Section 257.8, subsection 1, Code 2011, is amended  
25 to read as follows:

26 1. *State percent of growth.* ~~The state percent of growth~~  
27 ~~for the budget year beginning July 1, 2009, is four percent.~~  
28 The state percent of growth for the budget year beginning July  
29 1, 2010, is two percent. The state percent of growth for the  
30 budget year beginning July 1, 2012, is three percent. The  
31 state percent of growth for each subsequent budget year shall  
32 be established by statute which shall be enacted within thirty  
33 days of the submission in the year preceding the base year of  
34 the governor's budget under section 8.21. The establishment of  
35 the state percent of growth for a budget year shall be the only

1 subject matter of the bill which enacts the state percent of  
2 growth for a budget year.

3 Sec. 125. Section 257.8, subsection 2, Code 2011, is amended  
4 to read as follows:

5 2. *Categorical state percent of growth.* The categorical  
6 state percent of growth for the budget year beginning July 1,  
7 2010, is two percent. The categorical state percent of growth  
8 for the budget year beginning July 1, 2012, is three percent.  
9 The categorical state percent of growth for each budget year  
10 shall be established by statute which shall be enacted within  
11 thirty days of the submission in the year preceding the  
12 base year of the governor's budget under section 8.21. The  
13 establishment of the categorical state percent of growth for a  
14 budget year shall be the only subject matter of the bill which  
15 enacts the categorical state percent of growth for a budget  
16 year. The categorical state percent of growth may include  
17 state percents of growth for the teacher salary supplement, the  
18 professional development supplement, and the early intervention  
19 supplement.

20 Sec. 126. CODE SECTION 257.8 — APPLICABILITY. The  
21 requirements of section 257.8 regarding the time period  
22 of enactment and the subject matter of the legislation  
23 establishing the state percent of growth and the categorical  
24 state percent of growth for a budget year are not applicable  
25 to the division. The requirements of section 257.8 regarding  
26 enactment of the regular program state percent of growth and  
27 categorical state percent of growth within thirty days of  
28 the submission in the year preceding the base year of the  
29 governor's budget and the requirements that the subject matter  
30 of each bill establishing the state percent of growth or the  
31 categorical state percent of growth be the only subject matter  
32 of the bill do not apply to this division of this Act.

33 Sec. 127. APPLICABILITY. This division of this Act is  
34 applicable for computing state aid under the state school  
35 foundation program for the school budget year beginning July

1 1, 2012.

2 DIVISION XIII

3 WITHHOLDING AGREEMENTS

4 Sec. 128. Section 403.19A, subsection 1, paragraphs c and f,  
5 Code 2011, are amended to read as follows:

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

9 *f.* "*Targeted job*" means a job in a business which is or  
10 will be located in an urban renewal area of a pilot project  
11 city that pays a wage at least equal to the countywide average  
12 wage. "*Targeted job*" includes new or retained jobs from Iowa  
13 business expansions or retentions within the city limits of the  
14 pilot project city and those jobs resulting from established  
15 out-of-state businesses, as defined by the department of  
16 economic development, moving to or expanding in Iowa.

17 Sec. 129. Section 403.19A, subsection 3, paragraph c,  
18 subparagraph (1), Code 2011, is amended to read as follows:

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

1 seeking assistance from the department.

2 Sec. 130. Section 403.19A, subsection 3, paragraph f, Code  
3 2011, is amended to read as follows:

4 *f.* If the employer ceases to meet the requirements of the  
5 withholding agreement, the agreement shall be terminated and  
6 any withholding tax credits for the benefit of the employer  
7 shall cease. However, in regard to the number of ~~new~~ jobs  
8 that are to be created or retained, if the employer has met  
9 the number of ~~new~~ jobs to be created or retained pursuant to  
10 the withholding agreement and subsequently the number of ~~new~~  
11 jobs falls below the required level, the employer shall not  
12 be considered as not meeting the ~~new~~ job requirement until  
13 eighteen months after the date of the decrease in the number of  
14 ~~new~~ jobs created or retained.

15 Sec. 131. EFFECTIVE UPON ENACTMENT AND RETROACTIVE  
16 APPLICABILITY. This division of this Act, being deemed of  
17 immediate importance, takes effect upon enactment and applies  
18 retroactively to July 1, 2006, for agreements entered into on  
19 or after that date.

20 DIVISION XIV

21 SCHOOL EMPLOYEE MISCONDUCT

22 Sec. 132. Section 272.2, subsection 1, paragraph b, Code  
23 2011, is amended by striking the paragraph and inserting in  
24 lieu thereof the following:

25 *b.* Provide annually to any person who holds a license,  
26 certificate, authorization, or statement of recognition  
27 issued by the board, training relating to the knowledge and  
28 understanding of the board's code of professional conduct and  
29 ethics. The board shall develop a curriculum that addresses  
30 the code of professional conduct and ethics and shall annually  
31 provide regional training opportunities throughout the state.

32 Sec. 133. Section 272.15, subsection 1, Code 2011, is  
33 amended to read as follows:

34 1. *a.* The board of directors of a school district or area  
35 education agency, the superintendent of a school district or

1 the chief administrator of an area education agency, and the  
2 authorities in charge of a nonpublic school shall report to the  
3 board the nonrenewal or termination, for reasons of alleged  
4 or actual misconduct, of a person's contract executed under  
5 sections 279.12, 279.13, 279.15 through 279.21, 279.23, and  
6 279.24, and the resignation of a person who holds a license,  
7 certificate, or authorization issued by the board as a result  
8 of or following an incident or allegation of misconduct that,  
9 if proven, would constitute a violation of the rules adopted  
10 by the board to implement section 272.2, subsection 14,  
11 paragraph "b", subparagraph (1), when the board or reporting  
12 official has a good faith belief that the incident occurred  
13 or the allegation is true. The board may deny a license or  
14 revoke the license of an administrator if the board finds by  
15 a preponderance of the evidence that the administrator failed  
16 to report the termination or resignation of a school employee  
17 holding a license, certificate, statement of professional  
18 recognition, or coaching authorization, for reasons of alleged  
19 or actual misconduct, as defined by this section.

20 b. Information reported to the board in accordance with this  
21 section is privileged and confidential, and except as provided  
22 in section 272.13, is not subject to discovery, subpoena, or  
23 other means of legal compulsion for its release to a person  
24 other than the respondent and the board and its employees and  
25 agents involved in licensee discipline, and is not admissible  
26 in evidence in a judicial or administrative proceeding other  
27 than the proceeding involving licensee discipline. The board  
28 shall review the information reported to determine whether a  
29 complaint should be initiated. In making that determination,  
30 the board shall consider the factors enumerated in section  
31 272.2, subsection 14, paragraph "a".

32 c. For purposes of this section, unless the context  
33 otherwise requires, "misconduct" means an action disqualifying  
34 an applicant for a license or causing the license of a person  
35 to be revoked or suspended in accordance with the rules

1 adopted by the board to implement section 272.2, subsection 14,  
2 paragraph "b", subparagraph (1).

3 Sec. 134. Section 280.17, Code 2011, is amended to read as  
4 follows:

5 **280.17 Procedures for handling child abuse reports.**

6 1. The board of directors of a ~~public~~ school district  
7 and the authorities in ~~control~~ charge of a nonpublic school  
8 shall prescribe procedures, in accordance with the guidelines  
9 contained in the model policy developed by the department  
10 of education in consultation with the department of human  
11 services, and adopted by the department of education pursuant  
12 to chapter 17A, for the handling of reports of child abuse, as  
13 defined in section 232.68, subsection 2, paragraph "a", "c", or  
14 "e", alleged to have been committed by an employee or agent of  
15 the public or nonpublic school.

16 2. a. The board of directors of a school district and the  
17 authorities in charge of an accredited nonpublic school shall  
18 place on administrative leave a school employee who is the  
19 subject of an investigation of an alleged incident of abuse of  
20 a student conducted in accordance with 281 IAC 102.

21 b. If the results of an investigation of abuse of a  
22 student by a school employee who holds a license, certificate,  
23 authorization, or statement of recognition issued by the board  
24 of educational examiners finds that the school employee's  
25 conduct constitutes a crime under any other statute, the board  
26 or the authorities, as appropriate, shall report the results of  
27 the investigation to the board of educational examiners.

28 Sec. 135. Section 280.27, Code 2011, is amended to read as  
29 follows:

30 **280.27 Reporting violence — immunity.**

31 An employee of a school district, an accredited nonpublic  
32 school, or an area education agency who participates in good  
33 faith and acts reasonably in the making of a report to, or  
34 investigation by, an appropriate person or agency regarding  
35 violence, threats of violence, physical or sexual abuse of

1 a student, or other inappropriate activity against a school  
2 employee or student in a school building, on school grounds,  
3 or at a school-sponsored function shall be immune from civil  
4 or criminal liability relating to such action, as well as for  
5 participating in any administrative or judicial proceeding  
6 resulting from or relating to the report or investigation.

7 DIVISION XV

8 STATE FAIR AUTHORITY

9 Sec. 136. Section 173.1, subsection 4, Code 2011, is amended  
10 to read as follows:

11 4. A treasurer to be elected by the board ~~who shall serve as~~  
12 ~~a nonvoting member~~ from the elected directors.

13 Sec. 137. REPEAL. Section 173.12, Code 2011, is repealed.

14 DIVISION XVI

15 CONTROLLED SUBSTANCES

16 Sec. 138. CONTROLLED SUBSTANCE COLLECTION AND DISPOSAL  
17 PROGRAM. A person in possession of or a retailer selling a  
18 controlled substance designated in section 124.204, subsection  
19 4, paragraph "ai", subparagraphs (1) through (4), if enacted,  
20 shall be required to transfer such controlled substance to the  
21 department of public safety for destruction. The department of  
22 public safety shall establish a controlled substance collection  
23 and disposal program for a controlled substance designated in  
24 section 124.204, subsection 4, paragraph "ai", subparagraphs  
25 (1) through (4). The department of public safety may partner  
26 with a third party, including a local enforcement agency, to  
27 implement and administer the program. The program shall be  
28 dissolved thirty days after the enactment date of section  
29 124.204, subsection 4, paragraph "ai", subparagraphs (1)  
30 through (4).

31 Sec. 139. APPLICABILITY — CRIMINAL PENALTIES. Criminal  
32 penalties do not apply to violations associated with the  
33 substances designated controlled substances in section 124.204,  
34 subsection 4, paragraph "ai", subparagraphs (1) through (4),  
35 if enacted, until thirty days after the enactment date of

1 section 124.204, subsection 4, paragraph "ai", subparagraphs  
2 (1) through (4).

3 Sec. 140. 2011 Iowa Acts, Senate File 510, section 28, if  
4 enacted, is amended to read as follows:

5 SEC. 28. EFFECTIVE DATE. The following provision of this  
6 division of this Act takes effect thirty days after enactment,  
7 ~~notwithstanding section 3.7 of this Act or thirty days after~~  
8 the enactment of 2011 Iowa Acts, Senate File 538, if enacted,  
9 whichever is later:

10 The section of this division of this Act ~~amending~~ enacting  
11 section 124.204, subsection 4, paragraph "ai", subparagraphs  
12 (1) through (4).

13 Sec. 141. 2011 Iowa Acts, Senate File 510, section 29, if  
14 enacted, is amended to read as follows:

15 SEC. 29. EFFECTIVE UPON ENACTMENT. The following provision  
16 of this division of this Act, being deemed of immediate  
17 importance, ~~and notwithstanding section 3.7~~ takes effect upon  
18 enactment of this Act or upon enactment of 2011 Iowa Acts,  
19 Senate File 538, if enacted, whichever is later:

20 The section of this Act ~~amending~~ enacting section 124.204,  
21 subsection 4, paragraph "ai", subparagraph (5).

22 Sec. 142. EFFECTIVE UPON ENACTMENT. This division of this  
23 Act, being deemed of immediate importance, takes effect upon  
24 enactment of this Act or upon the enactment of 2011 Iowa Acts,  
25 Senate File 510, if enacted, whichever is later.

26 DIVISION XVII

27 RADIOS

28 Sec. 143. 2011 Iowa Acts, Senate File 509, section 22,  
29 subsections 2 and 3, if enacted, are amended to read as  
30 follows:

31 ~~2. Of the amount appropriated in subsection 1, the~~  
32 ~~department of natural resources may enter into a public-private~~  
33 ~~partnership, through a competitive bidding process, for~~  
34 ~~the provision of the statewide network and the purchase of~~  
35 ~~compatible equipment. The mobile radios purchased by the~~



1 department pursuant to subsection 1 shall be compatible with  
2 a statewide public safety radio network created pursuant  
3 to legislation enacted by the 2011 session of the general  
4 assembly. The department shall purchase the mobile radios  
5 after conducting a competitive bidding process.

6 3. On or before January 13, 2012, the department of natural  
7 resources in cooperation with the department of public safety  
8 shall provide a report to the legislative services agency  
9 and the department of management. The report shall detail  
10 the status of the moneys appropriated in subsection 1 and  
11 shall include the estimated needs of the department of natural  
12 resources to achieve interoperability and to meet the federal  
13 narrowbanding mandate, and any changes in estimated costs to  
14 meet those needs, and the status of requests for proposals to  
15 develop a public-private partnership.

16 Sec. 144. EFFECTIVE UPON ENACTMENT. This division of this  
17 Act, being deemed of immediate importance, takes effect upon  
18 enactment and, if approved by the governor on or after July 1,  
19 2011, shall apply retroactively to June 30, 2011.

20 DIVISION XVIII

21 BUSINESS PROPERTY TAX CREDITS

22 Sec. 145. Section 331.512, Code 2011, is amended by adding  
23 the following new subsection:

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

26 Sec. 146. Section 331.559, Code 2011, is amended by adding  
27 the following new subsection:

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

30 Sec. 147. NEW SECTION. **426C.1 Definitions.**

31 1. For the purposes of this chapter, unless the context  
32 otherwise requires:

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

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

35 (2) Parcels within the same building or structure

1 regardless of whether the parcels share one or more common  
2 boundaries.

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

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

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

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

11 *e. "Property unit"* means contiguous parcels all of which  
12 are located within the same county, with the same property tax  
13 classification, each of which contains permanent improvements,  
14 are owned by the same person, and are operated by that person  
15 for a common use and purpose.

16 2. For purposes of this chapter, two or more parcels are  
17 considered to be owned by the same person if the owners of  
18 the parcels are business entities that share common ownership  
19 of each entity in an amount equal to or in excess of fifty  
20 percent.

21 Sec. 148. NEW SECTION. **426C.2 Business property tax credit**  
22 **fund — appropriation.**

23 1. A business property tax credit fund is created in the  
24 state treasury under the authority of the department. For the  
25 fiscal year beginning July 1, 2012, there is appropriated from  
26 the general fund of the state to the department to be credited  
27 to the fund, the sum of fifty million dollars to be used for  
28 business property tax credits authorized in this chapter. For  
29 the fiscal year beginning July 1, 2013, and each fiscal year  
30 thereafter, there is appropriated from the general fund of the  
31 state to the department to be credited to the fund an amount  
32 equal to the total amount appropriated by the general assembly  
33 to the fund in the previous fiscal year. In addition, the sum  
34 of fifty million dollars shall be added to the appropriation  
35 in each fiscal year beginning on or after July 1, 2013, if

1 the revenue estimating conference certifies during its final  
2 meeting of the calendar year ending prior to the beginning of  
3 the fiscal year that the total amount of general fund revenues  
4 collected during the fiscal year ending during such calendar  
5 year was at least one hundred four percent of the total amount  
6 of general fund revenues collected during the previous fiscal  
7 year. However, the total appropriation to the fund shall not  
8 exceed two hundred million dollars for any one fiscal year.

9 2. Notwithstanding section 12C.7, subsection 2, interest or  
10 earnings on moneys deposited in the fund shall be credited to  
11 the fund. Moneys in the fund are not subject to the provisions  
12 of section 8.33 and shall not be transferred, used, obligated,  
13 appropriated, or otherwise encumbered except as provided in  
14 this chapter.

15 Sec. 149. NEW SECTION. 426C.3 Claims for credit.

16 1. Each person who wishes to claim the credit allowed  
17 under this chapter shall obtain the appropriate forms from the  
18 assessor and file the claim with the assessor. The director  
19 of revenue shall prescribe suitable forms and instructions for  
20 such claims, and make such forms and instructions available to  
21 the assessors.

22 2. a. Claims for the business property tax credit shall be  
23 filed not later than March 15 preceding the fiscal year during  
24 which the taxes for which the credit is claimed are due and  
25 payable.

26 b. A claim filed after the deadline for filing claims shall  
27 be considered as a claim for the following year.

28 3. Upon the filing of a claim and allowance of the credit,  
29 the credit shall be allowed on the parcel or property unit for  
30 successive years without further filing as long as the parcel  
31 or property unit satisfies the requirements for the credit. If  
32 the parcel or property unit owner ceases to qualify for the  
33 credit under this chapter, the owner shall provide written  
34 notice to the assessor by the date for filing claims specified  
35 in subsection 2 following the date on which the parcel or

1 property unit ceases to qualify for the credit.

2 4. When all or a portion of a parcel or property unit that  
3 is allowed a credit under this chapter is sold, transferred,  
4 or ownership otherwise changes, the buyer, transferee, or new  
5 owner who wishes to receive the credit shall refile the claim  
6 for credit. When a portion of a parcel or property unit that  
7 is allowed a credit under this chapter is sold, transferred,  
8 or ownership otherwise changes, the owner of the portion of  
9 the parcel or property unit for which ownership did not change  
10 shall refile the claim for credit.

11 5. The assessor shall remit the claims for credit to the  
12 county auditor with the assessor's recommendation for allowance  
13 or disallowance. If the assessor recommends disallowance  
14 of a claim, the assessor shall submit the reasons for the  
15 recommendation, in writing, to the county auditor. The county  
16 auditor shall forward the claims to the board of supervisors.  
17 The board shall allow or disallow the claims.

18 6. For each claim and allowance of a credit for a property  
19 unit, the county auditor shall calculate the average of all  
20 consolidated levy rates applicable to the several parcels  
21 within the property unit. All claims for credit which have  
22 been allowed by the board of supervisors, the actual value of  
23 the improvements to such parcels and property units applicable  
24 to the fiscal year for which the credit is claimed that are  
25 subject to assessment and taxation prior to imposition of any  
26 applicable assessment limitation, the consolidated levy rates  
27 for such parcels and the average consolidated levy rates for  
28 such property units applicable to the fiscal year for which the  
29 credit is claimed, and the taxing districts in which the parcel  
30 or property unit is located, shall be certified on or before  
31 June 15, in each year, by the county auditor to the department.

32 7. The assessor shall maintain a permanent file of current  
33 business property tax credits. The assessor shall file a  
34 notice of transfer of property for which a credit has been  
35 allowed when notice is received from the office of the county

1 recorder, from the person who sold or transferred the property,  
2 or from the personal representative of a deceased property  
3 owner. The county recorder shall give notice to the assessor  
4 of each transfer of title filed in the recorder's office. The  
5 notice from the county recorder shall describe the property  
6 transferred, the name of the person transferring title to the  
7 property, and the name of the person to whom title to the  
8 property has been transferred.

9       Sec. 150. NEW SECTION. **426C.4 Eligibility and amount of**  
10 **credit.**

11       1. Each parcel classified and taxed as commercial property,  
12 industrial property, or railway property under chapter 434,  
13 and improved with permanent construction, is eligible for a  
14 credit under this chapter. A person may claim and receive one  
15 credit under this chapter for each eligible parcel unless the  
16 parcel is part of a property unit. A person may only claim and  
17 receive one credit under this chapter for each property unit.  
18 A credit approved for a property unit shall be allocated to the  
19 several parcels within the property unit in the proportion that  
20 each parcel's total amount of property taxes due and payable  
21 attributable to the improvements bears to the total amount of  
22 property taxes due and payable attributable to the improvements  
23 for the property unit. Only property units comprised of  
24 commercial property, comprised of industrial property, or  
25 comprised of railway property under chapter 434 are eligible  
26 for a credit under this chapter.

27       2. Using the actual value of the improvements and the  
28 consolidated levy rate for each parcel or the average  
29 consolidated levy rate for each property unit, as certified  
30 by the county auditor to the department under section 426C.3,  
31 subsection 6, the department shall calculate, for each fiscal  
32 year, an initial amount of actual value of improvements for  
33 use in determining the amount of the credit for each such  
34 parcel or property unit so as to provide the maximum possible  
35 credit according to the credit formula and limitations under

1 subsection 3, and to provide a total dollar amount of credits  
2 against the taxes due and payable in the fiscal year equal to  
3 ninety-eight percent of the moneys in the fund following the  
4 deposit of the total appropriation for the fiscal year.

5 3. a. The amount of the credit for each parcel or property  
6 unit for which a claim for credit under this chapter has  
7 been approved shall be calculated under paragraph "b" using  
8 the lesser of the initial amount of actual value of the  
9 improvements determined by the department under subsection  
10 2, and the actual value of the improvements to the parcel or  
11 property unit as certified by the county auditor under section  
12 426C.3, subsection 6.

13 b. The amount of the credit for each parcel or property  
14 unit for which a claim for credit under this chapter has  
15 been approved shall be equal to the amount of actual value  
16 determined under paragraph "a" multiplied by the difference,  
17 stated as a percentage, between the assessment limitation  
18 applicable to the parcel or property unit under section 441.21,  
19 subsection 5, and the assessment limitation applicable to  
20 residential property under section 441.21, subsection 4,  
21 divided by one thousand dollars, and then multiplied by the  
22 consolidated levy rate or average consolidated levy rate per  
23 one thousand dollars of taxable value applicable to the parcel  
24 or property unit for the fiscal year for which the credit  
25 is claimed as certified by the county auditor under section  
26 426C.3, subsection 6.

27 Sec. 151. NEW SECTION. 426C.5 Payment to counties.

28 1. Annually the department shall certify to the county  
29 auditor of each county the amounts of the business property  
30 tax credits allowed in the county. Each county auditor shall  
31 then enter the credits against the tax levied on each eligible  
32 parcel or property unit in the county, designating on the tax  
33 lists the credit as being from the fund. Each taxing district  
34 shall receive its share of the business property tax credit  
35 allowed on each eligible parcel or property unit in such taxing

1 district, in the proportion that the levy made by such taxing  
2 district upon the parcel or property unit bears to the total  
3 levy upon the parcel or property unit by all taxing districts  
4 imposing a property tax in such taxing district. However, the  
5 several taxing districts shall not draw the moneys so credited  
6 until after the semiannual allocations have been received by  
7 the county treasurer, as provided in this section. Each county  
8 treasurer shall show on each tax receipt the amount of credit  
9 received from the fund.

10 2. The director of the department of administrative  
11 services shall issue warrants on the fund payable to the county  
12 treasurers of the several counties of the state under this  
13 chapter.

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

18 Sec. 152. NEW SECTION. **426C.6 Appeals.**

19 1. If the board of supervisors disallows a claim for credit  
20 under section 426C.3, subsection 5, the board of supervisors  
21 shall send written notice, by mail, to the claimant at the  
22 claimant's last known address. The notice shall state the  
23 reasons for disallowing the claim for the credit. The board  
24 of supervisors is not required to send notice that a claim for  
25 credit is disallowed if the claimant voluntarily withdraws the  
26 claim. Any person whose claim is denied under the provisions  
27 of this chapter may appeal from the action of the board of  
28 supervisors to the district court of the county in which the  
29 parcel or property unit is located by giving written notice  
30 of such appeal to the county auditor within twenty days from  
31 the date of mailing of notice of such action by the board of  
32 supervisors.

33 2. If any claim for credit has been denied by the board  
34 of supervisors, and such action is subsequently reversed on  
35 appeal, the credit shall be allowed on the applicable parcel

1 or property unit, and the director of revenue, the county  
2 auditor, and the county treasurer shall provide the credit and  
3 change their books and records accordingly. In the event the  
4 appealing taxpayer has paid one or both of the installments of  
5 the tax payable in the year or years in question, remittance  
6 shall be made to such taxpayer of the amount of such credit.  
7 The amount of such credit awarded on appeal shall be allocated  
8 and paid from the balance remaining in the fund.

9 Sec. 153. NEW SECTION. **426C.7 Audit — denial.**

10 1. If on the audit of a credit provided under this chapter,  
11 the director of revenue determines the amount of the credit  
12 to have been incorrectly calculated or that the credit is  
13 not allowable, the director shall recalculate the credit and  
14 notify the taxpayer and the county auditor of the recalculation  
15 or denial and the reasons for it. The director shall not  
16 adjust a credit after three years from October 31 of the year  
17 in which the claim for the credit was filed. If the credit  
18 has been paid, the director shall give notification to the  
19 taxpayer, the county treasurer, and the applicable assessor  
20 of the recalculation or denial of the credit and the county  
21 treasurer shall proceed to collect the tax owed in the same  
22 manner as other property taxes due and payable are collected,  
23 if the parcel or property unit for which the credit was allowed  
24 is still owned by the taxpayer. If the parcel or property unit  
25 for which the credit was allowed is not owned by the taxpayer,  
26 the amount may be recovered from the taxpayer by assessment in  
27 the same manner that income taxes are assessed under sections  
28 422.26 and 422.30. The amount of such erroneous credit, when  
29 collected, shall be deposited in the fund.

30 2. The taxpayer or board of supervisors may appeal any  
31 decision of the director of revenue to the state board of tax  
32 review pursuant to section 421.1, subsection 5. The taxpayer,  
33 the board of supervisors, or the director of revenue may seek  
34 judicial review of the action of the state board of tax review  
35 in accordance with chapter 17A.



1     Sec. 154. NEW SECTION. **426C.8 False claim — penalty.**

2     A person who makes a false claim for the purpose of obtaining  
3 a credit provided for in this chapter or who knowingly receives  
4 the credit without being legally entitled to it is guilty of a  
5 fraudulent practice. The claim for a credit of such a person  
6 shall be disallowed and if the credit has been paid the amount  
7 shall be recovered in the manner provided in section 426C.7.  
8 In such cases, the director of revenue shall send a notice of  
9 disallowance of the credit.

10    Sec. 155. NEW SECTION. **426C.9 Rules.**

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

14    Sec. 156. IMPLEMENTATION. Notwithstanding the deadline  
15 for filing claims established in section 426C.3, for a credit  
16 against property taxes due and payable during the fiscal year  
17 beginning July 1, 2012, the claim for the credit shall be filed  
18 not later than January 15, 2012.

19    Sec. 157. APPLICABILITY. This division of this Act applies  
20 to property taxes due and payable in fiscal years beginning on  
21 or after July 1, 2012.

22                                   DIVISION XIX

23                                   COUNTY AND CITY BUDGET LIMITATION

24    Sec. 158. Section 28M.5, subsection 2, Code 2011, is amended  
25 to read as follows:

26    2. If a regional transit district budget allocates  
27 revenue responsibilities to the board of supervisors of a  
28 participating county, the amount of the regional transit  
29 district levy that is the responsibility of the participating  
30 county shall be deducted from the maximum ~~rates~~ amount of taxes  
31 authorized to be levied by the county pursuant to section  
32 331.423, ~~subsections 1 and 2~~ subsection 3, paragraphs "b"  
33 and "c", as applicable, unless the county meets its revenue  
34 responsibilities as allocated in the budget from other  
35 available revenue sources. However, for a regional transit

1 district that includes a county with a population of less than  
2 three hundred thousand, the amount of the regional transit  
3 district levy that is the responsibility of such participating  
4 county shall be deducted from the maximum ~~rate~~ amount of taxes  
5 authorized to be levied by the county pursuant to section  
6 331.423, subsection ~~±~~ 3, paragraph "b".

7 Sec. 159. Section 331.263, subsection 2, Code 2011, is  
8 amended to read as follows:

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

24 Sec. 160. Section 331.421, Code 2011, is amended by adding  
25 the following new subsection:

26 NEW SUBSECTION. 7A. "Item" means a budgeted expenditure,  
27 appropriation, or cash reserve from a fund for a service area,  
28 program, program element, or purpose.

29 Sec. 161. Section 331.423, Code 2011, is amended by striking  
30 the section and inserting in lieu thereof the following:

31 **331.423 Property tax dollars — basic levy maximums.**

32 1. Annually, the board shall determine separate property  
33 tax levy limits to pay for general county services and rural  
34 county services in accordance with this section. The basic  
35 levies separately certified for general county services and

1 rural county services under section 331.434 shall not raise  
2 property tax dollars that exceed the amount determined under  
3 this section.

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

6 a. "*Annual growth factor*" means an index, expressed as  
7 a percentage, determined by the department of management by  
8 November 1 of the calendar year preceding the calendar year in  
9 which the budget year begins. In determining the annual growth  
10 factor, the department shall calculate the average of the  
11 preceding three-year percentage change, which shall be computed  
12 on an annual basis, in the midwest consumer price index, ending  
13 with the percentage change for the month of September. The  
14 department shall then add that average percentage change to one  
15 hundred percent.

16 b. "*Boundary adjustment*" means annexation, severance,  
17 incorporation, or discontinuance as those terms are defined in  
18 section 368.1.

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

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

23 e. "*Net new valuation taxes*" means the amount of property  
24 tax dollars equal to the current fiscal year's basic levy rate  
25 in the county for general county services or for rural county  
26 services, as applicable, multiplied by the increase from the  
27 current fiscal year to the budget year in taxable valuation due  
28 to the following:

29 (1) Net new construction, including all incremental  
30 valuation that is released in any one year from a division of  
31 revenue under section 260E.4 or an urban renewal area for which  
32 taxes were being divided under section 403.19, regardless of  
33 whether the property for the valuation being released remains  
34 subject to the division of revenue under section 260E.4 or  
35 remains part of the urban renewal area that is subject to

1 a division of revenue under section 403.19. The amount of  
2 property tax dollars attributable to such incremental valuation  
3 being released from a division of revenue shall be subtracted  
4 from the maximum amount of property tax dollars which may  
5 be certified for the next following fiscal year if such  
6 incremental valuation is not released for the next following  
7 fiscal year.

8 (2) Additions or improvements to existing structures.

9 (3) Remodeling of existing structures for which a building  
10 permit is required.

11 (4) Net boundary adjustment.

12 (5) A municipality no longer dividing tax revenues in an  
13 urban renewal area as provided in section 403.19 or a community  
14 college no longer dividing revenues as provided in section  
15 260E.4.

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

19 *f. "Unfunded federal and state mandate cost growth"* means an  
20 amount of increased expenditures for a county from the previous  
21 fiscal year, to the extent such expenditures are not funded by  
22 the county's supplemental levy under section 331.424, resulting  
23 from any of the following:

24 (1) A federal statutory requirement or appropriation  
25 that requires the county to establish, expand, or modify its  
26 activities in a manner which necessitates additional annual  
27 expenditures and for which insufficient funding is provided to  
28 the county to satisfy such requirements.

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

32 3. *a.* For the fiscal year beginning July 1, 2013, and  
33 subsequent fiscal years, the maximum amount of property tax  
34 dollars which may be certified for levy by a county for general  
35 county services and rural county services shall be the maximum

1 property tax dollars calculated under paragraphs "b" and "c",  
2 respectively.

3 b. The maximum property tax dollars that may be levied for  
4 general county services is an amount equal to the sum of the  
5 following:

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

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

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

11 c. The maximum property tax dollars that may be levied for  
12 rural county services is an amount equal to the sum of the  
13 following:

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

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

18 (3) The unfunded federal and state mandate cost growth  
19 attributable to the costs incurred by the county for rural  
20 county services.

21 4. a. For purposes of calculating maximum property tax  
22 dollars for general county services for the fiscal year  
23 beginning July 1, 2013, only, the term "*current fiscal year's*  
24 *maximum property tax dollars*" shall mean the total amount of  
25 property tax dollars certified by the county for general county  
26 services for the fiscal year beginning July 1, 2012, excluding  
27 those property tax dollars that resulted from a supplemental  
28 levy under section 331.424, subsection 1.

29 b. For purposes of calculating maximum property tax dollars  
30 for rural county services for the fiscal year beginning July  
31 1, 2013, only, the term "*current fiscal year's maximum property*  
32 *tax dollars*" shall mean the total amount of property tax dollars  
33 certified by the county for rural county services for the  
34 fiscal year beginning July 1, 2012, excluding those property  
35 tax dollars that resulted from a supplemental levy under

1 section 331.424, subsection 2.

2 5. Property taxes certified under section 331.424, property  
3 taxes certified for deposit in the mental health, mental  
4 retardation, and developmental disabilities services fund in  
5 section 331.424A, for the emergency services fund in section  
6 331.424C, for the debt service fund in section 331.430, for any  
7 capital projects fund established by the county for deposit of  
8 bond, loan, or note proceeds, and for any temporary increase  
9 approved pursuant to section 331.423C, are not included in the  
10 maximum amount of property tax dollars that may be certified  
11 for a budget year under subsection 3.

12 6. The department of management, in consultation with the  
13 county finance committee, shall adopt rules to administer this  
14 section. The department shall prescribe forms to be used by  
15 counties when making calculations required by this section.

16 Sec. 162. NEW SECTION. 331.423B Ending fund balance.

17 1. a. Budgeted ending fund balances for a budget year  
18 in excess of twenty-five percent of budgeted expenditures in  
19 either the general fund or rural services fund for that budget  
20 year shall be explicitly committed or assigned for a specific  
21 purpose.

22 b. A county is encouraged, but not required, to reduce  
23 budgeted, uncommitted, or unassigned ending fund balances for  
24 the budget year to an amount equal to approximately twenty-five  
25 percent of budgeted expenditures and transfers from the general  
26 fund and rural services fund for that budget year unless a  
27 decision is certified by the state appeal board ordering a  
28 reduction in the ending fund balance of any of those funds.

29 c. In a protest to the county budget under section 331.436,  
30 the county shall have the burden of proving that the budgeted  
31 balances in excess of twenty-five percent are reasonably likely  
32 to be appropriated for the explicitly committed or assigned  
33 specific purpose. The excess budgeted balance for the specific  
34 purpose shall be considered an increase in an item in the  
35 budget for purposes of section 24.28.

1     2. *a.* For a county that has, as of June 30, 2012, reduced  
2 its actual ending fund balance to less than twenty-five  
3 percent of actual expenditures, additional property taxes may  
4 be computed and levied as provided in this subsection. The  
5 additional property tax levy amount is an amount not to exceed  
6 twenty-five percent of actual expenditures from the general  
7 fund and rural services fund for the fiscal year beginning July  
8 1, 2011, minus the combined ending fund balances for those  
9 funds for that year.

10    *b.* The amount of the additional property taxes shall be  
11 apportioned between the general fund and the rural services  
12 fund. However, the amount apportioned for general county  
13 services and for rural county services shall not exceed for  
14 each fund twenty-five percent of actual expenditures for the  
15 fiscal year beginning July 1, 2011.

16    *c.* All or a portion of additional property tax dollars  
17 may be levied for the purpose of increasing cash reserves  
18 for general county services and rural county services in the  
19 budget year. The additional property tax dollars authorized  
20 under this subsection but not levied may be carried forward as  
21 unused ending fund balance taxing authority until and for the  
22 fiscal year beginning July 1, 2018. The amount carried forward  
23 shall not exceed twenty-five percent of the maximum amount of  
24 property tax dollars available in the current fiscal year.  
25 Additionally, property taxes that are levied as unused ending  
26 fund balance taxing authority under this subsection may be the  
27 subject of a protest under section 331.436, and the amount  
28 will be considered an increase in an item in the budget for  
29 purposes of section 24.28. The amount of additional property  
30 taxes levied under this subsection shall not be included in the  
31 computation of the maximum amount of property tax dollars which  
32 may be certified and levied under section 331.423.

33     Sec. 163. NEW SECTION. 331.423C Authority to levy beyond  
34 maximum property tax dollars.

35     1. The board may certify additions to the maximum amount

1 of property tax dollars to be levied for a budget year if the  
2 county conducts a second public hearing prior to certification  
3 of the budget to the county auditor, in addition to the hearing  
4 held as required under section 331.434. The second public  
5 hearing shall be conducted in the same manner as the public  
6 hearing on the budget required in section 331.434.

7 2. The amount of additional property tax dollars certified  
8 under this section shall not be included in the computation  
9 of the maximum amount of property tax dollars which may be  
10 certified and levied under section 331.423 for future budget  
11 years.

12 Sec. 164. Section 331.424, unnumbered paragraph 1, Code  
13 2011, is amended to read as follows:

14 To the extent that the basic levies authorized under section  
15 331.423 are insufficient to meet the county's needs for the  
16 following services, the board may certify supplemental levies  
17 as follows:

18 Sec. 165. Section 331.424A, subsection 4, Code 2011, is  
19 amended to read as follows:

20 4. For the fiscal year beginning July 1, 1996, and for each  
21 subsequent fiscal year, the county shall certify a levy for  
22 payment of services. For each fiscal year, county revenues  
23 from taxes imposed by the county credited to the services fund  
24 shall not exceed an amount equal to the amount of base year  
25 expenditures for services as defined in section 331.438, less  
26 the amount of property tax relief to be received pursuant to  
27 section 426B.2, in the fiscal year for which the budget is  
28 certified. The county auditor and the board of supervisors  
29 shall reduce the amount of the levy certified for the services  
30 fund by the amount of property tax relief to be received. A  
31 levy certified under this section is not subject to ~~the appeal~~  
32 ~~provisions of section 331.426 or to any other provision in law~~  
33 authorizing a county to exceed, increase, or appeal a property  
34 tax levy limit.

35 Sec. 166. Section 331.434, subsection 1, Code 2011, is



1 amended to read as follows:

2 1. The budget shall show the amount required for each class  
3 of proposed expenditures, a comparison of the amounts proposed  
4 to be expended with the amounts expended for like purposes for  
5 the two preceding years, the revenues from sources other than  
6 property taxation, and the amount to be raised by property  
7 taxation, in the detail and form prescribed by the director  
8 of the department of management. For each county that has  
9 established an urban renewal area, the budget shall include  
10 estimated and actual tax increment financing revenues and all  
11 estimated and actual expenditures of the revenues, proceeds  
12 from debt and all estimated and actual expenditures of the  
13 debt proceeds, and identification of any entity receiving a  
14 direct payment of taxes funded by tax increment financing  
15 revenues and shall include the total amount of loans, advances,  
16 indebtedness, or bonds outstanding at the close of the most  
17 recently ended fiscal year, which qualify for payment from the  
18 special fund created in section 403.19, including interest  
19 negotiated on such loans, advances, indebtedness, or bonds.  
20 For purposes of this subsection, "*indebtedness*" includes  
21 written agreements whereby the county agrees to suspend, abate,  
22 exempt, rebate, refund, or reimburse property taxes, provide  
23 a grant for property taxes paid, or make a direct payment  
24 of taxes, with moneys in the special fund. The amount of  
25 loans, advances, indebtedness, or bonds shall be listed in  
26 the aggregate for each county reporting. ~~The county finance~~  
27 ~~committee, in consultation with the department of management~~  
28 ~~and the legislative services agency, shall determine reporting~~  
29 ~~criteria and shall prepare a form for reports filed with the~~  
30 ~~department pursuant to this section. The department shall make~~  
31 ~~the information available by electronic means.~~

32 Sec. 167. Section 373.10, Code 2011, is amended to read as  
33 follows:

34 **373.10 Taxing authority.**

35 The metropolitan council shall have the authority to

1 levy city taxes to the extent the city tax levy authority  
2 is transferred by the charter to the metropolitan council.  
3 A member city shall transfer a portion of the city's tax  
4 levy authorized under section 384.1 or 384.12, whichever is  
5 applicable, to the metropolitan council. The maximum rates  
6 amount of taxes authorized to be levied under ~~sections~~ section  
7 384.1 and the taxes authorized to be levied under  
8 section384.12 by a member city shall be reduced by an amount  
9 equal to the rates of the same or similar taxes levied in the  
10 city by the metropolitan council.

11 Sec. 168. Section 384.1, Code 2011, is amended by striking  
12 the section and inserting in lieu thereof the following:

13 **384.1 Property tax dollars — maximums.**

14 1. A city shall certify taxes to be levied by the city  
15 on all taxable property within the city limits, for all city  
16 government purposes. Annually, the city council may certify  
17 basic levies for city government purposes, subject to the  
18 limitation on property tax dollars provided in this section.

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

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

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

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

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

3     *e. "Net new valuation taxes"* means the amount of property  
4 tax dollars equal to the current fiscal year's levy rate in the  
5 city for the general fund multiplied by the increase from the  
6 current fiscal year to the budget year in taxable valuation due  
7 to the following:

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

22       (2) Additions or improvements to existing structures.

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

25       (4) Net boundary adjustment.

26       (5) A municipality no longer dividing tax revenues in an  
27 urban renewal area as provided in section 403.19 or a community  
28 college no longer dividing revenues as provided in section  
29 260E.4.

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

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

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

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

9 3. a. For the fiscal year beginning July 1, 2013, and  
10 subsequent fiscal years, the maximum amount of property  
11 tax dollars which may be certified for levy by a city for  
12 the general fund shall be the maximum property tax dollars  
13 calculated under paragraph "b".

14 b. The maximum property tax dollars that may be levied for  
15 deposit in the general fund is an amount equal to the sum of the  
16 following:

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

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

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

21 4. For purposes of calculating maximum property tax dollars  
22 for the city general fund for the fiscal year beginning July  
23 1, 2013, only, the term "*current fiscal year's maximum property*  
24 *tax dollars*" shall mean the total amount of property tax dollars  
25 certified by the city for the city's general fund for the  
26 fiscal year beginning July 1, 2012.

27 5. Property taxes certified for deposit in the debt service  
28 fund in section 384.4, trust and agency funds in section  
29 384.6, capital improvements reserve fund in section 384.7,  
30 the emergency fund in section 384.8, any capital projects  
31 fund established by the city for deposit of bond, loan, or  
32 note proceeds, any temporary increase approved pursuant to  
33 section 384.12A, property taxes collected from a voted levy in  
34 section 384.12, and property taxes levied under section 384.12,  
35 subsection 18, are not counted against the maximum amount of

1 property tax dollars that may be certified for a fiscal year  
2 under subsection 3.

3 6. Notwithstanding the maximum amount of taxes a city  
4 may certify for levy, the tax levied by a city on tracts of  
5 land and improvements on the tracts of land used and assessed  
6 for agricultural or horticultural purposes shall not exceed  
7 three dollars and three-eighths cents per thousand dollars  
8 of assessed value in any year. Improvements located on such  
9 tracts of land and not used for agricultural or horticultural  
10 purposes and all residential dwellings are subject to the same  
11 rate of tax levied by the city on all other taxable property  
12 within the city.

13 7. The department of management, in consultation with the  
14 city finance committee, shall adopt rules to administer this  
15 section. The department shall prescribe forms to be used by  
16 cities when making calculations required by this section.

17 Sec. 169. NEW SECTION. 384.1B Ending fund balance.

18 1. a. Budgeted general fund ending fund balances for  
19 a budget year in excess of twenty-five percent of budgeted  
20 expenditures from the general fund for that budget year shall  
21 be explicitly committed or assigned for a specific purpose.

22 b. A city is encouraged, but not required, to reduce  
23 budgeted, uncommitted, or unassigned ending fund balances for  
24 the budget year to an amount equal to approximately twenty-five  
25 percent of budgeted expenditures and transfers from the general  
26 fund for that budget year unless a decision is certified by  
27 the state appeal board ordering a reduction in the ending fund  
28 balance of the fund.

29 c. In a protest to the city budget under section 384.19,  
30 the city shall have the burden of proving that the budgeted  
31 balances in excess of twenty-five percent are reasonably likely  
32 to be appropriated for the explicitly committed or assigned  
33 specific purpose. The excess budgeted balance for the specific  
34 purpose shall be considered an increase in an item in the  
35 budget for purposes of section 24.28.

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

9 b. All or a portion of additional property tax dollars  
10 may be levied for the purpose of increasing cash reserves for  
11 city government purposes in the budget year. The additional  
12 property tax dollars authorized under this subsection but not  
13 levied may be carried forward as unused ending fund balance  
14 taxing authority until and for the fiscal year beginning  
15 July 1, 2018. The amount carried forward shall not exceed  
16 twenty-five percent of the maximum amount of property tax  
17 dollars available in the current fiscal year. Additionally,  
18 property taxes that are levied as unused ending fund balance  
19 taxing authority under this subsection may be the subject of a  
20 protest under section 384.19, and the amount will be considered  
21 an increase in an item in the budget for purposes of section  
22 24.28. The amount of additional property tax dollars levied  
23 under this subsection shall not be included in the computation  
24 of the maximum amount of property tax dollars which may be  
25 certified and levied under section 384.1.

26 Sec. 170. Section 384.12, unnumbered paragraph 1, Code  
27 2011, is amended by striking the unnumbered paragraph and  
28 inserting in lieu thereof the following:

29 A city may certify taxes for deposit in the general fund,  
30 subject to the limit provided in section 384.1 if applicable,  
31 which are in addition to any other moneys the city may wish to  
32 spend for such purposes, as follows:

33 Sec. 171. Section 384.12, subsection 20, Code 2011, is  
34 amended by striking the subsection.

35 Sec. 172. NEW SECTION. 384.12A Authority to levy beyond

1 maximum property tax dollars.

2 1. The city council may certify additions to the maximum  
3 amount of property tax dollars to be levied for a budget  
4 year if the city conducts a second public hearing prior to  
5 certification of the budget to the county auditor, in addition  
6 to the hearing held as required under section 384.16. The  
7 second public hearing shall be conducted in the same manner as  
8 the public hearing on the budget required in section 384.16.

9 2. The amount of additional property tax dollars certified  
10 under this section shall not be included in the computation  
11 of the maximum amount of property tax dollars which may be  
12 certified and levied under section 384.1 for future budget  
13 years.

14 Sec. 173. Section 384.16, subsection 1, paragraph b, Code  
15 2011, is amended to read as follows:

16 b. A budget must show comparisons between the estimated  
17 expenditures in each program in the following year, the latest  
18 estimated expenditures in each program in the current year,  
19 and the actual expenditures in each program from the annual  
20 report as provided in section 384.22, or as corrected by a  
21 subsequent audit report. Wherever practicable, as provided in  
22 rules of the committee, a budget must show comparisons between  
23 the levels of service provided by each program as estimated for  
24 the following year, and actual levels of service provided by  
25 each program during the two preceding years. For each city  
26 that has established an urban renewal area, the budget shall  
27 include estimated and actual tax increment financing revenues  
28 and all estimated and actual expenditures of the revenues,  
29 proceeds from debt and all estimated and actual expenditures of  
30 the debt proceeds, and identification of any entity receiving  
31 a direct payment of taxes funded by tax increment financing  
32 revenues and shall include the total amount of loans, advances,  
33 indebtedness, or bonds outstanding at the close of the most  
34 recently ended fiscal year, which qualify for payment from the  
35 special fund created in section 403.19, including interest

1 negotiated on such loans, advances, indebtedness, or bonds.  
2 The amount of loans, advances, indebtedness, or bonds shall  
3 be listed in the aggregate for each city reporting. ~~The city~~  
4 ~~finance committee, in consultation with the department of~~  
5 ~~management and the legislative services agency, shall determine~~  
6 ~~reporting criteria and shall prepare a form for reports filed~~  
7 ~~with the department pursuant to this section. The department~~  
8 ~~shall make the information available by electronic means.~~

9 Sec. 174. Section 384.19, Code 2011, is amended by adding  
10 the following new unnumbered paragraph:

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

15 Sec. 175. Section 386.8, Code 2011, is amended to read as  
16 follows:

17 **386.8 Operation tax.**

18 A city may establish a self-supported improvement district  
19 operation fund, and may certify taxes not to exceed the  
20 rate limitation as established in the ordinance creating the  
21 district, or any amendment thereto, each year to be levied  
22 for the fund against all of the property in the district,  
23 for the purpose of paying the administrative expenses of  
24 the district, which may include but are not limited to  
25 administrative personnel salaries, a separate administrative  
26 office, planning costs including consultation fees, engineering  
27 fees, architectural fees, and legal fees and all other expenses  
28 reasonably associated with the administration of the district  
29 and the fulfilling of the purposes of the district. The taxes  
30 levied for this fund may also be used for the purpose of paying  
31 maintenance expenses of improvements or self-liquidating  
32 improvements for a specified length of time with one or more  
33 options to renew if such is clearly stated in the petition  
34 which requests the council to authorize construction of the  
35 improvement or self-liquidating improvement, whether or not



1 such petition is combined with the petition requesting creation  
2 of a district. Parcels of property which are assessed as  
3 residential property for property tax purposes are exempt from  
4 the tax levied under this section except residential properties  
5 within a duly designated historic district. A tax levied under  
6 this section is not subject to the ~~levy~~ limitation in section  
7 384.1.

8 Sec. 176. Section 386.9, Code 2011, is amended to read as  
9 follows:

10 **386.9 Capital improvement tax.**

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

24 Sec. 177. REPEAL. Sections 331.425 and 331.426, Code 2011,  
25 are repealed.

26 Sec. 178. EFFECTIVE DATE AND APPLICABILITY. This division  
27 of this Act takes effect July 1, 2012, and applies to fiscal  
28 years beginning on or after July 1, 2013.

29 DIVISION XX

30 RESIDENTIAL PROPERTY ASSESSMENT LIMITATION

31 Sec. 179. Section 441.21, subsection 4, Code 2011, is  
32 amended to read as follows:

33 4. For valuations established as of January 1, 1979,  
34 the percentage of actual value at which agricultural and  
35 residential property shall be assessed shall be the quotient

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

1 property shall be the total actual value of all such property  
2 in the state in the preceding year, as reported by the  
3 assessors on the abstracts of assessment submitted for 1978,  
4 plus the amount of value added to said total actual value by  
5 the revaluation of existing properties in 1979 as equalized  
6 by the director of revenue pursuant to section 441.49. The  
7 director shall utilize information reported on abstracts of  
8 assessment submitted pursuant to section 441.45 in determining  
9 such percentage. For valuations established as of January 1,  
10 1980, and each year thereafter, the percentage of actual value  
11 as equalized by the director of revenue as provided in section  
12 441.49 at which agricultural and residential property shall be  
13 assessed shall be calculated in accordance with the methods  
14 provided herein including the limitation of increases in  
15 agricultural and residential assessed values to the percentage  
16 increase of the other class of property if the other class  
17 increases less than the allowable limit adjusted to include  
18 the applicable and current values as equalized by the director  
19 of revenue, except that any references to six percent in this  
20 subsection shall be four percent. For valuations established  
21 as of January 1, 2012, and each assessment year thereafter,  
22 the percentage of actual value as equalized by the director  
23 of revenue as provided in section 441.49 at which residential  
24 property shall be assessed shall be calculated in accordance  
25 with the methods provided herein including the limitation of  
26 increases in agricultural and residential assessed values to  
27 the percentage increase of the other class of property if the  
28 other class increases less than the allowable limit adjusted to  
29 include the applicable and current values as equalized by the  
30 director of revenue, except that in no assessment year shall  
31 the percentage of actual value at which residential property is  
32 assessed be less than fifty percent.

33 DIVISION XXI

34 CONDITIONAL EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

35 Sec. 180. EFFECTIVE DATE AND RETROACTIVE

S.F. 538

1 APPLICABILITY. Unless otherwise provided, this Act, if  
2 approved by the governor on or after July 1, 2011, takes effect  
3 upon enactment and applies retroactively to July 1, 2011.