

**House File 2471 - Reprinted**

HOUSE FILE 2471

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2430)

(As Amended and Passed by the House April 23, 2014)

**A BILL FOR**

1 An Act relating to the Iowa individual income tax checkoffs by  
2 modifying the Iowa election campaign income tax checkoff  
3 and providing for the future repeal of the checkoff, by  
4 creating an income tax checkoff for the reduction of food  
5 insecurity within this state and providing for the future  
6 repeal of the checkoff, by creating income tax checkoffs for  
7 the Iowa state fair foundation fund and the veterans trust  
8 fund and volunteer fire fighter preparedness fund, making  
9 an appropriation, creating a study committee, and including  
10 effective date and retroactive applicability provisions.  
11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

INCOME TAX CHECKOFF FOR IOWA CHECK OFF HUNGER FUND

Section 1. NEW SECTION. 231.67 Iowa check off hunger fund.

1. An Iowa check off hunger fund is created in the state treasury under the control of the department. The fund is composed of moneys appropriated or available to and obtained or accepted by the treasurer of state for deposit in the fund. The fund shall include moneys transferred to the fund pursuant to an income tax checkoff provided in chapter 422, division II, if applicable. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to and remain in the fund. Section 8.33 does not apply to moneys in the fund.

2. Moneys in the fund are appropriated to the department to provide grants to persons to be used for the purpose of reducing food insecurity within the state. The grants shall be awarded as follows:

a. Forty percent of the moneys in the fund shall be awarded to a nonprofit, tax-exempt association, chosen by the department, that receives donations under section 170 of the Internal Revenue Code and whose members include Iowa food banks and their affiliates that together serve all counties in the state, to be used to purchase food for distribution to food-insecure Iowans.

b. Fifty percent of the moneys in the fund shall be awarded to each area agency on aging designated under section 231.32 in the proportion that the estimated amount of older individuals in Iowa served by that area agency on aging bears to the total estimated amount of older individuals in Iowa, to be used to provide congregate meals and home-delivered meals to food-insecure older individuals in Iowa.

c. Ten percent of the moneys in the fund shall be awarded to persons who are using innovative ways to reduce food insecurity in this state. To be eligible to receive a grant pursuant to this paragraph "c", a person shall apply to the department

1 in the manner prescribed by the department. In reviewing  
2 applications and making grants pursuant to this paragraph "c",  
3 the department may consider any factors the department deems  
4 appropriate.

5 3. The department shall adopt rules to administer the Iowa  
6 check off hunger fund.

7 Sec. 2. NEW SECTION. **422.12I Income tax checkoff for Iowa**  
8 **check off hunger fund.**

9 1. Notwithstanding section 422.12E, for the tax year  
10 beginning in the 2014 calendar year, a person who files an  
11 individual or a joint income tax return with the department  
12 of revenue under section 422.13 may designate one dollar or  
13 more to be paid to the Iowa check off hunger fund created in  
14 section 231.67. If the refund due on the return or the payment  
15 remitted with the return is insufficient to pay the additional  
16 amount designated by the taxpayer to the Iowa check off hunger  
17 fund, the amount designated shall be reduced to the remaining  
18 amount of refund or the remaining amount remitted with the  
19 return. The designation of a contribution to the Iowa check  
20 off hunger fund under this section is irrevocable.

21 2. The director of revenue shall draft the 2014 income  
22 tax form to allow the designation of contributions to the  
23 Iowa check off hunger fund on the tax return. The department  
24 of revenue shall transfer the total amount designated on the  
25 2014 tax return forms to the Iowa check off hunger fund.  
26 However, before a checkoff pursuant to this section shall be  
27 permitted, all liabilities on the books of the department of  
28 administrative services and accounts identified as owing under  
29 section 8A.504 and the political contribution allowed under  
30 section 68A.601 shall be satisfied.

31 3. The department on aging may authorize payment of moneys  
32 from the Iowa check off hunger fund, in accordance with section  
33 231.67.

34 4. The department of revenue shall adopt rules to administer  
35 this section.

1 5. This section is repealed January 1, 2015.

2 DIVISION II

3 IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

4 Sec. 3. Section 68A.601, Code 2014, is amended to read as  
5 follows:

6 **68A.601 Checkoff — income tax.**

7 A For tax years beginning before January 1, 2014, a person  
8 whose state income tax liability for any taxable year is one  
9 dollar and fifty cents or more may direct that one dollar and  
10 fifty cents of that liability be paid over to the Iowa election  
11 campaign fund when submitting the person's state income tax  
12 return to the department of revenue. In the case of a joint  
13 return of husband and wife having a state income tax liability  
14 of three dollars or more, each spouse may direct that one  
15 dollar and fifty cents be paid to the fund. ~~The~~ For tax years  
16 beginning before January 1, 2014, the director of revenue shall  
17 draft the income tax form to provide spaces on the tax return  
18 which the taxpayer may use to designate that contributions made  
19 under this section be credited to a specified political party  
20 as defined by section 43.2, or to the Iowa election campaign  
21 fund as a contribution to be shared by all such political  
22 parties in the manner prescribed by section 68A.602. The form  
23 shall inform the taxpayer of the consequences of the choices  
24 provided under this section, but this information may be  
25 contained in a footnote or other suitable form if the director  
26 of revenue finds it is not feasible to place the information  
27 immediately above the signature line. The action taken by a  
28 person for the checkoff is irrevocable.

29 Sec. 4. Section 422.12J, Code 2014, is amended to read as  
30 follows:

31 **422.12J Income tax checkoff for Iowa election campaign fund.**

32 A For tax years beginning before January 1, 2014, a person  
33 who files an individual or a joint income tax return with  
34 the department of revenue under section 422.13 may designate  
35 a contribution to the Iowa election campaign fund authorized

1 pursuant to section 68A.601.

2

DIVISION III

3

FUTURE REPEAL OF IOWA ELECTION CAMPAIGN FUND TAX CHECKOFF

4

Sec. 5. Section 68A.103, subsection 2, Code 2014, is amended  
5 by striking the subsection.

6

Sec. 6. Section 97B.3, subsection 2, Code 2014, is amended  
7 to read as follows:

8

2. The qualifications for appointment as the chief  
9 executive officer shall include management-level pension  
10 fund administration experience. The qualifications for  
11 appointment as the chief executive officer shall also  
12 include a demonstrated knowledge of all aspects of pension  
13 fund administration, including financial management,  
14 investment asset management, benefit design and delivery,  
15 legal administration, and operations administration. The  
16 chief executive officer shall not be selected on the basis  
17 of political affiliation, and while employed as the chief  
18 executive officer, shall not be a member of a political  
19 committee, participate in a political campaign, or be a  
20 candidate for a partisan elective office, and shall not  
21 contribute to a political campaign fund, except that the chief  
22 executive officer may designate on the checkoff portion of the  
23 ~~state or federal income tax return, or both,~~ a party or parties  
24 to which a contribution is made pursuant to the checkoff. The  
25 chief executive officer shall not hold any other office under  
26 the laws of the United States or of this or any state and shall  
27 devote full time to the duties of office.

28

Sec. 7. Section 422.12D, subsection 4, Code 2014, is amended  
29 to read as follows:

30

4. The department shall adopt rules to implement this  
31 section. However, before a checkoff pursuant to this section  
32 shall be permitted, all liabilities on the books of the  
33 department of administrative services and accounts identified  
34 as owing under section 8A.504 ~~and the political contribution~~  
35 ~~allowed under section 68A.601~~ shall be satisfied.

1     Sec. 8. Section 422.12E, subsection 1, Code 2014, is amended  
2 to read as follows:

3     1. For tax years beginning on or after January 1, 2004,  
4 there shall be allowed no more than four income tax return  
5 checkoffs on each income tax return. When the same four income  
6 tax return checkoffs have been provided on the income tax  
7 return for two consecutive years, the two checkoffs for which  
8 the least amount has been contributed, in the aggregate for the  
9 first tax year and through March 15 of the second tax year, are  
10 repealed. ~~This section does not apply to the income tax return~~  
11 ~~checkoff provided in section 68A.601.~~

12     Sec. 9. Section 422.12K, subsection 2, Code 2014, is amended  
13 to read as follows:

14     2. The director of revenue shall draft the income tax form  
15 to allow the designation of contributions to the child abuse  
16 prevention program fund on the tax return. The department of  
17 revenue, on or before January 31, shall transfer the total  
18 amount designated on the tax return forms due in the preceding  
19 calendar year to the child abuse prevention program fund.  
20 However, before a checkoff pursuant to this section shall be  
21 permitted, all liabilities on the books of the department of  
22 administrative services and accounts identified as owing under  
23 section 8A.504 ~~and the political contribution allowed under~~  
24 ~~section 68A.601~~ shall be satisfied.

25     Sec. 10. Section 422.12L, subsection 2, Code 2014, is  
26 amended to read as follows:

27     2. The director of revenue shall draft the income tax form  
28 to allow the designation of contributions to the veterans trust  
29 fund and to the volunteer fire fighter preparedness fund as  
30 one checkoff on the tax return. The department of revenue,  
31 on or before January 31, shall transfer one-half of the total  
32 amount designated on the tax return forms due in the preceding  
33 calendar year to the veterans trust fund and the remaining  
34 one-half to the volunteer fire fighter preparedness fund.  
35 However, before a checkoff pursuant to this section shall be

1 permitted, all liabilities on the books of the department of  
2 administrative services and accounts identified as owing under  
3 section 8A.504 ~~and the political contribution allowed under~~  
4 ~~section 68A.601~~ shall be satisfied.

5 Sec. 11. Section 456A.16, unnumbered paragraph 7, Code  
6 2014, is amended to read as follows:

7 The department shall adopt rules to implement this section.  
8 However, before a checkoff pursuant to this section shall be  
9 permitted, all liabilities on the books of the department of  
10 administrative services and accounts identified as owing under  
11 section 8A.504 ~~and the political contribution allowed under~~  
12 ~~section 68A.601~~ shall be satisfied.

13 Sec. 12. Section 474.10, Code 2014, is amended to read as  
14 follows:

15 **474.10 General counsel.**

16 The board shall employ a competent attorney to serve as its  
17 general counsel, and assistants to the general counsel as it  
18 finds necessary for the full and efficient discharge of its  
19 duties. The general counsel is the attorney for, and legal  
20 advisor of, the board and is exempt from the merit system  
21 provisions of chapter 8A, subchapter IV. Assistants to the  
22 general counsel are subject to the merit system provisions of  
23 chapter 8A, subchapter IV. The general counsel or an assistant  
24 to the general counsel shall provide the necessary legal advice  
25 to the board in all matters and represent the board in all  
26 actions instituted in a state or federal court challenging  
27 the validity of a rule or order of the board. The existence  
28 of a fact which disqualifies a person from election or from  
29 acting as a utilities board member disqualifies the person from  
30 employment as general counsel or assistant general counsel.  
31 The general counsel shall devote full time to the duties of the  
32 office. During employment the counsel shall not be a member of  
33 a political committee, contribute to a political campaign fund  
34 other than through the income tax checkoff for contributions to  
35 ~~the Iowa election campaign fund and the presidential election~~

1 campaign fund, participate in a political campaign, or be a  
2 candidate for a political office.

3 Sec. 13. Section 475A.1, subsection 4, Code 2014, is amended  
4 to read as follows:

5 4. *Political activity prohibited.* The consumer advocate  
6 shall devote the advocate's entire time to the duties of the  
7 office; and during the advocate's term of office the advocate  
8 shall not be a member of a political committee or contribute  
9 to a political campaign fund other than through the income tax  
10 checkoff for contributions to ~~the Iowa election campaign fund~~  
11 ~~and~~ the presidential election campaign fund or take part in  
12 political campaigns or be a candidate for a political office.

13 Sec. 14. Section 904.107, Code 2014, is amended to read as  
14 follows:

15 **904.107 Director — appointment and qualifications.**

16 The chief administrative officer for the department is the  
17 director. The director shall be appointed by the governor  
18 subject to confirmation by the senate and shall serve at the  
19 pleasure of the governor. The director shall be qualified  
20 in reformatory and prison management, knowledgeable in  
21 community-based corrections, and shall possess administrative  
22 ability. The director shall also have experience in the field  
23 of criminology and discipline and in the supervision of inmates  
24 in corrective penal institutions. The director shall not be  
25 selected on the basis of political affiliation, and while  
26 employed as the director, shall not be a member of a political  
27 committee, participate in a political campaign, be a candidate  
28 for a partisan elective office, and shall not contribute to a  
29 political campaign fund, except that the director may designate  
30 on the checkoff portion of the ~~state or~~ federal income tax  
31 return, ~~or both~~, a party or parties to which a contribution is  
32 made pursuant to the checkoff. The director shall not hold any  
33 other office under the laws of the United States or of this or  
34 any state or hold any position for profit and shall devote full  
35 time to the duties of office.





1 4. The department of revenue shall adopt rules to implement  
2 this section.

3 5. This section is subject to repeal under section 422.12E.

4 Sec. 18. NEW SECTION. **422.12L Joint income tax checkoff for**  
5 **veterans trust fund and volunteer fire fighter preparedness fund.**

6 1. A person who files an individual or a joint income tax  
7 return with the department of revenue under section 422.13 may  
8 designate one dollar or more to be paid jointly to the veterans  
9 trust fund created in section 35A.13 and to the volunteer fire  
10 fighter preparedness fund created in section 100B.13. If the  
11 refund due on the return or the payment remitted with the  
12 return is insufficient to pay the additional amount designated  
13 by the taxpayer, the amount designated shall be reduced to the  
14 remaining amount of refund or the remaining amount remitted  
15 with the return. The designation of a contribution under this  
16 section is irrevocable.

17 2. The director of revenue shall draft the income tax form  
18 to allow the designation of contributions to the veterans trust  
19 fund and to the volunteer fire fighter preparedness fund as  
20 one checkoff on the tax return. The department of revenue,  
21 on or before January 31, shall transfer one-half of the total  
22 amount designated on the tax return forms due in the preceding  
23 calendar year to the veterans trust fund and the remaining  
24 one-half to the volunteer fire fighter preparedness fund.  
25 However, before a checkoff pursuant to this section shall be  
26 permitted, all liabilities on the books of the department of  
27 administrative services and accounts identified as owing under  
28 section 8A.504 and the political contribution allowed under  
29 section 68A.601 shall be satisfied.

30 3. The department of revenue shall adopt rules to administer  
31 this section.

32 4. This section is subject to repeal under section 422.12E.

33 Sec. 19. **REPEAL.** Sections 422.12D and 422.12L, Code 2014,  
34 are repealed.

35 Sec. 20. **RETROACTIVE APPLICABILITY.** This division of this

1 Act applies retroactively to January 1, 2014, for tax years  
2 beginning on or after that date.

3

DIVISION V

4

STUDY COMMITTEE

5

Sec. 21. INCOME TAX CHECKOFF STUDY COMMITTEE.

6 1. The legislative council is requested to establish an  
7 income tax checkoff study committee. The objective of the  
8 study committee shall be to review the use and effectiveness of  
9 individual income tax checkoffs in Iowa, and the desirability  
10 for making changes to the number, type, or administration of  
11 the individual income tax checkoffs.

12 2. The study committee shall meet during the 2014  
13 legislative interim. The study committee shall submit a report  
14 and recommendations to the general assembly by January 1, 2015.