

**EIGHTY-SIXTH GENERAL ASSEMBLY  
2015 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

JUNE 3, 2015

SENATE FILE 236

S-3204

1 Amend Senate File 236 as follows:

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

4 <Section 1. Section 476.27, subsection 1, Code  
5 2015, is amended by adding the following new paragraph:

6 NEW PARAGRAPH. 0d. "Electric transmission  
7 owner" means an individual or entity who owns and  
8 maintains electric transmission facilities including  
9 transmission lines, wires, or cables that are capable  
10 of operating at an electric voltage of thirty-four and  
11 one-half kilovolts or greater that are required for  
12 rate-regulated electric utilities, municipal electric  
13 utilities, and rural electric cooperatives in this  
14 state to provide electric service to the public for  
15 compensation.

16 Sec. 2. Section 476.27, subsection 1, paragraph e,  
17 Code 2015, is amended to read as follows:

18 e. "Public utility" means a public utility as  
19 defined in section 476.1, except that, for purposes  
20 of this section, "public utility" also includes  
21 all mutual telephone companies, municipally owned  
22 facilities, unincorporated villages, waterworks,  
23 municipally owned waterworks, joint water utilities,  
24 rural water districts incorporated under chapter 357A  
25 or 504, cooperative water associations, franchise  
26 cable television operators, ~~and~~ persons furnishing  
27 electricity to five or fewer persons, and electric  
28 transmission owners primarily providing service to  
29 public utilities as defined in section 476.1.

30 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being  
31 deemed of immediate importance, takes effect upon  
32 enactment.>

33 2. Title page, lines 3 and 4, by striking <and  
34 retroactive applicability>

35 3. By renumbering as necessary.

**By MATT McCOY**

S-3204 FILED JUNE 2, 2015  
ADOPTED

SENATE FILE 443

S-3206

1 Amend Senate File 443 as follows:

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

4 <Section 1. NEW SECTION. 70A.40 Elective public  
5 officer contact information.

6 1. Within thirty days of an elective public officer  
7 swearing to an oath of office, the governmental entity  
8 the officer serves shall provide the officer with  
9 designated contact information with the governmental  
10 entity. A governmental entity that maintains an  
11 internet site shall cause to be published the contact  
12 information for each of the entity's elective public  
13 officers on the internet site maintained by the entity.  
14 An elective public officer shall provide additional  
15 contact information that would normally be used to make  
16 contact with the officer to the governmental entity to  
17 be published as provided in this section for designated  
18 contact information.

19 2. a. For the purposes of this section, "contact  
20 information" means a telephone number and an electronic  
21 mail address.

22 b. For the purposes of this section, "elective  
23 public officer" or "officer" means all of the following:

- 24 (1) Members of the general assembly.  
25 (2) Members of a county board of supervisors.  
26 (3) Members of a city council.  
27 (4) Members of a board of directors of a school  
28 district.>

29 2. By renumbering as necessary.

**By** JEFF DANIELSON

S-3206 FILED JUNE 2, 2015

ADOPTED

SENATE FILE 508

S-3208

- 1 Amend Senate File 508 as follows:
- 2 1. Page 1, before line 1 by inserting:
- 3 <DIVISION I
- 4 FIREWORKS REGULATION>
- 5 2. By striking page 1, line 34, through page 2,
- 6 line 1, and inserting:
- 7 d. "Retailer" means as defined in section 423.1.>
- 8 3. Page 3, lines 4 and 5, by striking <one hundred>
- 9 and inserting <twenty-five>
- 10 4. Page 4, line 20, by striking <or>
- 11 5. Page 4, line 26, by striking <seller license>
- 12 6. Page 4, line 29, by striking <seller license>
- 13 7. Page 4, line 30, by striking <seller license>
- 14 8. Page 4, line 34, after <section> by inserting
- 15 <and section 100.19A>
- 16 9. Page 5, line 2, after <3> by inserting <and the
- 17 fees collected by the state fire marshal under section
- 18 100.19A for wholesaler registration>
- 19 10. Page 5, line 29, after <to> by inserting
- 20 <annually>
- 21 11. Page 5, line 33, by striking <a> and inserting
- 22 <an annual>
- 23 12. Page 5, line 35, after <state.> by inserting
- 24 <Registration fees collected pursuant to this section
- 25 shall be deposited in the consumer fireworks fee fund
- 26 created in section 100.19, subsection 6.>
- 27 13. Page 6, line 31, by striking <resolution
- 28 suspend the use of display> and inserting <ordinance
- 29 or resolution limit or restrict the use of consumer
- 30 fireworks or display>
- 31 14. Page 6, line 33, after <safety> by inserting
- 32 <or private property, or if the board determines that
- 33 the use of such devices would constitute a nuisance to
- 34 neighboring landowners>
- 35 15. Page 7, after line 2 by inserting:
- 36 <Sec. \_\_\_\_\_. Section 364.2, Code 2015, is amended by
- 37 adding the following new subsection:
- 38 NEW SUBSECTION. 6. A city council may by ordinance
- 39 or resolution prohibit or limit the use of consumer
- 40 fireworks, display fireworks, or novelties, as
- 41 described in section 727.2.>
- 42 16. Page 7, lines 5 and 6, by striking <consumer
- 43 fireworks, display fireworks, and novelties,> and
- 44 inserting <consumer fireworks or display fireworks,>
- 45 17. Page 8, line 25, by striking <suspended by a
- 46 resolution> and inserting <prohibited or limited by an
- 47 ordinance>
- 48 18. Page 8, line 26, after <county> by inserting
- 49 <or city>
- 50 19. Page 9, line 9, by striking <c. A> and

1 inserting:

2 <c. (1) A person who uses or explodes consumer  
3 fireworks or novelties while the use of such devices is  
4 prohibited or limited by an ordinance adopted by the  
5 county or city in which the fireworks are used commits  
6 a simple misdemeanor, punishable by a fine of not less  
7 than two hundred fifty dollars.

8 (2) A>

9 20. Page 9, by striking lines 33 and 34 and  
10 inserting <misdemeanor. A court shall not order  
11 imprisonment for violation of this subsection.>

12 21. Page 10, by striking lines 14 and 15 and  
13 inserting:

14 <Sec. \_\_\_\_ EFFECTIVE DATE. This division of this  
15 Act takes effect December 1, 2015.

16 DIVISION \_\_\_\_

17 RULEMAKING

18 Sec. \_\_\_\_ EMERGENCY RULES. The state fire  
19 marshal shall adopt emergency rules under section  
20 17A.4, subsection 3, and section 17A.5, subsection 2,  
21 paragraph "b", to implement the provisions of this  
22 Act and the rules shall be effective immediately upon  
23 filing unless a later date is specified in the rules.  
24 Any rules adopted in accordance with this section shall  
25 also be published as a notice of intended action as  
26 provided in section 17A.4.

27 Sec. \_\_\_\_ EFFECTIVE UPON ENACTMENT. This division  
28 of this Act, being deemed of immediate importance,  
29 takes effect upon enactment.>

30 22. Title page, line 2, by striking <and providing  
31 penalties> and inserting <, providing fees and  
32 penalties, and including effective date provisions>

33 23. By renumbering as necessary.

**By** JEFF DANIELSON

SENATE FILE 509

S-3205

1 Amend Senate File 509 as follows:

2 1. Page 1, by striking lines 17 through 21.

3 2. Page 5, after line 5 by inserting:

4 <\_\_\_\_. An individual may claim the tax credit  
5 allowed a partnership, limited liability company, S  
6 corporation, estate, or trust electing to have the  
7 income taxed directly to the individual. The amount  
8 claimed by the individual shall be based upon the  
9 pro rata share of the individual's earnings of the  
10 partnership, limited liability company, S corporation,  
11 estate, or trust.>

12 3. Page 5, by striking lines 21 and 22 and  
13 inserting:

14 <1. Except as provided in subsection 2, this Act,  
15 being deemed of immediate importance, takes effect upon  
16 enactment.>

17 4. By renumbering, redesignating, and correcting  
18 internal references as necessary.

**By** RITA HART

S-3205 FILED JUNE 2, 2015

ADOPTED

HOUSE FILE 616

S-3203

1 Amend the amendment, S-3177, to House File 616, as  
2 passed by the House, as follows:

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

4 <\_\_\_\_. Page 1, before line 1 by inserting:

5 <Section 1. Section 426C.1, subsection 4, Code  
6 2015, is amended by striking the subsection and  
7 inserting in lieu thereof the following:

8 4. a. "Parcel" means as defined in section 445.1.

9 b. (1) For purposes of business property tax  
10 credits claimed for the fiscal year beginning July  
11 1, 2016, "parcel" also means that portion of a parcel  
12 assigned a classification of commercial property,  
13 industrial property, or railway property under  
14 chapter 434 pursuant to section 441.21, subsection 13,  
15 paragraph "c".

16 (2) For purposes of business property tax credits  
17 claimed for fiscal years beginning on or after July  
18 1, 2017, "parcel" also means that portion of a parcel  
19 assigned a classification of commercial property  
20 or industrial property pursuant to section 441.21,  
21 subsection 13, paragraph "c".>>

22 2. Page 1, by striking lines 8 through 26 and  
23 inserting:

24 <Sec. \_\_\_\_\_. Section 441.21, subsection 13,  
25 paragraphs a and c, Code 2015, are amended to read as  
26 follows:

27 a. ~~(1) Beginning with valuations established on~~  
28 ~~or after~~ For the assessment year beginning January 1,  
29 2015, mobile home parks, manufactured home communities,  
30 land-leased communities, assisted living facilities,  
31 property primarily used or intended for human  
32 habitation containing three or more separate dwelling  
33 units, and that portion of a building that is used  
34 or intended for human habitation and a proportionate  
35 share of the land upon which the building is situated,  
36 regardless of the number of dwelling units located in  
37 the building, if the use for human habitation is not  
38 the primary use of the building and such building is  
39 not otherwise classified as residential property, shall  
40 be valued as a separate class of property known as  
41 multiresidential property and, excluding properties  
42 referred to in section 427A.1, subsection 8, shall  
43 be assessed at a percentage of its actual value, as  
44 determined in this subsection.

45 (2) Beginning with valuations established on or  
46 after January 1, 2016, all of the following shall  
47 be valued as a separate class of property known as  
48 multiresidential property and, excluding properties  
49 referred to in section 427A.1, subsection 8, shall  
50 be assessed at a percentage of its actual value, as

S-3203

1 determined in this subsection:

2 (a) Mobile home parks.

3 (b) Manufactured home communities.

4 (c) Land-leased communities.

5 (d) Assisted living facilities.

6 (e) A parcel primarily used or intended for  
7 human habitation containing three or more separate  
8 dwelling units. If a portion of such a parcel is  
9 used or intended for a purpose that, if the primary  
10 use, would be classified as commercial property or  
11 industrial property, each such portion, including a  
12 proportionate share of the land included in the parcel,  
13 if applicable, shall be assigned the appropriate  
14 classification pursuant to paragraph "c".

15 (f) For a parcel that is primarily used or intended  
16 for use as commercial property or industrial property,  
17 that portion of the parcel that is used or intended  
18 for human habitation, regardless of the number of  
19 dwelling units contained on the parcel, including a  
20 proportionate share of the land included in the parcel,  
21 if applicable. The portion of such a parcel used or  
22 intended for use as commercial property or industrial  
23 property, including a proportionate share of the  
24 land included in the parcel, if applicable, shall be  
25 assigned the appropriate classification pursuant to  
26 paragraph "c".

27 c. (1) Accordingly For the assessment year  
28 beginning January 1, 2015, for parcels that, in  
29 part, satisfy the requirements for classification as  
30 multiresidential property, the assessor shall assign  
31 to that portion of the parcel the classification of  
32 multiresidential property and to such other portions of  
33 the parcel the property classification for which such  
34 other portions qualify.

35 (2) Beginning with valuations established on  
36 or after January 1, 2016, for parcels for which a  
37 portion of the parcel satisfies the requirements for  
38 classification as multiresidential property pursuant to  
39 paragraph "a", subparagraph (2), subparagraph division  
40 (e) or (f), the assessor shall assign to that portion  
41 of the parcel the classification of multiresidential  
42 property and to such other portions of the parcel the  
43 property classification for which such other portions  
44 qualify.>

45 3. Page 1, after line 28 by inserting:

46 <\_\_. Page 7, lines 3 and 4, by striking <section  
47 of this Act amending section> and inserting <sections  
48 of this Act amending sections 426C.1 and>>

**By** JOE BOLKCOM

HOUSE FILE 632

S-3207

1 Amend House File 632, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. Page 5, line 1, by striking <subsections 2 and  
4 3, Code 2015, are> and inserting <subsection 2, Code  
5 2015, is>

6 2. Page 5, by striking lines 16 through 27.

7 3. Page 6, by striking lines 3 through 24 and  
8 inserting:

9 <NEW SUBSECTION. 7. The commissioner shall  
10 adopt rules pursuant to chapter 17A that provide  
11 requirements, including minimum time periods as  
12 the commissioner determines are appropriate under  
13 the circumstances, for a health carrier or pharmacy  
14 benefits manager to respond to a health care provider's  
15 request for prior authorization of prescription drug  
16 benefits or to request additional information from a  
17 health care provider concerning such a request.>

18 4. Page 25, after line 25 by inserting:

19 <Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. Unless  
20 otherwise provided, this Act, if approved by the  
21 governor on or after July 1, 2015, takes effect upon  
22 enactment.

23 Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY. Unless  
24 otherwise provided, this Act, with the exception of the  
25 section of this Act adding section 502.202, subsection  
26 24, if approved by the governor on or after July 1,  
27 2015, applies retroactively to July 1, 2015.>

28 5. Title page, line 3, after <date> by inserting  
29 <and retroactive applicability>

30 6. By renumbering as necessary.

**By MATT McCOY**

S-3207 FILED JUNE 2, 2015

ADOPTED

REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 496

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 496, a bill for an Act relating to appropriations to the judicial branch, respectfully make the following report:

1. That the House recedes from its amendment, S-3156.

2. That Senate File 496, as passed by the Senate, is amended to read as follows:

1. Page 1, line 22, by striking <176,986,612> and inserting <171,486,612>

2. Page 4, line 35, by striking <88,493,306> and inserting <85,743,306>

3. Page 7, after line 26 by inserting:

<DIVISION \_\_\_\_

CONDITIONAL EFFECTIVE DATE AND

RETROACTIVE APPLICABILITY PROVISIONS

Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2015, takes effect upon enactment.

Sec. \_\_\_\_ . RETROACTIVE APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2015, applies retroactively to July 1, 2015.>

CCS-496

4. Title page, line 1, after <branch> by inserting <and including effective date and retroactive applicability provisions>

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

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THOMAS G. COURTNEY,  
CHAIRPERSON

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GARY WORTHAN, CHAIRPERSON

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ROBERT M. HOGG

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DARREL BRANHAGEN

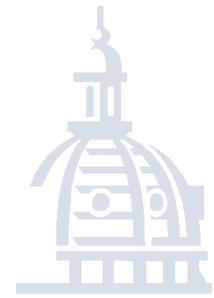
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RICH TAYLOR

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CHRIS HAGENOW

CCS-496      FILED JUNE 2, 2015  
ADOPTED



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**SF 495** – Salvage Vehicle Registration Fee (LSB2420SZ.1)  
Analyst: Adam Broich (Phone: (515) 281-8223) ([adam.broich@legis.iowa.gov](mailto:adam.broich@legis.iowa.gov))  
Fiscal Note Version – Revised

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### **Description**

**Senate File 495** changes the fee for new registration for a vehicle under a salvage vehicle title that is subsequently registered with a regular certificate of title. Such vehicles have been repaired. The fee for new registration for vehicles previously under a salvage title will fall under one of the following two criteria:

- If the applicant for a regular title also owned the salvage title, the fee for new registration will be 5.0% of the purchase price of the vehicle.
- If the applicant for a regular title purchased the vehicle from another person that was not registered as a motor vehicle dealer, after repair, the fee for new registration will be 3.25% of the purchase price of the vehicle.

The Bill requires all vehicle titles to state: “NOTICE: Pursuant to the Iowa Code, underreporting the purchase price of a vehicle may be punishable by a prison sentence, a fine, or both.”

### **Background**

Currently, the fair market value of the vehicle used to determine the fee for new registration is adjusted based on a set of criteria as follows:

- If the owner of the vehicle is a licensed recycler, unless the applicant is licensed as a vehicle dealer, the fee for new registration is based on the fair market value of the vehicle, with deduction allowed for the cost of parts, supplies, and equipment for which sales tax was paid and which were used to rebuild the vehicle.
- If the owner is a person not licensed as a recycler or vehicle dealer, the fee for new registration is based on the fair market value of the vehicle, with deduction allowed for the cost of parts, frames, chassis, auto bodies, or supplies that were purchased to rebuild the vehicle and for which sales tax was paid.

The Department of Transportation (DOT) currently states on title applications that underreporting the purchase price is considered fraud and may result in a prison sentence or fine. In 2013, the DOT investigated potentially underreported transactions. The Department mailed letters to selected<sup>1</sup> vehicle sellers and owners to notify them of a potentially underreported sales price. A confirmation of the sales price was requested. If the sales price was underreported, the vehicle owner was informed that they owed tax. This effort resulted in an additional \$73,000 in new registration fees for two months, covering 272 transactions.

### **Assumptions**

- The number of salvage titles that will be converted to regular titles will be 27,300. Of the total, 3,600 will pay a 5.0% fee for new registration and 23,800 will pay a 3.25% fee for new registration. These numbers match data from the previous 12 months.
- The value of vehicle purchase prices is based on records of new vehicle registrations and salvage titles over the last 12 months.
  - **Current Law:** Values are based on the reported taxable value. This value excludes the cost of repairing the vehicle as set by Iowa Code section [321.105A\(2\)c\(17\)](#).

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<sup>1</sup> Letters were mailed only to vehicle sellers that appeared to have avoided at least \$150 or more in tax.

- [Senate File 495](#): This fiscal note assumes the value of vehicle purchases will match current law values. [Senate File 495](#) does not allow deductions for the value of parts used to repair the vehicle. However, the value of the deductions is not reported to the DOT and is unknown.
- Adopting the notice statement on Iowa titles will not require additional expenditure.
- The impact to county General Funds is unknown. Counties receive 4.0% of new registration fees and reduced fee revenue will decrease revenue for counties where the vehicle was titled. However, it is not possible to determine which counties will be impacted by this change.
- Expenses associated with adopting these changes to the DOT systems will be funded by existing resources. No additional FTE positions will be required.
- The purchase value of vehicles impacted by this Bill will remain constant, and not be impacted by inflation in the estimated years.
- Current fraudulent behavior is undetected and the fiscal impact of a fraud disclaimer cannot be identified. As a result, the impact on the number of vehicle owners underreporting the purchase price of vehicles and the average value of underreported is unknown. A very general estimate was derived from the following assumptions after reviewing the results of an incomplete fraud study from the DOT in 2013, and reviewing the results of a performance audit conducted in Michigan.
  - The number of vehicle transactions underreported, and degree of underreporting, is based on a study conducted by the DOT in 2013 that investigated these claims. However, the study targeted only instances where it was presumed the underreporting resulted in a tax underpayment of \$150 or more.
  - Based on a weighted average, impacted transactions will result in \$95 in tax per vehicle.
  - Between 0.0% and 8.5% of previously fraudulent transactions will correctly report the sales price. Printing the notification statement on the title may have some impact on fraudulent behavior, but that impact is unknown.
  - Statements printed on the title will occur on or after July 1, 2015. It is assumed that county treasurers will be allowed to exhaust existing title stock. As a result, it will be several years before all vehicles have newer titles.

### **Fiscal Impact**

Based on the above assumptions, changing the fee for new registration for a vehicle under a salvage vehicle title that is subsequently registered with a regular certificate of title is estimated to reduce revenue to the Road Use Tax Fund (RUTF) by a maximum of \$1.3 million beginning in FY 2016 and each year thereafter.

Assuming the notification statement printed on the vehicle title will reduce underreported vehicle transactions, tax revenue to the RUTF will increase. Potential for increased revenue ranges between \$0.0 and \$1.0 million. However, any additional revenue will be phased in as vehicles with the statement on the title are resold, and is unlikely to impact the first year. The RUTF funds are distributed to the Iowa DOT and county and city road departments for the construction of roads.

### **Sources**

Iowa DOT  
LSA calculations

/s/ Holly M. Lyons

June 2, 2015

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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