

CHAPTER 1304**REGULATORY, ADMINISTRATIVE, AND FINANCE AGENCIES APPROPRIATIONS***H.F. 2521*

AN ACT relating to and making appropriations to various state regulatory, administrative and finance departments, boards and commissions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984 and ending June 30, 1985, to the following boards the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985 <u>Fiscal Year</u>
1. BOARD OF ARCHITECTURAL EXAMINERS	
For salaries, support, maintenance, and other operational purposes	\$ 45,458
2. BOARD OF LANDSCAPE ARCHITECTURAL EXAMINERS	
For salaries, support, maintenance, and other operational purposes	\$ 10,345
3. BOARD OF ACCOUNTANCY	
For salaries, support, maintenance, and other operational purposes	\$ 270,801
4. STATE BOARD OF ENGINEERING EXAMINERS	
For salaries, support, maintenance, and other operational purposes	\$ 138,615

Sec. 2. There is appropriated from the general fund of the state to the following departments and commissions for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985 <u>Fiscal Year</u>
1. AUDITOR OF STATE	
For salaries, support, maintenance, and miscellaneous purposes	\$ 1,803,249
2. DEPARTMENT OF BANKING	
For salaries, support, maintenance, and other operational purposes	\$ 3,271,343

3. IOWA BEER AND LIQUOR CONTROL DEPARTMENT

For salaries, support, maintenance, and other operational purposes \$ 18,626,164

Not less than six ministores shall be established from the funds appropriated in this subsection.

4. CAMPAIGN FINANCE DISCLOSURE COMMISSION

For salaries, support, maintenance, and other operational purposes \$ 125,587

As a condition of receipt of this appropriation, the campaign finance disclosure commission shall promulgate rules by January 1, 1985 that a holder of or a candidate for a state office who receives a campaign contribution from a registered lobbyist or a political action committee while the general assembly is in session must disclose that contribution to the campaign finance disclosure commission within fourteen days of receipt of the contribution.

5. IOWA STATE COMMERCE COMMISSION

For salaries, support, maintenance, and other operational purposes \$ 5,611,319

6. CONSUMER ADVOCATE

For salaries, support, maintenance, and other operational purposes \$ 874,529

7. STATE COMPTROLLER

a. General Office

For salaries, support, maintenance, and other operational purposes \$ 1,178,029

b. Division of Data Processing

For salaries, support, maintenance, and other operational purposes \$ 4,070,837

It is the intent of the general assembly that the state comptroller under its division of data processing shall not charge the secretary of state for computer costs arising as a result of the implementation of Senate File 510.

The state comptroller, through the office of the inspector general, shall assist state agencies in identifying and implementing efficiency and cost-effectiveness measures, as recommended by the governor's task force on efficiencies and cost-effectiveness. Notwithstanding any conflicting provisions of chapter 8, the state comptroller may make the first two quarterly allocations to the state comptroller as if the amount appropriated in paragraph "a" contained three hundred thousand dollars more than actually specified and in paragraph "b" contained two million dollars more than actually specified, and the state comptroller may reduce the last two quarterly allocations in order to offset the first two quarterly allocations. The state comptroller may reduce quarterly allocations of funds appropriated to other agencies to reflect savings made as a result of implementing recommendations of the governor's task force on efficiencies and cost effectiveness. Not more than three hundred thousand dollars for paragraph "a" and two million dollars for paragraph "b" of the savings resulting from implementing the recommendations may be transferred by the state comptroller to the state comptroller to be used for the purposes provided in those paragraphs.

8. CREDIT UNION DEPARTMENT

For salaries, support, maintenance, and
other operational purposes \$ 534,821

9. INDUSTRIAL COMMISSIONER

For salaries, support, maintenance, and
other operational purposes \$ 981,702

10. INSURANCE DEPARTMENT OF IOWA

For salaries, support, maintenance, and
other operational purposes \$ 2,691,974

The insurance department may expend additional funds, if those additional expenditures are actual expenses which exceed the funds budgeted for insurance company examinations and directly result from examinations of insurance companies. Before the department expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the department and that the department does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the department may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those insurance companies being examined which caused the excess expenditures and the collections shall be treated as repayment receipts as defined in section 8.2, subsection 5.

11. IOWA DEPARTMENT OF JOB SERVICE

For salaries, support, maintenance, and
other operational purposes for the administration of chapter 97 and chapter 97C and section 294.15 \$ 160,398

12. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

For salaries, support, maintenance, and
other operational purposes \$ 48,594

13. PUBLIC EMPLOYMENT RELATIONS BOARD

For salaries, support, maintenance, and
other operational purposes \$ 542,838

14. IOWA REAL ESTATE COMMISSION

For salaries, support, maintenance, and
other operational purposes \$ 319,345

15. RACING COMMISSION

For salaries, support, maintenance, and
other operational purposes \$ 296,400

16. DEPARTMENT OF REVENUE**General Administration**

For salaries, support, maintenance, and
other operational purposes \$ 15,760,007

17. SECRETARY OF STATE

- a. For salaries, support, maintenance and other operational purposes \$ 1,062,176
- b. For editing and printing the Iowa official register \$ 62,500

It is the intent of the general assembly that the Iowa official register be published by April 1, if practicable.

18. TREASURER OF STATE

- For salaries, support, maintenance, and miscellaneous purposes \$ 472,598

Sec. 3. There is appropriated from the general fund of the state to the moneys and credits replacement fund established in section 422.100 for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for payments to counties as provided in section 422.100:

1984-1985
Fiscal Year
 \$ 2,500,000

Sec. 4. There is appropriated from the general fund of the state to the county government assistance fund, established in section 334A.1, for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for state assistance to counties, with distribution in accordance with section 334A.2. The state comptroller, before making such distribution, shall credit to the county finance committee on July 1, 1984 the sum of fifty-five thousand five hundred thirty-three (55,533) dollars.

1984-1985
Fiscal Year
 \$ 5,350,000

Sec. 5. There is appropriated from the general fund of the state to the municipal assistance fund, established in section 405.1, for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for state assistance to municipalities, with distribution in accordance with section 405.1. The state comptroller, before making such distribution, shall credit to the city finance committee on July 1, 1984 the sum of ten thousand eight hundred (10,800) dollars.

1984-1985
Fiscal Year
 \$ 14,650,000

Sec. 6. There is appropriated from the motor vehicle fuel tax fund to the department of revenue for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, for salaries, support, maintenance, and other operational purposes for administration and enforcement of the provisions of chapter 324 and the motor vehicle use tax program:

1984-1985
Fiscal Year
 \$ 820,035

Sec. 7. There is appropriated from the Iowa public employees' retirement system fund for the fiscal year beginning July 1, 1984 and ending June 30, 1985, to the Iowa department of job service, the following amount, or so much thereof as may be necessary, to be used for the following purposes:

1984-1985
Fiscal Year

For salaries, support, maintenance, and other operational purposes to pay the costs of administration of the Iowa public employees' retirement system

\$ 3,381,945

It is the intent of the general assembly that the department of job service and the advisory investment board of the Iowa public employees' retirement system shall evaluate their holding of stocks and the voting rights to the stock with respect to the involvement of the stock issuer in doing business with or investing in the Republic of South Africa. The list of companies that invest in or do business with the Republic of South Africa shall be developed with reference to information obtained from the United States department of commerce. The department of job service shall not give voting proxies to any candidate for a board position for a company on the list who does not support divestment. In any stockholder election involving an issue related to investments in or business with the Republic of South Africa, the department of job service shall exercise its right to vote stock in such a manner as to prohibit such investments or business. This paragraph does not require the department to send a person to attend shareholder meetings to vote stock.

Sec. 8. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts unless otherwise provided by the general assembly.

*Sec. 9.

1. It is the intent of the general assembly that after July 1, 1984 that in regard to the appropriations made in section 7 of this Act the department of job service and the advisory board of the Iowa public employees' retirement system shall not make investment in any person making an investment in South Africa. As used in this section, unless the context otherwise requires:

a. "Investment in South Africa" means either of the following:

(1) Establishing or making a loan or other extension of credit for the establishment of a business enterprise or a subsidiary, affiliate, branch, or office in South Africa.

(2) Investing funds in an existing enterprise in South Africa including making a loan or other extension of credit or exercising control in an existing enterprise, except that this paragraph does not prohibit the purchase of securities on a securities exchange.

b. "South Africa" includes the Republic of South Africa, any territory under the legal or illegal administration of the Republic of South Africa, and the Bantustans including Transkei, Bophuthatswana, Venda, Ciskei, and KwaZulu.

2. A person shall be presumed to control a corporation, partnership, or enterprise in South Africa if any of the following exist:

a. The person beneficially owns or controls either directly or indirectly more than fifty percent of the outstanding voting securities of the corporation, partnership, or enterprise.

b. The person beneficially owns or controls either directly or indirectly twenty-five percent or more of the voting securities of the corporation, partnership, or enterprise, if no other person owns or controls an equal or larger percentage.

c. The corporation, partnership, or enterprise is operated by the person pursuant to an exclusive management contract.

d. A majority of the members of the board of directors of the corporation, partnership, or enterprise are also members of the comparable governing body of the person.

*Item veto; see message at end of this Act

e. The person has authority to appoint a majority of the members of the board of directors of the corporation, partnership, or enterprise.

f. The person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.

3. It is also the intent of the general assembly that after July 1, 1984 that in regard to the appropriation made in section 7 of this Act the department of job service and the advisory investment board of the Iowa public employees' retirement system shall maintain a list of persons making an investment in South Africa. The list shall be developed with reference to information obtained from the United States department of commerce. The department of job service and the advisory board shall not invest in any person on the list. The department shall mail written notification to each person on the list. A person ineligible to receive investments may establish eligibility if documentary evidence is submitted to the advisory board. The evidence shall be sufficient to establish that the person has adopted a written policy that prohibits the making of investments in South Africa. "Documentary evidence" includes, but is not limited to, an executed affidavit by an appropriate officer of the person in a form prepared by the advisory board, attesting to the fact that the person prohibits the making of investments in South Africa. The department of job service shall attempt to verify compliance by checking sources of information not affiliated with the person. The department of job service shall adopt rules under chapter 17A to assess civil penalties against a person who files false or misleading documentary evidence. Penalties shall be deposited in the state general fund. The civil penalties shall not exceed five thousand dollars for each violation. All civil penalties collected shall be deposited in the state general fund. If the advisory board determines that the government of the Republic of South Africa has made substantial progress toward the full participation of all the people in South Africa in the social, political, and economic life of that country and toward an end to discrimination based on race or ethnic origin, the advisory board shall submit that determination and the basis for that determination to the general assembly.*

Sec. 10. If, on September 1, 1984, the state comptroller projects that the receipts of state general fund revenues for the fiscal year beginning July 1, 1985 will be less than seven and three-tenths percent above the receipts of state general fund revenues for the fiscal year beginning July 1, 1984, the following shall occur:

1. Notwithstanding section 442.7, subsection 4, for the budget year beginning July 1, 1985, the difference between the recomputed state percent of growth for the base year and the original computation for the base year is one percent and that percent shall be subtracted from the state percent of growth for the budget year.

*2. Notwithstanding section 442.3, for the school year beginning July 1, 1985, the state foundation base shall be seventy-nine percent of the state cost per pupil.

3. Notwithstanding section 427A.9, the personal property tax credit allowed for the fiscal year beginning July 1, 1985 shall not exceed the amount of the personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1984.

4. Notwithstanding section 427B.10, property acquired or purchased on or after January 1, 1983 up to and including December 31, 1983 shall not receive the benefits of sections 427B.10 through 427B.14 for taxes levied against the January 1, 1984 assessments and collected during the fiscal year beginning July 1, 1985.

*Item veto; see message at end of this Act

5. Notwithstanding section 602.11101, subsections 3 and 4, Code Supplement 1983, the scheduled assumptions of state responsibility for court attendants and for juvenile probation officers are delayed for a period of one year, respectively, and the delay shall be implemented as provided in section 602.11101 and the percentage remittance to the counties from the court revenue distribution account under section 602.8108 for the fiscal year beginning July 1, 1984 shall not be reduced for the fiscal year beginning July 1, 1985.*

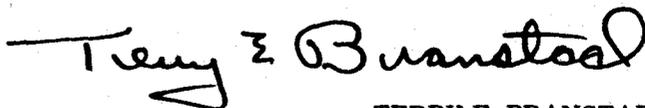
*Sec. 11. Section 49.12, Code 1983, is amended to read as follows:

49.12 ELECTION BOARDS. There shall be appointed in each election precinct an election board which shall ordinarily consist of at least five precinct election officials. However, in precincts using only one voting machine at any one time, and in precincts voting by paper ballot where no more than one hundred votes were cast in the last preceding similar election, the board shall consist of not less than three precinct election officials; and in precincts using more than two voting machines ~~one additional precinct election official~~ officials may be appointed ~~for each such additional machine~~. Double election boards may be appointed for any precinct as provided by chapter 51. Not more than a simple majority of the members of the election board in any precinct, or of the two combined boards in any precinct for which a double election board is appointed, shall be members of the same political party or organization if one or more qualified electors of another party or organization are qualified and willing to serve on the board.

If double counting boards are not appointed for precincts using paper ballots and using only three precinct election officials a fourth precinct election official shall be appointed from the election board panel to serve beginning at 8:00 p.m. to assist in counting the paper ballots.

Sec. 12. Section 11 of this Act takes effect only if House File 2219, as enacted by the Seventieth General Assembly, 1984 Session, becomes law.*

Approved May 19, 1984, except the items which I hereby disapprove and which are designated as Section 7, unnumbered paragraph three and which is herein bracketed in ink and initialed by me; Section 9, which is herein bracketed in ink and initialed by me; Subsections 2, 3, 4, and 5 of Section 10, which is herein bracketed in ink and initialed by me; and all of Sections 11 and 12, which are herein bracketed in ink and initialed by me. These are all delineated with my reasons for vetoing in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.



TERRY E. BRANSTAD
Governor

*Item veto; see message at end of this Act

The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2521, an act relating to and making appropriations to various state regulatory, administrative and finance departments, boards and commissions.

House File 2521 is approved May 19, 1984, with the following exceptions which I hereby disapprove.

I am unable to approve Section 7, unnumbered paragraph 3, and the entirety of Section 9, which reads as follows:

It is the intent of the general assembly that the department of job service and the advisory investment board of the Iowa public employees' retirement system shall evaluate their holding of stocks and the voting rights to the stock with respect to the involvement of the stock issuer in doing business with or investing in the Republic of South Africa. The list of companies that invest in or do business with the Republic of South Africa shall be developed with reference to information obtained from the United States department of commerce. The department of job service shall not give voting proxies to any candidate for a board position for a company on the list who does not support divestment. In any stockholder election involving an issue related to investments in or business with the Republic of South Africa, the department of job service shall exercise its right to vote stock in such a manner as to prohibit such investments or business. This paragraph does not require the department to send a person to attend shareholder meetings to vote stock.

Sec. 9.

1. It is the intent of the general assembly that after July 1, 1984 that in regard to the appropriations made in section 7 of this Act the department of job service and the advisory board, of the Iowa public employees' retirement system shall not make investment in any person making an investment in South Africa. As used in this section, unless the context otherwise requires:

a. "Investment in South Africa" means either of the following:

(1) Establishing or making a loan or other extension of credit for the establishment of a business enterprise or a subsidiary, affiliate, branch or office in South Africa.

(2) Investing funds in an existing enterprise in South Africa including making a loan or other extension of credit or exercising control in an existing enterprise, except that this paragraph does not prohibit the purchase of securities on a securities exchange.

b. "South Africa" includes the Republic of South Africa, any territory under the legal or illegal administration of the Republic of South Africa, and the Bantustans including Transkei, Bophuthatswana, Venda, Ciskei, and KwaZulu.

2. A person shall be presumed to control a corporation, partnership, or enterprise in South Africa if any of the following exist:

a. The person beneficially owns or controls either directly or indirectly more than fifty percent of the outstanding voting securities of the corporation, partnership, or enterprise.

b. The person beneficially owns or controls either directly or indirectly twenty-five percent or more of the voting securities of the corporation, partnership, or enterprise, if no other person owns or controls an equal or larger percentage.

c. The corporation, partnership, or enterprise is operated by the person pursuant to an exclusive management contract.

d. A majority of the members of the board of directors of the corporation, partnership, or enterprise are also members of the comparable governing body of the person.

e. The person has authority to appoint a majority of the members of the board of directors of the corporation, partnership, or enterprise.

f. The person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.

3. It is also the intent of the general assembly that after July 1, 1984 that in regard to the appropriation made in section 7 of this Act the department of job service and the advisory investment board of the Iowa public employees' retirement system shall maintain a list of persons making an investment in South Africa. The list shall be developed with reference to information obtained from the United States department of commerce. The department of job service and the advisory board shall not invest in any person on the list. The department shall mail written notification to each person on the list. A person ineligible to receive investments may establish eligibility if documentary evidence is submitted to the advisory board. The evidence shall be sufficient to establish that the person has adopted a written policy that prohibits the making of investments in South Africa. "Documentary evidence" includes, but is not limited to, an executed affidavit by an appropriate officer of the person in a form prepared by the advisory board, attesting to the fact that the person prohibits the making of investments in South Africa. The department of job service shall attempt to verify compliance by checking sources of information not affiliated with the person. The department of job service shall adopt rules under chapter 17A to assess civil penalties against a person who files false or misleading documentary evidence. Penalties shall be deposited in the state general fund. The civil penalties shall not exceed five thousand dollars for each violation. All civil penalties collected shall be deposited in the state general fund. If the advisory board determines that the government of the Republic of South Africa has made substantial progress toward the full participation of all the people in South Africa in the social, political, and economic life of that country and toward an end to discrimination based on race or ethnic origin, the advisory board shall submit that determination and the basis for that determination to the general assembly.

The above designated provisions in House File 2521 require the Department of Job Service and the Iowa Public Employees Retirement System (IPERS) Advisory Investment Board to take three actions with respect to IPERS investments:

1. Support only board of director candidates who favor the divestment of the company's South African investments;
2. Support stockholder initiatives to force divestment of a company's investments in South Africa;
3. Make no investment in any companies making investments or having control of companies in South Africa, after July 1, 1984.

The provisions of House File 2521 represent a radical change in the handling of the state employees' pension fund. In the past, the state has given those who manage these funds broad discretion in selecting appropriate investments and has shied away from using these funds to effect social policy.

The IPERS system is actuarially sound — something of a rarity for public pension systems. And, IPERS managers have achieved substantial investment yields earning additional retirement income for former public employees.

Despite this investment record, proponents of Sections 7 and 9 of House File 2521 urge the adoption of the above restrictions on IPERS investments due to the racial policies of the South African government.

Their goal is a laudable one. The racism inherent in the apartheid policy is wrong. I am certain that Iowans — with their history of support for racial equality — join me in condemning this policy of the South African government.

Iowans also have a history of support for free and open commerce. We witnessed the failure of the Carter Administration's effort to force change in Soviet policy through a grain embargo. Rather than harm the Russians, the embargo hamstrung American farmers.

Instead of the negative approach reflected in House File 2521, I believe we would benefit blacks in South Africa far more with a positive effort to achieve racial equality. This can best be accomplished, not by divesting our ability to exercise influence, but by capitalizing on it.

Implementation of the so-called "Sullivan Principles" is one way to exercise economic influence to achieve needed social change. These principles require desegregation of the workplace, equality of pay and opportunity for blacks, and financial aid to the employees' communities. To date, over 120 American firms doing business in South Africa have signed agreements to honor these principles and 74 percent of the workers employed by U.S. firms are covered by these principles.

In summary, I concur with the goals of those proposing Sections 7 and 9 of House File 2521. However, the restrictions on South African investments included in those sections would likely hurt, rather than help, the victims of the oppressive apartheid system. On the other hand, a positive use of American investment could work to speed up the needed social change in South Africa.

I am also unable to approve Section 10, subsections 2, 3, 4, and 5, which read as follows:

2. Notwithstanding section 442.3, for the school year beginning July 1, 1985, the state foundation base shall be seventy-nine percent of the state cost per pupil.

3. Notwithstanding section 427A.9, the personal property tax credit allowed for the fiscal year beginning July 1, 1985 shall not exceed the amount of the personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1984.

4. Notwithstanding section 427B.10, property acquired or purchased on or after January 1, 1983 up to and including December 31, 1983 shall not receive the benefits of sections 427B.10 through 427B.14 for taxes levied against the January 1, 1984 assessments and collected during the fiscal year beginning July 1, 1985.

5. Notwithstanding section 602.11101, subsections 3 and 4, Code Supplement 1983, the scheduled assumptions of state responsibility for court attendants and for juvenile probation officers are delayed for a period of one year, respectively, and the delay shall be implemented as provided in section 602.11101 and the percentage remittance to the counties from the court revenue distribution account under section 602.8108 for the fiscal year beginning July 1, 1984 shall not be reduced for the fiscal year beginning July 1, 1985.

Each of the above designated subsections would be implemented in the event that the State Comptroller on September 1, 1984 projected that the receipts of the state general fund revenues for the fiscal year 1986 would be less than 7.3 percent above the state general fund revenues for the fiscal year 1985. While I recognize these triggers are standby in nature, I am unable to approve these items because of my strong belief that it is wrong to shift state budget problems to local governments and local property taxpayers when problems occur. The four provisions which I will comment on briefly below could boost local property taxes by nearly \$25 million. These same provisions would wreak havoc on the local government budget process, and severely damage state government's relationship and credibility with local government officials and property taxpayers. I recommended a one cent increase in our state sales tax last year to avoid this type of action.

Subsection 2, if triggered, would further delay our state's long standing commitment to reaching the eighty percent foundation level in our school aid formula. This provision alone would cost local property taxpayers \$14 million.

Subsection 3, raises the trigger on the personal property tax phaseout which was enacted in 1974. This most unfair and inequitable tax on personal property and business inventories should have been phased out by now. It has already been delayed too many times.

Presently, the personal property tax phaseout moves forward only when state revenues grow by at least 5.5 percent. In most recent years, our revenue growth has been below 5.5 percent and no progress in the phaseout has been made. Last year, I recommended and budgeted for another step in the phaseout. The legislature failed to follow that recommendation, and spent the \$3.8 million elsewhere.

Our commitment to the elimination of this most unfair tax is a significant incentive to economic development and more jobs for Iowans. Unfortunately, our state government's credibility has already been damaged by the continual interruption of this economic development incentive. I find this action to be unacceptable.

Subsection 4 requires that industrial machinery, equipment and computers purchased from January 1, 1983 through December 31, 1983 would not receive the 30 percent valuation limit for January 1, 1984 assessments.

The language of this paragraph could lead to a retroactive denial of a significant incentive designed to encourage capital investment. Many Iowa businesses would not have made machinery and computer investments in calendar year 1983 without the incentive provided for under our state's new "70/30" residual value assessment system.

Even the possibility of a retroactive denial of this investment incentive would send a negative message to the business community of our state. The Iowa Development Commission believes that this provision would be a damaging blow to our economic development efforts and could cost us thousands of Iowa jobs.

Last year I recommended, and the General Assembly approved, legislation in which the state made a commitment to gradually assume responsibility for the court system which is now funded at the county level. This action was taken to provide a unified court system and property tax relief.

Subsection 5 could delay the scheduled assumptions of state responsibility, and result in unanticipated and unbudgeted property tax increases. This language should not be left to haunt property taxpayers and local government officials.

In short, the subsections above could only serve to raise property taxes, hinder local government officials in their budgetary and other fiscal matters, and erode the confidence of those who wish to invest and create jobs in Iowa. Our state must move forward with these and other economic development incentives if we are going to be successful in the competition for jobs. We cannot afford to take significant steps backward. We must continue to move forward in our efforts to create jobs and reduce the property tax burden.

I am also unable to approve the entirety of Sections 11 and 12, which read as follows:

Sec. 11. Section 49.12, Code 1983, is amended to read as follows:

49.12 ELECTION BOARDS. There shall be appointed in each election precinct an election board which shall ordinarily consist of at least five precinct election officials. However, in precincts using only one voting machine at any one time, and in precincts voting by paper ballot where no more than one hundred votes were cast in the last preceding similar election, the board shall consist of not less than three precinct election officials; and in precincts using more than two voting machines ~~one additional precinct election official~~ officials may be appointed ~~for each such additional machine~~. Double election boards may be appointed for any precinct as provided by chapter 51. Not more than a simple majority of the members of the election board in any precinct, or of the two combined boards in any precinct for which a double election board is appointed, shall be members of the same political party or organization if one or more qualified electors of another party or organization are qualified and willing to serve on the board.

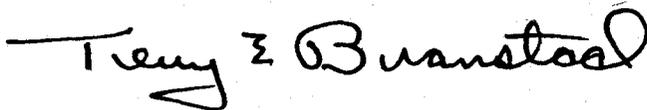
If double counting boards are not appointed for precincts using paper ballots and using only three precinct election officials a fourth precinct election official shall be appointed from the election board panel to serve beginning at 8:00 p.m. to assist in counting the paper ballots.

Sec. 12. Section 11 of this Act takes effect only if House File 2219, as enacted by the Seventieth General Assembly, 1984 Session, becomes law.

Sections 11 and 12 which would increase local property taxes are no longer necessary as a result of my disapproval of House File 2219.

For the above reasons, I respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of House File 2521 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad
Governor