

CHAPTER 1205**USE TAX EXEMPTION***H.F. 2478*

AN ACT relating to the exemption from the use tax of transactions subject to the sales tax.

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

Section 1. Section 423.4, subsection 1, Code Supplement 1985, is amended to read as follows:

1. Tangible personal property, the gross receipts from the sale of which are required to be included in the measure of the tax imposed by division IV of chapter 422, and any amendments made or which may hereafter be made thereto if that tax has been paid to the department or paid to the retailer. This exemption does not include vehicles subject to registration or subject only to the issuance of a certificate of title.

Approved May 22, 1986

CHAPTER 1206**MEMBERSHIP SALES***H.F. 2480*

AN ACT relating to membership sales, by exempting cooperatives organized under chapter 499 and certain mutual or cooperative telephone companies organized under chapter 491.

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

Section 1. Section 503.2, unnumbered paragraph 1, Code 1985, is amended to read as follows:

The term "association" ~~when~~ as used in this chapter means ~~any~~ a person other than building and loan associations, state and national banks, insurance companies and associations, mutual or cooperative telephone companies organized under chapter 491 which have been determined to be exempt from taxation under section 501(c)(12) of the Internal Revenue Code of 1954, and corporations and co-operative associations subject to the provisions of chapters 497, and 498, and 499, which sell or offer for sale to the public generally memberships or certificates of membership entitling the holder to purchase merchandise, materials, equipment or services on a discount or cost-plus basis.

Approved May 22, 1986

CHAPTER 1207**ALLOCATION OF LOTTERY FUNDS***H.F. 2412*

AN ACT relating to the allocation of lottery funds and programs for which the funds may be used and providing an effective date.

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

Section 1. 1985 Iowa Acts, chapter 33, section 301, subsection 1, paragraphs a and b, are amended to read as follows:

a. The first eleven five million ~~ninety-two~~ two hundred seventeen thousand dollars to the "Jobs Now Capitals" account.

b. After the allotment in paragraph "a", ten million dollars to the "Community Economic Betterment" account, ~~eight~~ seven million ~~five hundred~~ fifty thousand dollars to the "Jobs Now" account, and ~~twelve~~ eleven million ~~five hundred thousand~~ dollars to the "Education and Agriculture Research and Development" account.

Sec. 2. 1985 Iowa Acts, chapter 33, section 301, subsection 2, is amended by adding after paragraph e the following new lettered paragraph:

NEW LETTERED PARAGRAPH. f. Funds for guaranteeing business loans by local development corporations as described in section 28.29.

Sec. 3. 1985 Iowa Acts, chapter 33, section 301, subsection 3, paragraph a, is amended to read as follows:

a. To the state conservation commission the sum of two million ~~five hundred thousand (2,500,000)~~ (2,000,000) dollars for the development of parks, recreation areas, forest, fish and wildlife areas, and natural areas, and for related technical services for carrying out these projects. Not more than five hundred thousand (500,000) dollars shall be set aside to match private funds available for the acquisition of natural areas with unique or unusual features. Not more than four hundred thousand (400,000) dollars shall be set aside for the acquisition of land for expansion or development of state forests, parks and recreation areas, and state fish and wildlife areas. Not more than seven hundred fifty thousand (750,000) dollars shall be set aside for use in providing grants-in-aid to county conservation boards for carrying out acquisition and development projects as provided in chapter 111A. Any of the above funds can be matched with any available federal funds or with any available federal or local funds in the case of grants-in-aid to county conservation boards.

Sec. 4. 1985 Iowa Acts, chapter 33, section 301, subsection 3, paragraph d, is amended by striking the paragraph.

Sec. 5. 1985 Iowa Acts, chapter 33, section 301, subsection 3, paragraph f is amended to read as follows:

f. To the Iowa development commission the sum of two million six hundred fifty thousand ~~(2,600,000)~~ (2,650,000) dollars for the purposes designated as follows:

- (1) Business incubators.
- (2) Satellite centers under division VI of this Act.
- (3) Federal procurement offices.
- (4) Tourism and marketing.
- (5) Iowa main street program.

(6) Foreign trade for which up to fifty thousand (50,000) dollars may be used for cooperative trade activities in conjunction with the farm progress show.

Sec. 6. 1985 Iowa Acts, chapter 33, section 301, subsection 4, paragraphs a, b, and c, are amended by striking the paragraphs.

Sec. 7. 1985 Iowa Acts, chapter 33, section 301, subsection 4, paragraph d, is amended to read as follows:

d. To the Iowa development commission the sum of ten million (10,000,000) dollars to be allocated by the Iowa development commission for economic development and research and development purposes at an institution of higher education under the control of the state board of regents or at an independent college or university of the state. The Iowa development commission shall allocate for the fiscal year beginning July 1, 1985 the first five hundred thousand (500,000) dollars, for the fiscal year beginning July 1, 1986, the first three million seven hundred fifty thousand (3,750,000) dollars, and for the fiscal year beginning July 1, 1987 and for each succeeding fiscal year the first four million two hundred fifty thousand (4,250,000)

dollars to the Iowa state university of science and technology for agricultural biotechnology research and development. From the money allocated to the Iowa state university of science and technology for agricultural biotechnology research and development the amount of fifty thousand (50,000) dollars for each of the fiscal years beginning July 1, 1986 and July 1, 1987 shall be used to develop a program in bioethics for research at the university. This program should address socioeconomic and environmental implications of biotechnology research. The institutions under control of the state board of regents may present proposals to the state board of regents for the use of the funds. The proposals may include, but are not limited to, endowing faculty chairs, conducting studies and research, establishing centers, purchasing equipment, and constructing facilities in the areas of entrepreneurial studies, foreign language translation and interpretation, management development, genetics, molecular biology, laser science and engineering, biotechnology, third crop development, and value-added projects. The proposals shall include certification from the institution, college or university that it will receive from other sources an amount equal to the amount requested in the proposal. The state board of regents shall, for institutions under its control, determine the specific proposals for which it requests funding and submit them to the Iowa development commission. An independent college or university shall submit requests directly to the Iowa development commission. The Iowa development commission shall disburse to the regents' institutions or an independent college or university the moneys for the various proposals requested unless the Iowa development commission disapproves of a specific proposal as inconsistent with the plan for economic development for this state. The applicants may submit additional proposals for those not approved by the Iowa development commission. Those funds allocated by the Iowa development commission under this paragraph that are not expended by the institution of higher education shall not revert to the commission. The Iowa development commission shall consult with the Iowa high technology council in making grants under this paragraph.

Sec. 8. 1985 Iowa Acts, chapter 33, section 301, subsection 4, paragraphs e and f, are amended by striking the paragraphs.

Sec. 9. 1985 Iowa Acts, chapter 33, section 301, subsection 5, paragraph a, is amended by striking the paragraph.

Sec. 10. 1985 Iowa Acts, chapter 33, section 301, subsection 5, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. f. To the Iowa family farm development authority the sum of three million (3,000,000) dollars for the agricultural loan assistance program provided in House File 2353 of the Seventy-first General Assembly. If House File 2353 is not enacted or the full appropriation under this paragraph is not committed for grants as provided in House File 2353, the funds appropriated or the funds not committed, whichever is appropriate, shall be transferred from the jobs now capitals account to the accounts specified in subsection 1, paragraph "b". The funds so transferred are considered as allotments made to those other accounts for the fiscal year beginning July 1, 1985.

NEW LETTERED PARAGRAPH. g. To the Iowa state university of science and technology the sum of two hundred fifty thousand (250,000) dollars for allocation to the center for industrial research and service for a hazardous waste research program and a solar energy conversion program. Of the amount allocated under this paragraph, the sum of fifty thousand (50,000) dollars shall be used for a solar energy conversion program. The hazardous waste research program shall be created within the civil engineering department. This research program shall concentrate its efforts in the cleanup of industrial hazardous waste in the state with special emphasis upon new waste disposal techniques and applications. The center for industrial research and service shall administer the research funds and report to the general assembly on the program's progress and result.

NEW LETTERED PARAGRAPH. h. To the legislative council for the use of the world trade advisory committee for the period beginning on the effective date of this Act and ending June 30, 1986, the sum of one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, to pay expenses of the members of the committee and other expenses approved by the committee. Any moneys expended by the committee which were paid from the general fund of the state during the period beginning on January 1, 1986 and ending on the effective date of this Act shall be repaid to the general fund of the state not later than June 30, 1986, from this appropriation. Any moneys not expended by the committee by June 30, 1986 shall not revert and shall be available for use by the committee during the next fiscal year.

Sec. 11. 1985 Iowa Acts, chapter 33, section 302, subsection 1, paragraphs a and b, are amended to read as follows:

a. In each of the fiscal years year beginning July 1, 1986 and the first three million four hundred thirty-eight thousand dollars, in the fiscal year beginning July 1, 1987 the first ten one million two hundred fifty thousand dollars, in the fiscal year beginning July 1, 1988 the first three one million two hundred fifty thousand dollars and in the fiscal year beginning July 1, 1989 the first one million dollars to the jobs now capitals account.

b. In each of the four fiscal years after the allotment in paragraph "a", ten million dollars to the community economic betterment account, eight million five hundred thousand dollars to the jobs now account, and twelve million five hundred thousand dollars to the education and agriculture research and development account. However, the allotment to the jobs now account for the fiscal year beginning July 1, 1986 shall be eight million five hundred fifty thousand dollars.

Sec. 12. 1985 Iowa Acts, chapter 33, section 302, subsection 2, is amended by adding after paragraph e the following new lettered paragraph:

NEW LETTERED PARAGRAPH. f. Funds for guaranteeing business loans by local development corporations as described in section 28.29.

Sec. 13. 1985 Iowa Acts, chapter 33, section 302, subsection 3, paragraphs a, c, and d, are amended to read as follows:

a. To the state conservation commission for the purposes designated in section 301, subsection 3, paragraph "a" of this Act. For the fiscal year beginning July 1, 1986, the amount appropriated is two million five hundred thousand (2,500,000) dollars.

c. To the office for planning and programming for the purposes designated in section 301, subsection 3, paragraphs "d" and paragraph "e" of this Act.

d. To the Iowa development commission for the purposes designated in section 301, subsection 3, paragraph "f" of this Act. For the fiscal year beginning July 1, 1986, the amount appropriated is two million six hundred thousand (2,600,000) dollars.

Sec. 14. 1985 Iowa Acts, chapter 33, section 302, subsection 3, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. e. For the fiscal year beginning July 1, 1986 only, the sum of two hundred thousand (200,000) dollars for the targeted small business loan guarantee program established pursuant to Senate File 2175 of the Seventy-first General Assembly.

NEW LETTERED PARAGRAPH. f. For the fiscal year beginning July 1, 1986 only, to the Iowa conservation corps account the sum of one million (1,000,000) dollars. Of the funds appropriated under this paragraph, five hundred thousand (500,000) dollars shall be used for a summer jobs program for young adults, as a part of the Iowa youth corps and designed to provide part-time public service employment to work on conservation-oriented projects.

Sec. 15. 1985 Acts, chapter 33, section 302, subsection 4, paragraphs a and b, are amended to read as follows:

a. To the Iowa college aid commission for the forgivable loan program established in division VII of this Act. For the fiscal year beginning July 1, 1986, the amount appropriated is seven hundred fifty thousand (750,000) dollars.

b. To the Iowa development commission for the purposes and under the conditions specified in section 301, subsection 4, paragraphs "b" and paragraph "d" of this Act. For the fiscal year beginning July 1, 1986, the amount appropriated is ten million seven hundred fifty thousand (10,750,000) dollars.

Sec. 16. 1985 Iowa Acts, chapter 33, section 302, subsection 4, paragraph c, is amended by striking the paragraph.

Sec. 17. 1985 Iowa Acts, chapter 33, section 302, subsection 5, paragraph a, is amended by striking the paragraph.

Sec. 18. 1985 Iowa Acts, chapter 33, section 302, subsection 5, is amended by adding the following new lettered paragraphs:

NEW LETTERED PARAGRAPH. c. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the department of public safety for the acquisition and interface with a fingerprint computer the sum of four hundred thousand (400,000) dollars. There is established an automated fingerprint identification system (AFIS) computer committee. This committee shall have the authority to prepare and implement guidelines, rules, and regulations pertaining to the placement, use, and access to the AFIS computer and any remote terminal designed to interface with the main computer located at the department of public safety. The AFIS committee will be chosen for two-year terms with four sheriffs chosen by the Iowa state sheriffs and deputies association and four chiefs of police chosen by the Iowa police executive forum. The commissioner of public safety, or the designee, will be chairperson of the AFIS committee.

After the initial committee is selected effective July 1, 1986, new members will serve staggered terms of two years. Beginning July 1, 1988, the Iowa state sheriffs and deputies association and the Iowa police executive forum will each choose two new members, who will make up the nine member AFIS committee. Thereafter, the staggered terms will take effect between the sheriffs' representatives and the police chiefs' representatives. Nothing herein shall limit the number of terms any one person may serve.

NEW LETTERED PARAGRAPH. d. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the Iowa state university of science and technology for funding for the small business development centers the sum of seven hundred thousand (700,000) dollars.

NEW LETTERED PARAGRAPH. e. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the Iowa state university of science and technology the sum of one hundred thousand (100,000) dollars for allocation to the center for industrial research and service for the hazardous waste research program.

NEW LETTERED PARAGRAPH. f. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the department of human services the sum of three hundred fifty thousand (350,000) dollars for the purchase of computer equipment for establishing a child support recovery central clearinghouse.

NEW LETTERED PARAGRAPH. g. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the department of justice the sum of three hundred twenty-five thousand (325,000) dollars for office automation and related personnel costs. The moneys appropriated under this paragraph which have not been expended by the end of the fiscal year shall not revert under section 8.33 or any other provision of law.

NEW LETTERED PARAGRAPH. h. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the department of public defense for the architect, engineering, equipment and construction of the armory in Mason City the sum of four hundred thirty-eight thousand (438,000) dollars.

NEW LETTERED PARAGRAPH. i. There is appropriated from the allotment made to the jobs now capitals account under subsection 1 for the fiscal year beginning July 1, 1986 to the legislative council for the use of the world trade advisory committee the sum of one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, to pay expenses of the members of the committee and other expenses approved by the committee. Notwithstanding subsection 7, any moneys not expended under this paragraph by June 30, 1987 shall revert to the Iowa plan fund to be allotted for the fiscal year beginning July 1, 1987 to the various accounts in the Iowa plan fund.

Sec. 19. 1985 Iowa Acts, chapter 33, section 303, as amended by 1985 Iowa Acts, chapter 256, section 12, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding any other provision of this section, the amount appropriated for each of the fiscal years beginning July 1, 1986, July 1, 1987, July 1, 1988, and July 1, 1989, from the allotments to be made to the community economic betterment account, jobs now account, and the education and agriculture research and development account to each of the funds, agencies, boards, or commissions for the purposes specified in subsections 2, 3, and 4 of section 302 of this Act shall be the amounts appropriated to each of those funds, agencies, boards, or commissions for the fiscal year beginning July 1, 1985 for those purposes in subsections 2, 3, and 4 of section 301 of this Act, except where a different amount is specified by the general assembly for that fiscal year.

Sec. 20. Section 99E.10, subsection 1, unnumbered paragraph 3, Code Supplement 1985, is amended to read as follows:

The Iowa plan fund for economic development, also to be known as the Iowa plan fund, is created in the office of the treasurer of state. Lottery revenue remaining after expenses are determined shall be transferred to the Iowa plan fund on a quarterly basis. Revenues generated during the last quarter of the fiscal year which are transferred to the Iowa plan fund during the following fiscal year shall be considered revenues transferred during the previous fiscal year for purposes of the allotments made to and appropriations made from the separate accounts in the Iowa plan fund for that previous fiscal year. However, upon the request of the commissioner and subject to approval by the treasurer of state, an amount sufficient to cover the foreseeable administrative expenses of the lottery for a period of twenty-one days may be retained from the lottery revenue. Prior to the quarterly transfer to the Iowa plan fund, the commissioner may direct that lottery revenue shall be deposited in the lottery fund and in interest bearing accounts designated by the treasurer of state in the financial institutions of this state or invested in the manner provided in section 452.10. Interest or earnings paid on the deposits or investments is considered lottery revenue and shall be transferred to the Iowa plan fund in the same manner as other lottery revenue. Money in the Iowa plan fund shall be deposited in interest bearing accounts in financial institutions in this state or invested in the manner provided in section 452.10. The interest or earnings on the deposits or investments shall be considered part of the Iowa plan fund and shall be retained in the fund unless appropriated by the general assembly.

Sec. 21. 1986 Iowa Acts, House File 2443, section 8, is repealed.

Sec. 22. This Act, being deemed of immediate importance, takes effect from and after its publication in the Globe-Gazette, a newspaper published in Mason City, Iowa, and in The Forest City Summit, a newspaper published in Forest City, Iowa.

Approved May 22, 1986

I hereby certify that the foregoing Act, House File 2412, was published in the Globe-Gazette, Mason City, Iowa, on May 29, 1986, and in The Forest City Summit, Forest City, Iowa, on June 4, 1986.

MARY JANE ODELL, *Secretary of State*

CHAPTER 1208
INCOME TAX WITHHOLDING EXEMPTION
H.F. 2475

AN ACT exempting certain nonresidents engaged in feature film, television, and educational production from the state income tax withholding provisions.

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

Section 1. Section 422.16, subsection 1, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Nonresidents engaged in any facet of feature film, television, or educational production using the film or video tape disciplines in the state are not subject to Iowa withholding if the employer has applied to the department for exemption from the withholding requirement and the department has determined that any nonresident receiving wages would be entitled to a credit against Iowa income taxes paid.

Sec. 2. This Act is retroactive to January 1, 1986 for tax years beginning on or after that date.

Approved May 22, 1986

CHAPTER 1209
UNEMPLOYMENT COMPENSATION FUND TRANSFERS
H.F. 2300

AN ACT relating to the transfer of moneys in the temporary emergency surcharge fund to the unemployment compensation fund under certain circumstances.

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

Section 1. Section 96.7, subsection 15, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. If the department determines on June 1 that no outstanding balance of interest due has accrued on advanced moneys received from the federal government for the payment of unemployment compensation benefits, and that no outstanding balance is projected to accrue for the remainder of the calendar year, the department shall notify the treasurer of state of its determination. The treasurer of state shall immediately transfer all moneys, including accrued interest, in the temporary emergency surcharge fund to the unemployment compensation fund for the payment of benefits.