

CHAPTER 180**STANDING APPROPRIATIONS, CAPITAL PROJECTS, AND
OTHER BUDGETARY MATTERS***S.F. 425*

AN ACT relating to and making appropriations to finance state government, its regulatory functions, and its obligations, and providing effective and applicability date provisions.

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

**DIVISION I
STANDING APPROPRIATIONS**

Section 1. Section 8.59, Code 1993, is amended to read as follows:

8.59. APPROPRIATIONS FREEZE.

Notwithstanding contrary provisions of the Code, the amounts appropriated under the applicable sections of the Code for fiscal years commencing on or after July 1, 1993, are limited to those amounts expended under those sections for the fiscal year commencing July 1, 1992. If an applicable section appropriates moneys to be distributed to different recipients and the operation of this section reduces the total amount to be distributed under the applicable section, the moneys shall be prorated among the recipients. As used in this section, "applicable sections" means the following sections: 53.50, 229.35, 230.8, 230.11, 405A.8, 411.20, 425.1, 425.39, 426A.1, ~~453A.7~~, 663.44, and 822.5.

Sec. 2. Section 422.65, unnumbered paragraph 1, Code 1993, is amended to read as follows:

All moneys received from the franchise tax shall be deposited in the state general fund. ~~Forty-five percent of all~~ Commencing with the fiscal year beginning July 1, 1993, there is appropriated for each fiscal year from the franchise tax money received and deposited in the state general fund the sum of eight million eight hundred thousand dollars which shall be paid quarterly on warrants by the director, after certification by the director, as follows:

**Sec. 3. Section 425.1, subsections 1 through 5, Code 1993, are amended to read as follows:*

1. A homestead credit fund is created. There is appropriated annually from the general fund of the state to the department of revenue and finance to be credited to the homestead credit fund, an amount sufficient to implement this chapter ~~the amount as provided in section 8.59.~~

The director of revenue and finance shall issue warrants on the homestead credit fund payable to the county treasurers of the several counties of the state under this chapter.

2. The homestead credit fund shall be apportioned each year so as to give a credit against the tax on each eligible homestead in the state in an amount equal to the actual levy on the first four thousand eight hundred fifty dollars of actual value for each homestead allowable homestead value.

3. For purposes of this chapter, the "allowable homestead value" means for the fiscal year beginning July 1, 1994, the amount equal to the appropriation made in subsection 1 for the fiscal year beginning July 1, 1994, divided by the actual amount of homestead claims for taxes due in the fiscal year beginning July 1, 1993, times four thousand eight hundred fifty dollars. For succeeding fiscal years, the allowable homestead value equals the appropriation for that fiscal year divided by the actual amount of homestead claims for taxes due in the previous fiscal year times the allowable homestead value calculated under this subsection for the previous fiscal year.

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

4 5. Annually the department of revenue and finance shall estimate the credit not to exceed the actual levy on the first four thousand eight hundred fifty dollars of actual value of each eligible homestead, and shall certify to the county auditor of each county the credit and its

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amount in dollars. The director of revenue and finance shall certify to the county auditor of each county, by April 15 preceding the fiscal year in which the credit is to be paid, the amount of allowable homestead value. Each county auditor shall then enter the credit against the tax levied on each eligible homestead in each county payable during the ensuing year, designating on the tax lists the credit as being from the homestead credit fund, and credit shall then be given to the several taxing districts in which eligible homesteads are located in an amount equal to the credits allowed on the taxes of the homesteads. The amount of credits shall be apportioned by each county treasurer to the several taxing districts as provided by law, in the same manner as though the amount of the credit had been paid by the owners of the homesteads. However, the several taxing districts shall not draw the funds so credited until after the semiannual allocations have been received by the county treasurer, as provided in this chapter. Each county treasurer shall show on each tax receipt the amount of credit received from the homestead credit fund.

If the appropriation made in subsection 1 is insufficient to pay all claims in full, the director shall prorate the amount available to each county.

5. If the homestead tax credit computed under this section is less than sixty-two dollars and fifty cents, the amount of homestead tax credit on that eligible homestead shall be sixty-two dollars and fifty cents subject to the limitation imposed in this section.*

Sec. 4. Section 425.17, subsections 2 and 7, Code 1993, are amended to read as follows:

2. "Claimant" means a either of the following:

a. A person filing a claim for credit or reimbursement under this division who has attained the age of eighteen sixty-five years on or before December 31 of the base year, who is a surviving spouse having attained the age of fifty-five years on or before December 31, 1988, or who is totally disabled and was totally disabled on or before December 31 of the base year, and was domiciled in this state during the entire base year, and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate and, in the case of a person who is not disabled and has not reached the age of sixty-five, was not claimed as a dependent on any other person's tax return for the base year.

b. A person filing a claim for credit or reimbursement under this division who has attained the age of twenty-three years on or before December 31 of the base year or was a head of household on December 31 of the base year, as defined in the Internal Revenue Code, but has not attained the age or disability status described in paragraph "a", and was domiciled in this state during the entire base year, and is domiciled in this state at the time the claim is filed or at the time of the person's death in the case of a claim filed by the executor or administrator of the claimant's estate, and was not claimed as a dependent on any other person's tax return for the base year.

"Claimant" under paragraph "a" or "b" includes a vendee in possession under a contract for deed and may include one or more joint tenants or tenants in common. In the case of a claim for rent constituting property taxes paid, the claimant shall have rented the property during any part of the base year. If a homestead is occupied by two or more persons, and more than one person is able to qualify as a claimant, the persons may determine among them who will be the claimant. If they are unable to agree, the matter shall be referred to the director of revenue and finance not later than October 31 of each year and the director's decision is final.

7. "Income" means the sum of Iowa net income as defined in section 422.7, plus all of the following to the extent not already included in Iowa net income: Capital gains, alimony, child support money, cash public assistance and relief, except property tax relief granted under this division, amount of in-kind assistance for housing expenses, the gross amount of any pension or annuity, including but not limited to railroad retirement benefits, all payments received under the federal social security Act, and all military retirement and veterans' disability pensions, interest received from the state or federal government or any of its instrumentalities, workers' compensation and the gross amount of disability income or "loss of time" insurance. "Income" does not include gifts from nongovernmental sources, or surplus foods or other

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relief in kind supplied by a governmental agency. In determining income net operating losses and net capital losses shall not be considered.

Sec. 5. Section 425.23, subsection 1, Code 1993, is amended to read as follows:

1. a. The tentative credit or reimbursement for a claimant described in section 425.17, subsection 2, paragraph "a" and paragraph "b" if no appropriation is made to the fund created in section 425.40 shall be determined in accordance with the following schedule:

<u>If the household income is:</u>	<u>Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:</u>
\$ 0 — 5,999.99	100%
6,000 — 6,999.99	85
7,000 — 7,999.99	70
8,000 — 9,999.99	50
10,000 — 11,999.99	35
12,000 — 13,999.99	25

b. If moneys have been appropriated to the fund created in section 425.40, the tentative credit or reimbursement for a claimant described in section 425.17, subsection 2, paragraph "b", shall be determined as follows:

(1) If the amount appropriated under section 425.40 plus any supplemental appropriation made for a fiscal year for purposes of this lettered paragraph is at least twenty-seven million dollars, the tentative credit or reimbursement shall be determined in accordance with the following schedule:

<u>If the household income is:</u>	<u>Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:</u>
\$ 0 — 5,999.99	100%
6,000 — 6,999.99	85
7,000 — 7,999.99	70
8,000 — 9,999.99	50
10,000 — 11,999.99	35
12,000 — 13,999.99	25

(2) If the amount appropriated under section 425.40 plus any supplemental appropriation made for a fiscal year for purposes of this lettered paragraph is less than twenty-seven million dollars the tentative credit or reimbursement shall be determined in accordance with the following schedule:

<u>If the household income is:</u>	<u>Percent of property taxes due or rent constituting property taxes paid allowed as a credit or reimbursement:</u>
\$ 0 — 5,999.99	50%
6,000 — 6,999.99	42
7,000 — 7,999.99	35
8,000 — 9,999.99	25
10,000 — 11,999.99	17
12,000 — 13,999.99	12

Sec. 6. Section 425.23, subsection 3, paragraph a, Code 1993, is amended to read as follows:

a. A person who is eligible to file a claim for credit for property taxes due and who has a household income of six thousand dollars or less and who has an unpaid special assessment levied against the homestead may file a claim with the county treasurer that the claimant had a household income of six thousand dollars or less and that an unpaid special assessment is presently levied against the homestead. The department shall provide to the respective treasurers the forms necessary for the administration of this subsection. The claim shall be filed not later than September 30 of each year. Upon the filing of the claim, interest for late payment shall not accrue against the amount of the unpaid special assessment due and payable. The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due upon the unpaid special assessment, plus interest, payable during the fiscal year for which the claim is filed against the homestead of the claimant. However, where the claimant is an individual described in section 425.17, subsection 2, paragraph "b", and the tentative credit is determined according to the schedule in section 425.23, subsection 1, paragraph "b", subparagraph (2), the claim filed constitutes a claim for credit of an amount equal to one-half of the actual amount due and payable during the fiscal year. The department of revenue and finance shall, upon the filing of the claim with the department by the treasurer, pay that amount of the unpaid special assessment during the current fiscal year to the treasurer. The treasurer shall submit the claims to the director of revenue and finance not later than October 15 of each year. The director of revenue and finance shall certify the amount of reimbursement due each county for unpaid special assessment credits allowed under this subsection. The amount of reimbursement due each county shall be paid by the director of revenue and finance on October 20 of each year, drawn upon warrants payable to the respective treasurer. There is appropriated annually from the general fund of the state to the department of revenue and finance an amount sufficient to carry out the provisions of this subsection. The treasurer shall credit any moneys received from the department against the amount of the unpaid special assessment due and payable on the homestead of the claimant.

Sec. 7. Section 423.24, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. Twenty percent of all revenue derived from the use tax on motor vehicles, trailers, and motor vehicle accessories and equipment as collected pursuant to section 423.7 shall be deposited in the GAAP deficit reduction account established in the department of management pursuant to section 8.57, subsection 2, and shall be used in accordance with the provisions of that section.

Sec. 8. Section 425.39, Code 1993, is amended to read as follows:

425.39 FUND CREATED — APPROPRIATION.

1. The extraordinary property tax credit and reimbursement fund is created. There is appropriated annually from the general fund of the state to the department of revenue and finance to be credited to the extraordinary property tax credit and reimbursement fund, from funds not otherwise appropriated, an amount sufficient to implement this division the sum of ten million eight hundred thousand dollars to pay credits and reimbursements for all claimants for which partial funding is not provided from an appropriation made to the fund created in section 425.40.

2. If the amount appropriated under subsection 1, as limited by section 8.59, plus any supplemental appropriation made for purposes of this section for a fiscal year is insufficient to pay all claims in full, the director shall pay, in full, all claims to be paid during the fiscal year for reimbursement of rent constituting property taxes paid or if moneys are insufficient to pay all such claims on a pro rata basis. If the amount of claims for credit for property taxes due to be paid during the fiscal year exceed the amount remaining after payment to renters, the director of revenue and finance shall prorate the payments to the counties for the property tax credit. In order for the director to carry out the requirements of this subsection, notwithstanding any provision to the contrary in this division, claims for reimbursement for rent constituting property taxes paid filed before May 1 of the fiscal year shall be eligible to be

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paid in full during the fiscal year and those claims filed on or after May 1 of the fiscal year shall be eligible to be paid during the following fiscal year and the director is not required to make payments to counties for the property tax credit before June 15 of the fiscal year.

Sec. 9. NEW SECTION. 425.40 LOW-INCOME FUND CREATED — APPROPRIATION.

1. A low-income tax credit and reimbursement fund is created. **Beginning July 1, 1994, there is appropriated annually from the general fund of the state to the department of revenue and finance to be credited to the low-income tax credit and reimbursement fund the sum of thirteen million five hundred thousand dollars to pay credits and reimbursements for claimants described in section 425.17, subsection 2, paragraph "b".**

2. If the amount appropriated under subsection 1 plus any supplemental appropriation made for purposes of this section for a fiscal year is insufficient to pay all claims in full, the director shall pay, in full, all claims to be paid during the fiscal year for reimbursement of rent constituting property taxes paid or if moneys are insufficient to pay all such claims on a pro rata basis. If the amount of claims for credit for property taxes due to be paid during the fiscal year exceed the amount remaining after payment to renters, the director of revenue and finance shall prorate the payments to the counties for the property tax credit. In order for the director to carry out the requirements of this subsection, notwithstanding any provision to the contrary in this division, claims for reimbursement for rent constituting property taxes paid filed before May 1 of the fiscal year shall be eligible to be paid in full during the fiscal year and those claims filed on or after May 1 of the fiscal year shall be eligible to be paid during the following fiscal year and the director is not required to make payments to counties for the property tax credit before June 15 of the fiscal year.

Sec. 10. Section 425A.1, Code 1993, is amended to read as follows:

425A.1 FAMILY FARM TAX CREDIT FUND.

The family farm tax credit fund is created in the office of the treasurer of state. There is appropriated shall be transferred annually to the fund from funds in the general fund not otherwise appropriated the sum of the first ten million dollars of the amount annually appropriated to the agricultural land credit fund, provided in section 426.1. Any balance in the fund on June 30 shall revert to the general fund.

Sec. 11. Section 426.1, Code 1993, is amended to read as follows:

426.1 AGRICULTURAL LAND CREDIT FUND.

There is hereby created as a permanent fund in the office of the treasurer of state a fund to be known as the agricultural land credit fund, and for the purpose of establishing and maintaining ~~said~~ this fund for each fiscal year there is appropriated thereto from funds in the general fund not otherwise appropriated the sum of ~~forty-three~~ thirty-nine million ~~five~~ one hundred thousand dollars of which the first ten million dollars shall be transferred to and deposited into the family farm tax credit fund created in section 425A.1. Any balance in said fund on June 30 shall revert to the general fund.

Sec. 12. Section 427B.17, Code 1993, is amended to read as follows:

427B.17 PROPERTY SUBJECT TO SPECIAL VALUATION.

For property defined in section 427A.1, subsection 1, paragraphs "e" and "j", acquired or initially leased on or after January 1, 1985 1982, the taxpayer's valuation shall be limited to thirty percent of the net acquisition cost of the property. For purposes of this section, "net acquisition cost" means the acquired cost of the property including all foundations and installation cost less any excess cost adjustment.

For purposes of this section:

1. Property assessed by the department of revenue and finance pursuant to sections 428.24 to 428.29, or chapters 433, 434 and 436 to 438 shall not receive the benefits of this section.

2. Property acquired ~~on or~~ before January 1, ~~1985~~ 1982, which was owned or used ~~on or~~ before January 1, ~~1985~~ 1982, by a related person shall not receive the benefits of this section.

3. Property acquired on or after January 1, 1985 1982, which was owned and used by a related person shall not receive any additional benefits under this section.

4. Property which was owned or used ~~on or~~ before January 1, ~~1985~~ 1982, and subsequently acquired by an exchange of like property shall not receive the benefits of this section.

5. Property which was acquired on or after January 1, ~~1985~~ 1982, and subsequently exchanged for like property shall not receive any additional benefits under this section.

6. Property acquired ~~on or~~ before January 1, ~~1985~~ 1982, which is subsequently leased to a taxpayer or related person who previously owned the property shall not receive the benefits of this section.

7. Property acquired on or after January 1, ~~1985~~ 1982, which is subsequently leased to a taxpayer or related person who previously owned the property shall not receive any additional benefits under this section.

For purposes of this section, "related person" means a person who owns or controls the taxpayer's business and another business entity from which property is acquired or leased or to which property is sold or leased. Business entities are owned or controlled by the same person if the same person directly or indirectly owns or controls fifty percent or more of the assets or any class of stock or who directly or indirectly has an interest of fifty percent or more in the ownership or profits.

Property assessed pursuant to this section shall not be eligible to receive a partial exemption under sections 427B.1 to 427B.6.

Sec. 13. Section 453A.7, unnumbered paragraph 2, Code 1993, is amended to read as follows:

There is ~~hereby appropriated out of any funds in the state treasury not otherwise appropriated sufficient funds annually from the general fund of the state the sum of one hundred fifteen thousand dollars~~ to carry out the provisions of this section.

Sec. 14. Notwithstanding the standing appropriation in section 285.2, there is appropriated pursuant to section 285.2 from the general fund of the state to the department of education for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as may be necessary, to be used for the purpose designated:

To provide funds for costs of providing transportation services to nonpublic school pupils as authorized by section 285.2:

..... \$ 6,894,293

Sec. 15. 1992 Iowa Acts, 2nd Extraordinary Session, chapter 1001, section 225, is amended to read as follows:

SEC. 225. Section 215, and 216, ~~220, 221, 222, and 223~~ of this Act take effect January 1, 1993, for mobile home tax claims and property tax claims filed on or after that date. Sections 220, 221, 222, and 223 of this Act take effect January 1, 1994, for property tax claims filed on or after that date. Sections 220, 221, and 222 of this Act are applicable to rent reimbursement claims filed on or after January 1, ~~1994~~ 1995.

Sec. 16. Notwithstanding the provisions in 1990 Iowa Acts, chapter 1250, sections 6, 8, 9, and 21; 1991 Iowa Acts, chapter 267, sections 524 and 529; and 1992 Iowa Acts, 2nd Extraordinary Session, chapter 1001, section 225; authorizing property tax credits or rent reimbursements for persons whose income is less than \$14,000 and who have not obtained the age of 65 or are not totally disabled on or before December 31 of the base year, as defined in section 425.17, or are not surviving spouses who have attained the age of 55 on or before December 31, 1988, such persons shall not be entitled to a property tax credit or rent reimbursement pursuant to sections 425.17 through 425.39 prior to the effective date of sections 4 through 6 and 8 and 9 of this Act, as applicable, and all claims for such property tax credit filed before January 1, 1994, and for such rent reimbursement filed before January 1, 1995, shall not be allowed.

Sec. 17. LOTTERY TRANSFER. Notwithstanding the requirement in section 99E.10, subsection 1, to transfer lottery revenue remaining after expenses are deducted, notwithstanding the requirement under section 99E.20, subsection 2, for the commissioner to certify and

transfer a portion of the lottery fund to the CLEAN fund, and notwithstanding the appropriations and allocations in section 99E.34, all lottery revenues received during the fiscal year beginning July 1, 1993, and ending June 30, 1994, after deductions for expenses as provided in section 99E.10, subsection 1, and as appropriated under any Act of the 75th General Assembly, 1993 Session, shall not be transferred to and deposited into the CLEAN fund but shall be transferred and credited to the general fund of the state.

Sec. 18. Notwithstanding the standing appropriation in section 331.660, there is appropriated pursuant to section 331.660 from the general fund of the state to the county of Tama for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the payment of salary and expenses of a deputy sheriff responsible for law enforcement on the Indian settlement as provided in section 331.660: \$ 58,750

Sec. 19. EDUCATIONAL EXCELLENCE. For the fiscal year beginning July 1, 1993, and ending June 30, 1994, the appropriation made to the department of education pursuant to section 294A.25, subsection 1, shall be reduced by \$750,000.

Sec. 20. Sections 427B.10 through 427B.12 and 427B.14, Code 1993, are repealed.

Sec. 21. Section 3 of this division takes effect January 1, 1994, for homestead credit claims for property taxes payable on or after July 1, 1994.

Sec. 22. Sections 4 through 6 *and 8* and 9 of this Act take effect January 1, 1994, for property tax claims filed on or after that date. Sections 4, 5, *8,* and 9 of this Act are applicable to rent reimbursement claims filed on or after January 1, 1995.

Sec. 23. Sections 15 and 16 of this Act, being deemed of immediate importance, take effect upon enactment and apply retroactively to January 1, 1993.

DIVISION II
CAPITAL PROJECTS
DEPARTMENT OF COMMERCE

Sec. 24. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For roof repair on the liquor warehouse: \$ 350,000

DEPARTMENT OF CORRECTIONS

Sec. 25. There is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For critical maintenance needs at correctional facilities: \$ 300,000

DEPARTMENT OF EDUCATION

Sec. 26. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For roof repair on the building housing the division of vocational rehabilitation: \$ 30,000

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DEPARTMENT OF HUMAN SERVICES

Sec. 27. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For critical maintenance needs:

..... \$ 300,000

DEPARTMENT OF PUBLIC DEFENSE

Sec. 28. There is appropriated from the general fund of the state to the department of public defense for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For capital repairs at the Boone armory:

..... \$ 108,000

DEPARTMENT OF NATURAL RESOURCES

Sec. 29. There is appropriated from the marine fuel tax receipts deposited in the general fund of the state to the department of natural resources for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amounts, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of funding capitals traditionally funded from marine fuel tax receipts for the purposes specified in section 452A.79:

..... \$ 1,650,000

Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining on June 30, 1994, from moneys appropriated for purposes of funding capitals traditionally funded from marine fuel tax receipts as provided in this section for the fiscal year beginning July 1, 1993, shall revert to the general fund of the state on September 30, 1995.

STATE FAIR — NATURAL RESOURCES — CAPITOL COMPLEX

Sec. 30. Notwithstanding 1992 Iowa Acts, chapter 1247, section 45, of the lottery revenues remaining after \$43,200,000 are transferred and credited to the general fund of the state, the following amounts shall be transferred in descending priority order as follows:

1. To the Iowa state fair board for deposit in the foundation fund under the control of the board as provided in section 173.22 for purposes of supporting capital improvements to the Iowa state fairgrounds, including the repair and renovation of structures and the repair or replacement of essential items related to the infrastructure of the fairgrounds:

..... \$ 500,000

The moneys deposited pursuant to this subsection shall be expended by the foundation on a one dollar to two dollar matching basis with moneys contributed to the foundation by private sources. Notwithstanding section 8.33, the unencumbered or unobligated moneys remaining on June 30, 1994, from moneys deposited under this subsection shall remain in the Iowa state fair foundation fund.

2. To the treasurer of state for purposes of allocating moneys to assist each of the 103 county fairs which are members of the association of Iowa fairs, for purposes of supporting annual county fairs and improvements to the county fairgrounds:

..... \$ 206,000

The treasurer of state shall allocate an equal amount to each fair qualified to receive assistance. However, moneys must be expended by a county fair on a dollar-for-dollar matching basis with moneys received from donations contributed to the county fair from private sources or moneys contributed by a county to aid the county fair pursuant to section 174.14. Notwithstanding section 8.33, moneys transferred pursuant to this subsection which

remain unobligated or unexpended on June 30, 1993, shall not revert to the general fund of the state but shall remain available in the succeeding fiscal year for use as provided in this subsection.

3. To the department of general services for the fiscal year beginning July 1, 1992, and ending June 30, 1993, and used for the purposes designated:

- a. For continued restoration of the exterior of the state capitol building:
 \$ 814,957
- b. For facility remodeling to be in compliance with the federal Americans with Disabilities Act:
 \$ 100,000
- c. For roof repair on the capitol annex:
 \$ 60,000
- d. For roof repair on the Hoover building:
 \$ 30,000
- e. For deck repair at the Wallace building:
 \$ 15,500

As provided in section 8.33, the moneys transferred pursuant to this subsection shall not revert to the general fund of the state at the end of any fiscal year but shall continue to be available until the projects are completed.

4. To the following entities of state government:

a. To the department of economic development for the fiscal year beginning July 1, 1993, and ending June 30, 1994, in addition to other appropriations made to the department for that fiscal year, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For conducting a study to develop a plan for the utilization of state institutions and their physical and human resources and entering into contracts and chapter 28E agreements as specified in paragraph "c":
 \$ 25,000

b. To the university of northern Iowa for the decision-making institute for the fiscal year beginning July 1, 1993, and ending June 30, 1994, in addition to other appropriations made to the university for that fiscal year, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For conducting a study to develop a plan for the utilization of state institutions and their physical and human resources and entering into contracts and chapter 28E agreements as specified in paragraph "c":
 \$ 25,000

c. The department of economic development and the institute for decision-making at the university of northern Iowa, in consultation with the department of human services and the department of corrections, shall conduct a study to develop a plan for the utilization of the physical and human resources of communities containing state institutions which are undergoing or may undergo substantial changes in mission, scope, and size of operations. The communities and state institutions examined in the study and included in the plan shall include those specified in sections 218.1 and 904.102. The department of economic development and the decision-making institute may use the funds appropriated pursuant to this subsection to enter into contracts or chapter 28E agreements with political subdivisions, other state departments or state institutions, or other persons in the affected communities to assist in the planning process. The plan shall consider the interests of the communities in providing for economic development, the interests of the affected workers in the institutions, the necessity of providing state services on a statewide basis and the impact of any action in one institution upon other state institutions providing similar services, and the effect of the plan upon state resources. The department of economic development and the decision-making institute shall submit a report detailing the plan to the governor and the general assembly on or before January 15, 1994.

d. Notwithstanding section 8.39, the department of economic development and the decision-making institute of the university of northern Iowa may transfer the funds appropriated pursuant to this subsection as necessary to effectuate the purposes of this subsection.

5. To the department of natural resources for the fiscal year beginning July 1, 1993, and ending June 30, 1994, to be used as provided in this subsection:

..... \$ 200,000

The moneys appropriated in this section shall be used to support natural lake preservation. The department shall award the amount appropriated in this subsection to a city as defined in section 362.2 on a matching basis with the department contributing one dollar for each one dollar dedicated by the city, or the city acting in conjunction with a county, for natural lake preservation, if the money is dedicated on or after March 1, 1991. However, the city, or the city and county, must have dedicated at least \$200,000 of local funds in order to qualify for the award. The city must also be located in a county having a population of less than 12,000.

Sec. 31. Section 99E.10, subsection 1, is amended by adding the following new paragraph: NEW PARAGRAPH. e. For the fiscal year beginning July 1, 1993, after the first \$33,000,000 is transferred to the general fund of the state, \$500,000 shall be deposited in the Iowa state fair foundation in the office of the treasurer of state to be used by the foundation fund for capital projects or major maintenance improvements at the Iowa state fairgrounds. For the fiscal period beginning July 1, 1994, and ending June 30, 1996, \$500,000 shall annually be deposited in the Iowa state fair foundation fund in the office of the treasurer of state to be used by the foundation for capital projects or major maintenance improvements at the Iowa state fairgrounds. Matching funds from other sources shall not be required for expenditure of funds deposited pursuant to this subsection.

Sec. 32. **BACKBONE PARK STUDY.** The department of natural resources shall conduct a study to determine the feasibility of dredging Backbone Lake. The study shall include but is not limited to a review and update of the study of the lake performed in 1974. The department shall report concerning the study to the general assembly by January 30, 1994.

Sec. 33. **EFFECTIVE DATE.** Section 30 of this division, being deemed of immediate importance, takes effect upon enactment.

DIVISION III
ECONOMIC DEVELOPMENT PROVISIONS

Sec. 34. Section 15.108, subsection 5, Code 1993, is amended by adding the following new paragraph:

NEW PARAGRAPH. o. Establish a revolving fund to receive contributions to be used for cooperative advertising efforts. Fees and royalties obtained as a result of licensing the use of logos and other creative materials for sale by private vendors on selected products may be deposited in the fund. The department shall adopt by rule a schedule for fees and royalties to be charged.

Sec. 35. Section 15.108, subsection 5, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The department may establish a revolving fund to receive contributions and funds from the product sales center to be used for startup or expansion of tourism special events, fairs, and festivals as established by department rule.

Sec. 36. Section 15.111, subsection 1, Code 1993, is amended by striking the subsection.

Sec. 37. Section 15.111, subsection 2, paragraph a, Code 1993, is amended by striking the paragraph.

Sec. 38. NEW SECTION. 15.112 FARMWORKS MATCHING FUNDS.

If the federal government funds the "farmworks" national demonstration project for distressed family farmers, the department shall allocate to the project from the rural enterprise fund or another fund, an amount equal to four percent of the federal funding each year for a three-year period on a dollar-for-dollar matching basis with local or private contributions.

Sec. 39. Section 15.225, subsection 1, Code 1993, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. Apprenticeship opportunities in conjunction with paragraphs "a" through "d" or in accordance with rules adopted by the board.

Sec. 40. Section 15.251, subsection 2, Code 1993, is amended to read as follows:

2. The department may charge, within thirty days following the sale of certificates under chapter ~~280B~~ 260E, the board of directors of the merged area a fee of up to one percent of the gross sale amount of the certificates issued. The amount of this fee shall be deposited into a job training fund created in the ~~office of the treasurer of state~~ department and may be used by the department to cover the costs of management of chapter ~~280B~~ 260E and to support other efforts by the community colleges related to providing productivity and quality enhancement training. Funds deposited under this subsection into the job training fund during a fiscal year which are not expended by the department in that fiscal year are available for use by the department under this subsection for subsequent fiscal years.

Sec. 41. Section 15.287, unnumbered paragraph 2, Code 1993, is amended to read as follows:

Notwithstanding the restrictions on the use of the revolving fund in this section, the director may use unallocated repayments to the revolving fund to pay for administration of programs and to provide matching funds under the Cranston-Gonzalez National Affordable Housing Act of 1990, Pub. L. No. 101-625.

Sec. 42. Section 15E.92, Code 1993, is amended to read as follows:

15E.92 REPORTING AND FUND SOLVENCY.

The chairperson of the corporation on or before ~~July 30~~ December 31 of each fiscal year shall make and deliver a report to the governor and the legislative fiscal committee. The report shall include all transactions conducted by the corporation in the preceding fiscal year. The report shall also include a balance sheet outlining the financial solvency of the Iowa product development corporation fund, a certified copy of any audits of the corporation conducted in the preceding fiscal year, and other information requested by the governor or the legislative fiscal committee.

Sec. 43. Section 15E.169, subsection 1, Code 1993, is amended to read as follows:

1. The purpose of this section is to provide for or facilitate the development of organizations, structures, or other entities organized to provide capital or technical or other assistance to start new Iowa businesses or to help existing Iowa businesses remain viable or expand through the incorporation under chapter 504A of a nonprofit corporation to organize, capitalize, and fund as the following:

a. An Iowa-based small business investment company which shall have the purpose of increasing the availability of funds for investment in and loans to Iowa small businesses on a regional basis. The small business investment company shall be incorporated under the Iowa law.

b. An Iowa-based Iowa development bank or other community development entity organized to take advantage of the availability of federal programs, funds, guarantees, or other initiatives for the benefit of Iowa communities and small businesses.

Sec. 44. Section 260F.6, subsection 1, Code 1993, is amended to read as follows:

1. There is established for the community colleges a community college job training fund ~~under the supervision of the treasurer of state in the department of economic development.~~ The community college job training fund consists of moneys appropriated for the fiscal year beginning July 1, 1987, and for succeeding fiscal years for the purposes of this chapter plus the interest

and principal from repayment of advances made to businesses for program costs, moneys transferred from the Iowa employment retraining fund to the community college job training fund on July 1, 1992, plus the repayments, including interest, of loans made from that retraining fund, and interest earned from moneys in the community college job training fund.

Sec. 45. Section 260F.8, Code 1993, is amended to read as follows:

260F.8 ALLOCATION.

1. For the fiscal year beginning July 1, 1992, ~~only and subsequent years~~, the department of economic development shall make funds available to the community colleges as follows:

a. ~~Retraining projects.~~ The department shall ~~set aside~~ allocate by formula at the beginning of the fiscal year from the moneys ~~newly appropriated to~~ in the fund an amount for each merged area to be used to provide the financial assistance for ~~retraining~~ proposals of businesses located in the merged area whose applications have been approved by the department. The financial assistance shall be provided by the department from the amount set aside for that merged area. If any portion of the moneys set aside for a merged area have not been used or committed by March 1 of the fiscal year, that portion is available for use by the department to provide financial assistance to businesses located in other merged areas. The department shall adopt by rule a formula for this set-aside based on population and per capita income of the merged area.

b. ~~New jobs training projects.~~ The department shall make available financial assistance for ~~new jobs training projects from repayments and interest in the fund from previously funded new jobs training projects.~~ Funds shall be awarded to projects based on the order proposals are received and approved.

2. Moneys available to the community colleges for this program may be used to provide grants to train for new jobs or retain existing jobs when the project costs are less than five thousand dollars. If the project is for a consortium of businesses, project costs shall not exceed an average of five thousand dollars per business.

3. ~~The department shall include with its budget request for the fiscal year beginning July 1, 1993, a preliminary recommendation for the allocation of moneys in the job training fund for the fiscal year beginning July 1, 1993, and succeeding fiscal years. The department shall seek input from representatives of the community colleges in preparing the recommendation.~~

Sec. 46. 1992 Iowa Acts, chapter 1244, section 1, subsection 2, paragraph e, is amended to read as follows:

e. Small business investment company capitalization

For transfer to the treasurer of state for the purpose of facilitating the organization and private capitalization of the small business investment company or other entity under sections ~~28.162~~ 15E.169 through ~~28.164~~ 15E.171. If the small business investment company or another entity for which the funds are to be used is not organized within eighteen twenty-four months of the effective date of this Act, unused funds shall revert to the general fund of the state:

..... \$ 200,000

Sec. 47. 1993 Iowa Acts, Senate File 227,* section 8, is amended to read as follows:

SEC. 8. Notwithstanding other provisions of law to the contrary, \$50,000 of the moneys collected in the rural community 2000 revolving fund created in section 15.287 during fiscal year ~~1993~~ 1992-1993 shall be carried forward and deposited in the economic development deaf interpreters revolving fund created in section 15.108, subsection 7, paragraph "j" on July 1, ~~1994~~ 1993.

Sec. 48. 1993 Iowa Acts, Senate File 227,* section 8, as amended by this Act, takes effect upon the enactment of this Act.

*Chapter 167 herein

DIVISION IV
TOOLS OF THE TRADE

Sec. 49. AID TO DEPENDENT CHILDREN — TOOLS OF THE TRADE DISREGARD. Of the funds appropriated for medical assistance in 1993 Iowa Acts, House File 518,* section 3, \$427,000 is allocated for costs associated with disregard of a self-employed individual's tools of the trade or capital assets under the aid to dependent children program in accordance with the provisions of 1993 Iowa Acts, Senate File 268,** as approved for implementation by the federal government.

DIVISION V
MEDICAL ASSISTANCE LIEN

Sec. 50. Section 249A.6, Code 1993, is amended to read as follows:
249A.6 SUBROGATION LIEN.

1. When payment is made by the department for medical care or expenses through the medical assistance program on behalf of a recipient, the department is subrogated shall have a lien, to the extent of those payments, to all monetary claims which the recipient may have against third parties. A lien under this section is not effective unless the department files a notice of lien with the clerk of the district court in the county where the recipient resides and with the recipient's attorney when the recipient's eligibility for medical assistance is established. The notice of lien shall be filed before the third party has concluded a final settlement with the recipient, the recipient's attorney, or other representative. The third party shall obtain a written determination from the department concerning the amount of the lien before a settlement is deemed final for purposes of this section. A compromise, including but not limited to a settlement, waiver or release, of a claim to which the department is subrogated under this section does not defeat the department's right of recovery lien except pursuant to the written agreement of the director or the director's designee or except as provided in this section. A settlement, award, or judgment structured in any manner not to include medical expenses or an action brought by a recipient or on behalf of a recipient which fails to state a claim for recovery of medical expenses does not defeat the department's right of subrogation lien if there is any recovery on the recipient's claim unless the claim for recovery of medical expenses is barred by an applicable statute of limitation, or the legal representative of the medical assistance recipient does not represent the person or persons who have legal standing to bring the claim for recovery of medical expenses. In such situations, the legal representative shall notify the department of the situation; the department may then notify the person or persons having legal standing to bring the claim of the right to proceed with the claim against the third party tort-feasor. Should the person or persons elect not to proceed, the department may then proceed in a separate action with a claim to recover its subrogation interest.

2. The department shall be given notice of monetary claims against third parties as follows:

a. Applicants for medical assistance shall notify the department of any possible claims against third parties upon submitting the application. Recipients of medical assistance shall notify the department of any possible claims when those claims arise.

b. A person who provides health care services to a person receiving assistance through the medical assistance program shall notify the department whenever the person has reason to believe that third parties may be liable for payment of the costs of those health care services.

c. An attorney representing an applicant for or recipient of assistance on a claim to which the department is subrogated has a lien under this section shall notify the department of the claim of which the attorney has actual knowledge, prior to filing a claim, commencing an action or negotiating a settlement offer. Actual knowledge under this section shall include the notice to the attorney pursuant to subsection 1.

The mailing and deposit in a United States post office or public mailing box of the notice, addressed to the department at its state or district office location, is adequate legal notice of the claim.

*Chapter 172 herein

**Chapter 97 herein

3. The subrogation rights of the department are department's lien is valid and binding on an attorney, insurer, or other third party only upon notice by the department or unless the attorney, insurer, or third party has actual notice that the recipient is receiving medical assistance from the department and only to the extent to which the attorney, insurer, or third party has not made payment to the recipient or an assignee of the recipient prior to the notice. Payment of benefits by an insurer or third party pursuant to the subrogation rights of the lienholder in this section discharges the attorney, insurer, or third party from liability to the recipient or the recipient's assignee to the extent of the payment to the department.

4. If a recipient of assistance through the medical assistance program incurs the obligation to pay attorney fees and court costs for the purpose of enforcing a monetary claim to which the department is subrogated has a lien under this section, upon the receipt of a the judgment or settlement of the total claim, of which the lien for medical assistance payments is a part, the court costs and reasonable attorney fees shall first be deducted from the this total judgment or settlement. One-third of the remaining balance shall then be deducted and paid to the recipient. From the remaining balance, the claim lien of the department shall be paid. Any amount remaining shall be paid to the recipient. An attorney acting on behalf of a recipient of medical assistance for the purpose of enforcing a claim to which the department is subrogated has a lien shall not collect from the recipient any amount as attorney fees which is in excess of the amount which the attorney customarily would collect on claims not subject to this section.

5. For purposes of this section the term "third party" includes an attorney, individual, institution, corporation, or public or private agency which is or may be liable to pay part or all of the medical costs incurred as a result of injury, disease or disability by or on behalf of an applicant for or recipient of assistance under the medical assistance program.

6. The department may enforce its lien by a civil action against any liable third party.

Sec. 51. Section 602.8102, subsection 82, Code 1993, is amended to read as follows:

82. Carry out duties relating to liens as provided in chapters 249A, 570, 571, 572, 574, 580, 581, 582, and 584.

Sec. 52. EMERGENCY RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this division. The rules shall become effective immediately upon filing, unless a later effective date is specified in the rules, and the rules shall be in effect for a period of 180 days following the date the rules take effect. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

DIVISION VI RAILROAD SANITATION AND LABOR PROVISIONS

Sec. 53. Section 84A.2, subsection 2, Code 1993, is amended to read as follows:

2. The division of labor services is responsible for the administration of the laws of this state relating to occupational health and safety, the inspection of amusement rides, the removal and encapsulation of asbestos, the inspection of boilers, wage payment collection, registration of construction contractors, the minimum wage, non-English speaking employees, child labor, employment agency licensing, boxing and wrestling, inspection of elevators, and hazardous chemical risks under chapters 88, 88A, 88B, 89, 89A, 89B, 90A, 91, 91A, ~~91B~~ 91C, 91D, 91E, 92, 94, and 95, and section ~~327F~~37. The executive head of the division is the labor commissioner, appointed pursuant to section 91.2.

Sec. 54. Section 88.5, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 12. RAILWAY SANITATION, SHELTER, AND POTABLE WATER. A railway corporation within the state shall provide adequate sanitation and shelter for all railway employees. The commissioner shall adopt rules requiring railway corporations within the state to provide a safe and healthy workplace. For purposes of this section, a locomotive engine includes all railway engines used in train or yard service. The commissioner shall enforce the requirements of this section upon the receipt of a written complaint.

Sec. 55. Section 88.8, subsection 3, unnumbered paragraph 1, Code 1993, is amended to read as follows:

If an employer notifies the commissioner that the employer intends to contest a citation issued under section 88.7, or notification issued under subsection 1 or 2 of this section or if, within fifteen working days of the issuance of a citation under section 88.7, any employee or authorized employee representative files a notice with the commissioner alleging that the period of time fixed in the citation for the abatement of the violation is unreasonable, the commissioner shall immediately advise the appeal board of such notification, and the appeal board shall afford an opportunity for a hearing. At the hearing, the appeal board shall act as an adjudicatory body. The appeal board shall thereafter issue an order, based on findings of fact, affirming, modifying, or vacating the commissioner's citation or proposed penalty or directing other appropriate relief, and such order shall become final thirty days after its issuance. Upon a showing by an employer of a good faith effort to comply with the abatement requirements of a citation, and that abatement has not been completed because of factors beyond the employer's reasonable control, the commissioner, after an opportunity for a hearing shall issue an order affirming or modifying the abatement requirements in such citation. The rules of procedure prescribed by the appeal board shall provide affected employees or representatives of affected employees an opportunity to participate as parties to hearings under this subsection, and shall conform to rules of procedure promulgated and adopted under the federal law by federal authorities insofar as the same federal rules of procedure do not conflict with state law.

Sec. 56. Section 88.9, subsection 1, Code 1993, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. The commissioner may obtain judicial review or enforcement of any final order or decision of the appeal board by filing a petition in the district court of the county in which the alleged violation occurred or in which the employer has its principal office. The judicial review provisions of chapter 17A shall govern such proceedings to the extent applicable.

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 10A.601, subsection 7, and chapter 17A, the commissioner has the exclusive right to represent the appeal board in any judicial review of an appeal board decision under this chapter in which the commissioner does not appeal the appeal board decision, except as provided by section 88.17.

Sec. 57. Section 88.9, subsection 2, Code 1993, is amended to read as follows:

2. UNCONTESTED APPEAL BOARD ORDERS. ~~The commissioner may also obtain review or enforcement of any final order of the appeal board by filing a petition for such relief in the district court of the county in which the alleged violation occurred or in which the employer has its principal office and the judicial review provisions of the Iowa administrative procedure Act shall govern such proceedings to the extent applicable.~~ If no petition for judicial review is filed within sixty days after service of the appeal board's order, the appeal board's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the commissioner after the expiration of such sixty-day period. In any such case, as well as in the case of a noncontested citation or notification by the commissioner which has become a final order of the appeal board under section 88.8, subsection 1 or 2, the clerk of the district court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the appeal board and the employer named in the petition. In any contempt proceeding brought to enforce a decree of a district court entered pursuant to this subsection or subsection 1 ~~of this section,~~ the district court may assess the penalties provided in section 88.14 in addition to invoking any other available remedies.

Sec. 58. Section 91.4, subsection 5, Code 1993, is amended to read as follows:

5. The director of the department of employment services, in consultation with the labor commissioner, shall, at the time provided by law, make an annual report to the governor setting forth in appropriate form the business and expense of the division of labor services for

the preceding year, the number of disputes or violations processed by the division and the disposition of the disputes or violations, and other matters pertaining to the division which are of public interest, together with recommendations for change or amendment of the laws in this chapter and chapters 88, 88A, 88B, 89, 89A, 89B, 90A, 91A, ~~91B~~ 91C, 91D, 91E, 92, 94, and 95, and in section ~~327F.37~~, and the recommendations, if any, shall be transmitted by the governor to the first general assembly in session after the report is filed.

Sec. 59. Sections 327F.37 and 327F.38, Code 1993, are repealed.

DIVISION VII
MISCELLANEOUS PROVISIONS

Sec. 60. COUNCIL ON HUMAN INVESTMENT – ADMINISTRATIVE COSTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administrative costs relating to the council on human investment in fiscal year 1993-1994, in accordance with the provisions of 1993 Iowa Acts, Senate File 268:*

..... \$ 123,000

Sec. 61. WORLD FOOD PRIZE. Notwithstanding the requirement in section 99E.10, subsection 1, to transfer lottery revenue remaining after expenses are deducted, before the transfer of the revenue there is appropriated from the lottery fund to the treasurer of state for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the continued funding of Iowa's participation in the funding of the world food prize:
..... \$ 125,000

It is the intent of the general assembly that this appropriation of public funds will result in a commitment for additional funding for the world food prize from private sources.

The treasurer of state shall only provide the funds appropriated in this section to the world food prize foundation if sufficient private funds are raised to maintain the world food prize foundation in Iowa and the foundation is structured to include representation that reflects environmental concerns and sustainable agriculture.

Sec. 62. IMAGES. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1993, and ending June 30, 1994, the amount of \$60,000 to be allocated to Merged Area XI, to be used for the purposes of grants to students for the Iowa minority academic grants for economic success program under sections 261.101 through 261.105.

Sec. 63. There is appropriated from the general fund of the state to the Iowa Special Olympics, Incorporated, for the fiscal year beginning July 1, 1993, the sum of \$15,000 to be used for Iowa special olympics programs benefiting the citizens of Iowa with disabilities.

Sec. 64. IOWA COMPUTER INITIATIVE. Notwithstanding the requirement in section 99E.10, subsection 1, to transfer lottery revenue remaining after expenses are deducted, following the transfer of revenues in the amount of \$33,000,000, the next \$250,000 is appropriated from the lottery fund to the department of education for the fiscal year beginning July 1, 1993, and ending June 30, 1994, to be used for the Iowa computer initiative and establishment of an educational technology consortium which may enter into contracts for services to fulfill the duties of the consortium. Notwithstanding section 8.33, the funds appropriated in this section for the Iowa computer initiative shall not revert at the end of the fiscal year, but may be expended in the next fiscal year for the same purposes for which they were appropriated.

Sec. 65. DRUG ABUSE RESISTANCE EDUCATION. Notwithstanding section 8.33, of the funds appropriated to the department of public safety pursuant to 1992 Iowa Acts, Second Extraordinary Session, chapter 1001, section 404, \$15,000 shall not revert to the general fund

*Chapter 97 herein

of the state on June 30, 1993, but shall be considered encumbered and shall be transferred to the law enforcement academy and used during the fiscal year beginning July 1, 1993, to enhance project D.A.R.E. (drug abuse resistance education) activities.

Sec. 66. NATIONAL HERITAGE LANDSCAPE. Notwithstanding other provisions of law to the contrary, \$50,000 of the moneys deposited in the rural community 2000 revolving fund created in section 15.287 during the fiscal year beginning July 1, 1992, shall be carried forward into the fiscal year beginning July 1, 1993, and is appropriated for that year to the department of economic development to coordinate promotion of state and local efforts to establish a national heritage landscape in Iowa, including the payment of expenses of the department and other state agencies related to this project. The department shall disburse only those funds which are matched by an equivalent amount of funds from local communities, businesses, or other nonstate funds.

Notwithstanding section 8.33, moneys for the national heritage landscape remaining unencumbered or unobligated on June 30, 1994, shall not revert and shall be available for expenditure during the fiscal year beginning July 1, 1994, for the same purpose.

Sec. 67. There is appropriated from the general fund of the state to the division of inspections of the department of inspections and appeals, if House File 659* is enacted by the 75th General Assembly, 1993 Session, for the fiscal year beginning July 1, 1993, the sum of \$10,000, or so much thereof as is necessary, for data processing services for implementation of House File 659, if so enacted. This appropriation is in addition to any other appropriation made to the department of inspections and appeals.

Sec. 68. If Senate File 394** is enacted by the 75th General Assembly, 1993 Session, the division of investigations of the department of inspections and appeals is authorized an additional 1.0 full-time equivalent position for implementation of Senate File 394, if so enacted.

Sec. 69. LUCAS STATE OFFICE BUILDING.

1. The division of insurance of the department of commerce and the department of general services shall continue the fire, safety, and federal Americans with Disabilities Act renovations initiated pursuant to 1990 Iowa Acts, chapter 1266, section 13, subsection 7, for the Lucas state office building.

2. Funds for the renovations shall be made available for the purposes of subsection 1 to the extent the revenue of the division of insurance exceeds state revenue projections for fiscal year 1992-1993, and all other appropriations from that revenue are satisfied. In no event shall expenditures exceed the amount necessary for the Lucas state office building to meet minimum fire, safety, and federal Americans with Disabilities Act requirements.

3. It is the intent of the general assembly that the requirements of this section shall be accomplished as soon after the effective date of this section as practically feasible.

Sec. 70. COOPERATIVE ACTIVITIES — DEPARTMENTS OF HUMAN SERVICES AND PUBLIC HEALTH.

1. The department of human services and the Iowa department of public health shall request technical assistance from outside state government in order to jointly examine the potential for increasing federal funding under the medical assistance program for the provision of community-based substance abuse treatment. The departments shall periodically report to the legislative fiscal bureau concerning the outside technical assistance.

2. The department of human services and the Iowa department of public health shall cooperate in developing additional marketing and advertising materials targeted to families with children covered under the medical assistance program. The materials shall be designed to publicize the importance of preventive health services, including but not limited to scheduled screenings covered under the early and periodic screening, diagnosis, and treatment (EPSDT) provisions and periodic immunizations. The departments shall jointly seek the assistance of the private sector in designing these materials and shall periodically report to the legislative fiscal bureau.

*Not enacted

**Chapter 106 herein

Sec. 71. DIVISION OF NARCOTICS ENFORCEMENT — VEHICLE PURCHASE. It is the intent of the general assembly that the division of narcotics enforcement of the department of public safety shall purchase no more than five motor vehicles of the same make or model based upon specifications submitted by the department.

Sec. 72. Section 25.1, Code 1993, is amended to read as follows:

25.1 RECEIPT, INVESTIGATION, AND REPORT.

When a claim is filed or made against the state, on which in the judgment of the director of management the state would be liable except for the fact of its sovereignty or which has no appropriation available for its payment, the director of management shall deliver ~~said~~ that claim to the state appeal board. The state appeal board shall make a record of the receipt of ~~said~~ that claim and forthwith deliver ~~same~~ it to the special assistant attorney general for claims who shall, with a view to determining the merits and legality thereof of it, fully investigate ~~said~~ the claim, including the facts upon which it is based and report in duplicate findings and conclusions of law to the state appeal board. To help defray the initial costs of processing a claim and the costs of investigating a claim, the department of management may assess a processing fee and a fee to reimburse the office of the attorney general for the costs of the claim investigation against the state agency which incurred the liability of the claim.

Sec. 73. Section 25.2, Code 1993, is amended to read as follows:

25.2 EXAMINATION OF REPORT — APPROVAL OR REJECTION — PAYMENT.

The state appeal board with the recommendation of the special assistant attorney general for claims may approve or reject claims against the state of less than ten years covering the following: Outdated warrants; outdated sales and use tax refunds; license refunds; additional agricultural land tax credits; outdated invoices; fuel and gas tax refunds; outdated homestead and veterans' exemptions; outdated funeral service claims; tractor fees; registration permits; outdated bills for merchandise; services furnished to the state; claims by any county or county official relating to the personal property tax credit; and refunds of fees collected by the state. Payments authorized by the state appeal board shall be paid from the appropriation or fund of original certification of the claim; ~~except, that if such.~~ However, if that appropriation or fund has since reverted under section 8.33 then such payment authorized by the state appeal board shall be out of any money in the state treasury not otherwise appropriated. Notwithstanding the provisions of this section, the director of revenue and finance may reissue outdated warrants.

Sec. 74. Section 159A.7, subsection 3, as enacted in 1992 Iowa Acts, chapter 1099, section 4, is amended to read as follows:

3. Moneys shall be deposited in the ethanol production incentive account as provided in section 423.24. One percent of the moneys deposited in the account during each quarter shall be allocated to the department for administration of the office. The Remaining moneys shall be allocated to provide financial incentives to support the increased production of ethanol derived from an organic compound, including a photosynthate, as provided in section 159A.8.

Sec. 75. Section 312.2, subsection 19, paragraph a, Code 1993, is amended to read as follows:

a. The treasurer of state, before making the allotments provided for in this section, for the fiscal year beginning July 1, 1990, and each succeeding fiscal year, credit from the road use tax fund two million dollars to the county bridge construction fund, which is hereby created. Moneys credited to the county bridge construction fund shall be allocated to counties by the department for bridge construction, ~~and reconstruction, replacement, or realignment~~ based on needs in accordance with rules adopted by the department.

Sec. 76. Section 331.441, subsection 2, paragraph b, Code 1993, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (13) The acquisition, pursuant to a chapter 28E agreement, of a city convention center or veterans memorial auditorium, including the renovation, remodeling, reconstruction, expansion, improvement, or equipping of such a center or auditorium

provided, that debt service funds shall not be derived from the division of taxes under section 403.19.

Sec. 77. 1990 Iowa Acts, chapter 1267, section 9, subsection 2, as amended by 1992 Iowa Acts, chapter 1238, section 39, is amended to read as follows:

2. To be used to implement section 306D.3:

..... § 500,000

Notwithstanding section 8.33, the funds appropriated in this subsection shall remain available for obligation until June 30, ~~1993~~ 1994, and once obligated shall remain available until expended. Public or private entities willing to donate land for scenic highway projects shall be given preference in project selection if the land is accepted by the department.

Sec. 78. 1993 Iowa Acts, Senate File 343,* section 2, subsection 2, paragraph b, is amended to read as follows:

b. The coordinate system south zone is a Lambert conformal conic ~~project~~ projection of the north American datum of 1983, having standard parallels at north latitudes forty degrees, thirty-seven minutes, and forty-one degrees, forty-seven minutes, along which parallels the scale shall be exact. The origin of coordinates is at the intersection of the meridian ninety-three degrees, thirty minutes west of Greenwich, and the parallel forty degrees, zero minutes north latitude. This origin is given the coordinates: x equals five hundred thousand meters exact and y equals zero meters exact.

Sec. 79. Section 135H.4, Code 1993, as amended by 1993 Iowa Acts, House File 518,** section 29, is amended to read as follows:

135H.4 LICENSURE.

A person shall not establish, operate, or maintain a psychiatric medical institution for children unless the person obtains a license for the institution under this chapter and either holds a license under section 237.3, subsection 2, paragraph "a", as a comprehensive residential facility for children or holds a license under section 125.13, if the facility provides substance abuse treatment.

Sec. 80. Section 135H.6, subsection 6, Code 1993, as amended by 1993 Iowa Acts, House File 518,** section 30, is amended to read as follows:

6. The proposed psychiatric institution is under the direction of an agency which has operated a facility licensed under section 237.3, subsection 2, paragraph "a", as a comprehensive residential facility for children for three years or of an agency which has operated a facility for three years providing psychiatric services exclusively to children or adolescents and the facility meets or exceeds requirements for licensure under section 237.3, subsection 2, paragraph "a", as a comprehensive residential facility for children.

Sec. 81. OPEN ENROLLMENT STUDY. The legislative council is requested to contract with the north central regional education laboratory to conduct a study of the effects of open enrollment under section 282.18 upon the education system of this state and upon the school districts affected by open enrollment. Fifty percent of the costs of the contract shall be provided by a source other than the legislative council.

Sec. 82. STATE AUDIT. The auditor of state shall conduct a comprehensive audit, as described in section 11.4, of the expenditures made from the state communications network fund and the actions taken by the Iowa public broadcasting board and the department of general services in relation to the state communications network. The auditor shall have access and authority to examine any and all records necessary to complete the comprehensive audit. Any moneys necessary to conduct the audit shall be paid from the state communications network fund. The auditor shall complete the audit and present a copy of the findings to the general assembly and the governor by January 1, 1994.

*Chapter 50 herein
**Chapter 172 herein

Sec. 83. Notwithstanding section 291.13, if the moneys credited to the schoolhouse fund of a school district from tax revenues collected under the physical plant and equipment levy during the fiscal year beginning July 1, 1992, are insufficient to pay the costs specified in a contract for renovating a high school building located in the district for use by grade school students pursuant to a school reorganization contract, and the board has not received authorization from the school budget review committee under section 257.31, subsection 7, the board of the school district may expend an amount not to exceed one hundred thousand dollars of moneys in the district's general fund for purposes of the school building renovation.

Sec. 84. **EFFECTIVE DATE AND APPLICABILITY.** Section 83 of this division, being deemed of immediate importance, takes effect upon enactment and is applicable to the school budget year beginning July 1, 1992.

Sec. 85. **EFFECTIVE DATE.** Sections 65, 66, 69, 77, 78, 79, and 80 of this division, being deemed of immediate importance, take effect upon enactment.

**Sec. 86. The legislative council shall authorize a study committee on privatization of state functions. The committee would consider the recommendations of the Fisher commission, the senate appropriations subcommittee on privatization, receive information and testimony from other sources, and make recommendations.*

The committee membership would be as follows:

1. Three senators, two appointed by the majority leader, one appointed by the minority leader.

2. Three representatives, two appointed by the speaker of the house of representatives, one appointed by the minority leader.

The legislative council shall designate temporary co-chairpersons from among the legislative members.

3. One ex officio, nonvoting member who shall be the director of the department of management or the director's designee.

4. One member each representing private business and a state employee labor organization appointed by the legislative council. Members appointed under this subsection will be entitled to receive their actual expenses for attending meetings of the committee.

*The committee shall present its recommendations by November 15, 1993.**

Sec. 87. **PRIVATIZATION — STATE EMPLOYEE CONSULTATION. A state agency or department shall consult with and consider alternatives proposed by employees of the department or organizations representing state employees prior to privatizing functions provided by the agency or department.**

DIVISION VIII LIENS

Sec. 88. Section 554.9310, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A perfected security interest in collateral takes priority over any lien that is given equal precedence with ordinary taxes under chapter 260E or 260F, or its successor provisions, except for a lien under chapter 260E or 260F upon the collateral described in a financing statement or a job training agreement satisfying the requirements for a financing statement under section 554.9402, subsection 1, which is perfected by filing the financing statement or the job training agreement with the secretary of state prior to the perfection of a conflicting security interest, and a subordinate lien under chapter 260E or 260F may be divested or discharged by judicial sale, as provided in part 5 of this article 9 or by other available legal remedy notwithstanding any provision to the contrary contained in chapter 260E or 260F, or its successor provisions. Nothing in this section shall abrogate the collection of, or any lien for, unpaid property taxes which have attached to real estate pursuant to chapter 445, including taxes levied against tangible property that is assessed and taxed

*Item veto; see message at end of the Act

as real property pursuant to chapter 427A, or the collection of, or any lien for, unpaid taxes for which notice of lien has been properly recorded or filed pursuant to section 422.26.

Sec. 89. Section 554.9402, subsection 1, Code 1993, is amended to read as follows:

1. A financing statement is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types, or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to section 554.9103, subsection 5, or when the financing statement is filed as a fixture filing (section 554.9313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection 5. A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A copy of a jobs training agreement entered into under chapter 260E or 260F between an employer and a community college is sufficient as a financing statement if it contains the information required by this section and is signed by the employer. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state. The secretary of state must accept for filing a copy of a signature required by this section. The secretary of state may adopt rules for the electronic filing of a financing statement.

Sec. 90. Section 558.1, Code 1993, is amended to read as follows:

558.1 "INSTRUMENTS AFFECTING REAL ESTATE" DEFINED — REVOCATION.

All instruments containing a power to convey, or in any manner relating to real estate, including certified copies of petitions in bankruptcy with or without the schedules appended, of decrees of adjudication in bankruptcy, and of orders approving trustees' bonds in bankruptcy, and a jobs training agreement entered into under chapter 260E or 260F between an employer and community college which contains a description of the real estate affected, shall be held to be instruments affecting the same; and no such instrument, when acknowledged or certified and recorded as in this chapter prescribed, can be revoked as to third parties by any act of the parties by whom it was executed, until the instrument containing such revocation is acknowledged and filed for record in the same office in which the instrument containing such power is recorded, except that uniform commercial code financing statements and financing statement changes need not be thus acknowledged.

Sec. 91. Section 558.41, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. An interest in real estate evidenced by an instrument so filed shall have priority over any lien that is given equal precedence with ordinary taxes under chapter 260E or 260F, or its successor provisions, except for a lien under chapter 260E or 260F upon the real estate described in an instrument or job training agreement filed in the office of the recorder of the county in which the real estate is located prior to the filing of a conflicting instrument affecting the real estate, and a subordinate lien under chapter 260E or 260F may be divested or discharged by judicial sale or by other available legal remedy notwithstanding any provision to the contrary contained in chapter 260E or 260F, or its successor provisions. Nothing in this section shall abrogate the collection of, or any lien for, unpaid property taxes which have attached to real estate pursuant to chapter 445, including taxes levied against tangible property that is assessed and taxed as real property pursuant to chapter 427A, or the collection of, or any lien for, unpaid taxes for which notice of lien has been properly recorded pursuant to section 422.26.

DIVISION IX
REORGANIZE SCHOOL DISTRICTS

Sec. 92. Section 257.3, subsection 1, Code 1993, is amended to read as follows:

1. AMOUNT OF TAX. Except as provided in ~~subsection~~ subsections 2 and 2A, a school district shall cause to be levied each year, for the school general fund, a foundation property tax equal to five dollars and forty cents per thousand dollars of assessed valuation on all taxable property in the district. The county auditor shall spread the foundation levy over all taxable property in the district.

Sec. 93. Section 257.3, subsection 2, Code 1993, is amended by adding the following new unnumbered paragraph after unnumbered paragraph 2:

NEW UNNUMBERED PARAGRAPH. A reorganized school district which meets the requirements of this section for reduced property tax rates, but failed to vote on reorganization or dissolution prior to November 30, 1990, and failed to certify such action to the department of education by September 1, 1991, shall cause to be levied a foundation property tax of four dollars and sixty cents per thousand dollars of assessed valuation on all eligible taxable property pursuant to this section. In succeeding school years, the foundation property tax levy on that portion shall be increased twenty cents per year until it reaches the rate of five dollars and forty cents per thousand dollars of assessed valuation.

Sec. 94. Section 257.3, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. If a reorganized school district, whose foundation property tax is reduced under subsection 2, reorganizes within five school years from the time of its original reorganization to which subsection 2 applies, the resulting reorganized school district shall cause to be levied a foundation property tax on the taxable property in that portion of the new reorganized district which, in the year preceding the latest reorganization, was within the original reorganized school district to which subsection 2 applies equal to one dollar per thousand dollars of assessed value less than the rate the original reorganized district would have levied under subsection 2 for the same school year if there had been no new reorganization. In succeeding school years, the foundation property tax on that portion of the new reorganized school district shall be increased by forty cents for the first succeeding year and by twenty cents per year thereafter until it reaches the rate of five dollars and forty cents per thousand dollars of assessed valuation.

Sec. 95. Section 257.3, subsection 3, Code 1993, is amended to read as follows:

3. RAILWAY CORPORATIONS. For purposes of section 257.1, the "amount per pupil of foundation property tax" does not include the tax levied under subsection 1, ~~or 2,~~ or 2A on the property of a railway corporation, or on its trustee if the corporation has been declared bankrupt or is in bankruptcy proceedings.

Sec. 96. Section 257.11, subsection 2, Code 1993, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. School districts that have executed whole grade sharing agreements under section 282.10 through 282.12 beginning with the budget year beginning on July 1, 1993, and that received supplementary weighting for shared teachers or classes under this subsection for the school year ending prior to the effective date of the whole grade sharing agreement shall include in its supplementary weighting amount additional pupils added by the application of the supplementary weighting plan, equal to the pupils added by the application of the supplementary weighting plan pursuant to this subsection in the budget year beginning July 1, 1992. If at any time after July 1, 1993, a district ends a whole grade sharing agreement with the original district and does not enter into a whole grade sharing agreement with an alternative district, the school district shall reduce its supplementary weighting amount by the number of pupils added by the application of the supplementary weighting in this subsection in the budget year beginning July 1, 1992, in the budget year that the whole grade sharing agreement is terminated.

Sec. 97. CONTINGENT EFFECTIVE DATE. If the actual taxable valuation of real property located in this state, based upon January 1, 1992, assessments, which is used in the computation of property taxes payable in the fiscal year beginning July 1, 1993, increases from the estimate of such taxable valuation then 1993 Iowa Acts, House File 496,* if enacted, takes effect July 1, 1993, and then this division, being deemed of immediate importance, takes effect upon its enactment for the purpose of computations required for payment of state aid and levying of property taxes by school districts for the budget year beginning July 1, 1993.

DIVISION X
RECYCLING — PACKAGING

Sec. 98. Section 455D.16, Code 1993, is amended to read as follows:

455D.16 PACKAGING PRODUCTS — RECYCLING — PROHIBITION OF POLYSTYRENE PRODUCTS.

The department, in cooperation with businesses involved in the manufacturing and use of packaging products or food service items, shall establish a recycling program to increase the recycling of packaging products or food service items by twenty-five percent by July 1, 1993, and by fifty percent by July 1, 1994. If the recycling goals are not reached, beginning January 1, ~~1995~~ 1996, a person shall not manufacture, offer for sale, sell, or use any polystyrene packaging products or food service items in this state.

Approved May 28, 1993, except the items which I hereby disapprove and which are designated as Section 3 in its entirety; that portion of Section 8 which is herein bracketed in ink and initialed by me; that portion of Section 9 which is herein bracketed in ink and initialed by me; Section 21 in its entirety; those portions of Section 22 which are herein bracketed in ink and initialed by me; and Sections 86 and 87 in their entirety. My reasons for vetoing these items are delineated 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*

Dear Madam Secretary:

I hereby transmit Senate File 425, an Act relating to and making appropriations to finance state government, its regulatory functions, and its obligations, and providing effective and applicability date provisions.

Senate File 425 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the items designated as Sections 3 and 21, in their entirety. These provisions would result in a \$22 million property tax increase on homeowners in 1995.

I am unable to approve the designated portion of Section 8, the designated portion of Section 9, and the designated portions of Section 22. These provisions would fund a new program with a standing appropriation of \$13.5 million effective in fiscal year 1995. This is a substantial funding commitment for future fiscal years. Such commitments must be avoided if the state is to continue on the path towards fiscal responsibility.

I am unable to approve the item designated as Section 86, in its entirety. This provision would require the Legislative Council to authorize a study committee on privatization. The Council already has statutory authority to establish study committees, therefore this language is unnecessary.

*Chapter 160 herein

I am unable to approve the item designated as Section 87, in its entirety. This provision would direct agencies to consult with employees and to consider alternatives prior to privatizing state functions. These activities already occur as standard practice, therefore this language is unnecessary.

Finally, I want to express disappointment about the way in which the General Assembly funded critical capital needs in this bill. Section 30 makes a series of appropriations for capitals contingent on lottery funds exceeding a specified level. In reality, only the first item on the list is likely to receive funding. This practice by the legislature only raises false hopes that some capital needs will be met.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 425 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*

CHAPTER 181

BOARD OF REGENTS FIVE-YEAR BUILDING PROGRAM

H.C.R. 24

A CONCURRENT RESOLUTION relating to the state board of regents five-year building program.

WHEREAS, pursuant to section 262A.3, the state board of regents prepared and within seven days after the convening of the Seventy-fifth General Assembly of the State of Iowa, First Session, submitted to the Seventy-fifth General Assembly, First Session, for approval the proposed five-year building program for each institution of higher learning under the jurisdiction of the board, containing a list of the buildings and facilities which the board deems necessary to further the educational objectives of the institutions, together with an estimate of the cost of each of the buildings and facilities and an estimate of the maximum amount of revenue bonds which the board expects to issue under chapter 262A for the fiscal period beginning July 1, 1993, and ending June 30, 1995; and

WHEREAS, the projects contained in the capital improvement program are deemed necessary for the proper performance of the instructional, research, and service functions of the institutions; and

WHEREAS, section 262A.4 provides that the state board of regents, after authorization by a constitutional majority of each house of the general assembly and approval by the governor, may undertake and carry out at the institutions of higher learning under the jurisdiction of the board any project as defined in chapter 262A; and

WHEREAS, chapter 262A authorizes the state board of regents to borrow money and to issue and sell negotiable revenue bonds to pay all or any part of the cost of carrying out projects at any institution payable solely from and secured by an irrevocable pledge of a sufficient portion of the student fees and charges and institutional income received by the particular institution; and

WHEREAS, to further the educational objectives of the institutions, the state board of regents requests authorization to undertake and carry out certain projects at this time and to finance their costs by borrowing money and issuing negotiable bonds under chapter 262A in a total amount not to exceed \$16,380,000, the remaining cost of the projects to be financed by appropriations or by federal or other funds lawfully available; NOW THEREFORE,