

amount shall be placed in the ~~schoolhouse~~ public education and recreation levy fund of the district and shall be used only for the purposes specified in this chapter.

Sec. 30. Section 473.20, subsection 2, unnumbered paragraph 2, Code 1993, is amended to read as follows:

School districts and community colleges may enter into financing arrangements with the department or its duly authorized agents or representatives obligating the school district or community college to make payments on the loans beyond the current budget year of the school district or community college. Chapter 75 shall not be applicable. School districts shall repay the loans from moneys in either their general fund or ~~schoolhouse~~ debt service fund. Community colleges shall repay the loans from their general fund. Other entities receiving loans under this section shall repay the loans from any moneys available to them.

Sec. 31. To the extent that bond or note resolutions, loan agreements, lease-purchase agreements or other agreements in existence on the effective date of this Act contain references to obsolete Code sections, rules or forms, they shall be construed to assure compliance with the terms of such resolutions or agreements and substantial compliance with this Act.

Sec. 32. Section 291.13, Code 1993, is repealed.

Sec. 33. This Act is effective July 1, 1995. The funds identified in sections 1 through 14 of this Act shall be established by school districts for the school budget year beginning July 1, 1995, and school budget forms based upon the funds identified in sections 1 through 14 of and in this Act shall be prepared for use for the school budget year beginning July 1, 1995.

Approved March 31, 1994

CHAPTER 1030

ROADS — PIPELINE RELOCATION — CONDEMNATION

H.F. 2362

AN ACT relating to hazardous liquid pipeline condemnation and providing an effective date.

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

Section 1. Section 306.19, Code 1993, is amended by adding the following new subsection:
NEW SUBSECTION. 7. If the agency determines that it is necessary to relocate an interstate hazardous liquid pipeline as defined by the federal Hazardous Liquid Pipeline Safety Act of 1979, 49 U.S.C. § 2001, et seq., the agency shall have the authority to institute and maintain proceedings on behalf of the pipeline company for the condemnation of replacement property rights. The replacement property rights shall be equal in substance to the pipeline company's existing rights, except that if the issue of width was not addressed, the replacement property rights shall be for a width and location deemed appropriate and necessary for the needs of the pipeline company, as determined by the agency. The replacement property rights of the pipeline company shall be subordinate to the rights of the agency only to the extent necessary for the construction and maintenance of the designated road. Within a reasonable time after completion of the pipeline replacement, all previously owned property rights of the pipeline company no longer required for operation and maintenance of the pipeline shall be released or conveyed to the appropriate parties. The authority of the agency under this subsection may only be exercised upon execution of a relocation agreement between the agency and the pipeline company.

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved March 31, 1994

CHAPTER 1031

DIVISION OF INSURANCE — SECURITIES REGULATION — REGULATED INDUSTRIES *H.F. 2385*

AN ACT relating to entities and subject matter under the regulatory authority of the division of insurance, including securities, motor vehicle service contracts, residential service contracts, business opportunities, and invention developers, and providing for fees, and establishing penalties.

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

Section 1. Section 321I.5, subsection 2, paragraph m, Code 1993, is amended to read as follows:

m. Sets forth any and all conditions on which the service contract may be canceled ~~and any and all, the terms and conditions for the refund of any portion of the purchase price, the identity of the person primarily liable to provide any refund, and the identity of any other person liable to provide any portion of the refund.~~

Sec. 2. Section 321I.8, Code 1993, is amended to read as follows:

321I.8 EXEMPTION.

This chapter does not apply to a motor vehicle service contract issued by the manufacturer or importer of the motor vehicle covered by the service contract or to any ~~third party administrator~~ third party acting in an administrative capacity on the manufacturer's behalf in connection with that service contract.

Sec. 3. Section 321I.12, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A motor vehicle service contract provider shall promptly deliver a written explanation to the service contract holder, describing the reasons for denying a claim or for the offer of a compromise settlement, based on all relevant facts or legal requirements and referring to applicable provisions of the service contract.

Sec. 4. Section 321I.14, Code 1993, is amended by adding the following new subsection:

NEW SUBSECTION. 4. If an investigation provides reasonable evidence that a person violated this chapter or a rule adopted pursuant to this chapter, the commissioner may issue an order directed at the person to cease and desist from engaging in the act or practice resulting in the violation.

Sec. 5. **NEW SECTION. 321I.16 VIOLATIONS.**

1. A violation of this chapter or a rule adopted pursuant to this chapter is a violation of section 714.16, subsection 2, paragraph "a". The remedies and penalties provided by section 714.16, including but not limited to injunctive relief and civil penalties, apply to violations of this chapter.

2. If the commissioner believes that grounds exist for the criminal prosecution of persons subject to this chapter for violations of this chapter or any other law of this state, the commissioner may forward to the attorney general or the county attorney the grounds for the belief, including all evidence in the commissioner's possession, in order that the attorney general or the county attorney may proceed with the matter as deemed appropriate. At the request of the attorney general, the county attorney shall appear and prosecute the action when brought in the county served by the county attorney.