

thousand or more which is a member of a county conference board may provide, by ordinance, for a city board of review to hear appeals of property assessments by residents of that city. The members of the city board of review shall be appointed by the city council. The city shall pay the expenses incurred by the city board of review. However, if the city has a population of more than one hundred twenty-five thousand, the expenses incurred by the city board of review shall be paid by the county. All of the provisions of this chapter relating to the boards of review shall apply to a city board of review appointed pursuant to this subsection.

b. If a city having a population of more than one hundred twenty-five thousand abolishes its office of city assessor, the city may provide, by ordinance, for a city board of review or request the county conference board to appoint a ten-member county board of review. The initial ten-member county board of review established pursuant to this paragraph shall consist of the members of the city board of review and the county board of review who are serving unexpired terms of office. The members of the initial ten-member county board of review may continue to serve their unexpired terms of office and are eligible for reappointment for a six-year term. The ten-member county board of review created pursuant to this paragraph is in lieu of the boards of review provided for in subsection 1, but the professional and occupational qualifications of members shall apply.

Sec. 3. Section 441.31, subsection 3, Code 1997, is amended to read as follows:

3. Notwithstanding the requirements of subsection 1, the conference board or a city council which has appointed a board of review may increase the membership of the board of review by an additional two members if it determines that as a result of the large number of protests filed or estimated to be filed the board of review will be unable to timely resolve the protests with the existing number of members. If the board of review has ten members, not more than four additional members may be appointed by the conference board. ~~These two~~ The additional emergency members shall be appointed for a term set by the conference board or the city council but not for longer than two years. The conference board or the city council may extend the terms of the emergency members if it makes a similar determination as required for the initial appointment.

Approved April 11, 1997

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## CHAPTER 23

### NONSUBSTANTIVE CODE CORRECTIONS

H.F. 200

AN ACT relating to nonsubstantive Code corrections.

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

Section 1. Section 7G.1, subsection 7, Code 1997, is amended to read as follows:

7. FUNDS RECEIVED. All funds received by the commission, including but not limited to gifts, transfers, endowments, application and other fees related to the issuance of sesquicentennial motor vehicle registration plates ~~pursuant to section 321.34, subsection 14,~~ moneys from the sale of mementos and products related to the purposes of the commission, and appropriations, shall be credited to the sesquicentennial fund and are appropriated to the commission to be invested or used to support the activities of the commission. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

Sec. 2. Section 10A.108, subsection 1, unnumbered paragraph 2, Code 1997, is amended to read as follows:

A lien under this section shall not attach to any amount of inappropriately obtained benefits or provider payments, or portions of the benefits or provider payments, attributable to errors by the department of human services. Liens shall only attach to the amounts of inappropriately obtained benefits or provider payments or portions of the benefits or provider payments which were obtained due to false, misleading, incomplete, or inaccurate information submitted by a person in connection with the application for or receipt of benefits or provider payments.

Sec. 3. Section 10A.108, subsection 4, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The county recorder of each county shall prepare and maintain in the recorder's office an index of liens of debts established based upon benefits or provider payments inappropriately obtained from and owed the department of human services, which provides appropriate columns for all of the following data, under the names of debtors, arranged alphabetically:

Sec. 4. Section 12.40, subsection 3, Code 1997, is amended to read as follows:

3. In order to qualify as an eligible borrower, the rural small business must be located in a city with a population of five thousand or less. A business in a city located in a county with a population in excess of three hundred thousand, if the city is contiguous to another city in the county and that other city is contiguous to the largest city in that county, shall be ineligible to qualify as a borrower.

Sec. 5. Section 15.114, subsection 1, paragraph c, Code 1997, is amended to read as follows:

c. "~~Microbusiness~~ Microenterprise organization" means a nonprofit corporation organized under chapter 504A which is exempt from taxation pursuant to section 501(c) of the Internal Revenue Code and which has a principal mission of actively engaging in microbusiness development, training, technical assistance, and capital access for the start-up or expansion of microbusinesses.

Sec. 6. Section 15A.7, subsection 4, Code 1997, is amended to read as follows:

4. To provide funds for the payment of the costs of the additional project, a community college may borrow money, issue and sell certificates, and secure the payment of the certificates in the same manner as described in section 260E.6, including, but not limited to, providing the assessment of an annual levy as described in section 260E.6, subsection 4. The program and credit authorized by this ~~subsection~~ section are in addition to, and not in lieu of, the program and credit authorized in chapter 260E.

Sec. 7. Section 80.16, Code 1997, is amended to read as follows:  
80.16 BONDS.

All special agents appointed by the commissioner of public safety pursuant to section 80.7 shall furnish bond as required by the commissioner in the amount of five thousand dollars. All members of the state department of public safety excepting the members of the clerical force shall be bonded for the faithful performance of their duties, in such an amount as the commissioner of public safety may deem necessary, but not less than five thousand dollars for any one position, and clerical employees may be so bonded. The ~~director~~ commissioner is authorized to purchase bond coverage with departmental funds, either in blanket bond form or in individual bond form or in any combination thereof.

Sec. 8. Section 84A.7, subsection 2, Code 1997, is amended to read as follows:

2. IOWA CONSERVATION CORPS ESTABLISHED. The Iowa conservation corps is established in this state to provide meaningful and productive public service jobs for ~~the~~ youth, ~~the~~ unemployed persons, ~~the~~ disabled persons with disabilities, ~~the~~ disadvantaged persons, and ~~the~~ elderly persons, and to provide participants with an opportunity to explore careers,

gain work experience, and contribute to the general welfare of their communities and the state. The corps shall provide opportunities in the areas of natural resource and wildlife conservation, park maintenance and restoration, land management, energy savings, community improvement projects, tourism, economic development, and work benefiting human services programs. The department of workforce development shall administer the corps and shall adopt rules governing its operation, eligibility for participation, cash contributions, and implementation of an incentive program.

Sec. 9. Section 97A.7, subsection 5, Code 1997, is amended by striking the subsection.

Sec. 10. Section 97B.49, subsection 17, paragraph c, subparagraph (1), Code 1997, is amended by striking the subparagraph.

Sec. 11. Section 97B.80, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Effective July 1, 1992, a vested or retired member, who at any time served on active duty in the armed forces of the United States, upon submitting verification of the dates of the active duty service, may make employer and employee contributions to the system based upon the member's covered wages for the most recent full calendar year in which the member had reportable wages at the applicable rates in effect for that year under sections 97B.11 and 97B.49, for all or a portion of the period of time of the active duty service, in increments of one or more calendar quarters, and receive credit for membership service and prior service for the period of time for which the contributions are made. If the member's most recent covered wages were earned prior to the most recent calendar year, the member's covered wages shall be adjusted by the department by an inflation factor to reflect changes in the economy. The department shall adjust benefits for a six-month period prior to the date the member pays contributions under this section if the member is receiving a retirement allowance at the time the contribution payment is made. Verification of active duty service and payment of contributions shall be made to the department. However, a member is not eligible to make contributions under this section if the member is receiving, is eligible to receive, or may in the future be eligible to receive retirement pay from the United States government for active duty in the armed forces, except for retirement pay granted by the United States government under retired pay for nonregular service (~~10 U.S.C. § 1331, et seq.~~) pursuant to 10 U.S.C. § 12731 - 12739. A member receiving retired pay for nonregular service who makes contributions under this section shall provide information required by the department documenting time periods covered under retired pay for nonregular service.

Sec. 12. Section 99D.25A, subsection 2, Code 1997, is amended to read as follows:

2. Phenylbutazone shall not be administered to a horse in dosages which would result in concentrations of more than two point two micrograms of the substance or its metabolites per ~~millimeter~~ milliliter of blood.

Sec. 13. Section 135.11, subsection 16, Code 1997, is amended by striking the subsection.

Sec. 14. Section 135.107, subsection 3, paragraph c, subparagraph (2), subparagraph subdivision (a), Code 1997, is amended to read as follows:

(a) Determination of eligibility requirements and qualifications of an applicant to receive scholarships under the program, including but not limited to years of obligated service, clinical practice requirements, and residency requirements. One year of obligated service shall be provided by the applicant in exchange for each year of ~~loan repayment~~ scholarship receipt, unless federal requirements otherwise require.

Sec. 15. Section 137E.1, subsection 11, Code 1997, is amended to read as follows:

11. "Potentially hazardous food" means any food that consists in whole or in part of milk or milk products, eggs, meat, poultry, fish, shell fish, edible crustacea, or other ingredients

including synthetic ingredients, in a form capable of supporting rapid and progressive growth ~~or~~ of infectious or toxigenic microorganisms. The term does not include clean, whole, uncracked, odor-free shell eggs or foods which have a pH level of 4.5 or below or a water activity (Aw) value of 0.85 or less.

Sec. 16. Section 191.3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

Every person owning or in charge of any place where food or drink is sold who uses or serves therein imitation cheese, ~~as in this subtitle defined~~, shall display at all times opposite each table or place of service a placard for such imitation, with the words "Imitation . . . . . served here", without other matter, printed in black roman letters not less than three inches in height and two inches in width, on a white card twelve by twenty-two inches in dimensions.

Sec. 17. Section 229.33, Code 1997, is amended to read as follows:  
229.33 HEARING.

If, on such report and statement, and the hearing of testimony if any is offered, the judge shall find that such person is not seriously mentally impaired, the judge shall order the person's discharge; if the contrary, the judge shall so state, and authorize the continued detention of the person, subject to all applicable requirements of ~~this Act~~ chapter 229.

Sec. 18. Section 230.6, subsection 1, Code 1997, is amended to read as follows:

1. If the administrator finds that the decision of the court as to legal settlement is correct, the administrator shall cause said patient either to be transferred to a state hospital for persons with mental illness at the expense of the state, or to be transferred, with approval of the court as required by ~~this Act~~ chapter 229 to the place of foreign settlement.

Sec. 19. Section 230.7, Code 1997, is amended to read as follows:  
230.7 TRANSFER OF NONRESIDENTS.

Upon determining that a patient in a state hospital who has been involuntarily hospitalized under ~~this Act~~ chapter 229 or admitted voluntarily at public expense was not a resident of this state at the time of the involuntary hospitalization or admission, the administrator may cause that patient to be conveyed to the patient's place of residence. However, a transfer under this section may be made only if the patient's condition so permits and other reasons do not render the transfer inadvisable. If the patient was involuntarily hospitalized, prior approval of the transfer must be obtained from the court which ordered the patient hospitalized.

Sec. 20. Section 231.53, Code 1997, is amended to read as follows:  
231.53 COORDINATION WITH JOB TRAINING PARTNERSHIP ACT.

The employment and training program administered by the department shall be coordinated with the training program for older individuals administered by the department of ~~economic development~~ workforce development under the Job Training Partnership Act.

A proposed annual plan for coordinating these programs shall be developed jointly by the department of elder affairs, ~~the department of economic development~~, the department of education, and the department of workforce development for submittal to the state job training coordinating council. The state job training coordinating council shall take the proposed plan under advisement in preparing a final annual plan for coordinating these programs which will be submitted to the governor.

After the end of each annual planning period, the department of elder affairs, ~~the department of economic development~~, the department of education, and the department of workforce development shall submit a joint report to the state job training coordinating council describing the services provided to elderly Iowans, assessing the extent to which coordination of programs was achieved, and making recommendations for improving coordination.

Sec. 21. Section 231C.4, Code 1997, is amended to read as follows:

**231C.4 FIRE AND SAFETY STANDARDS.**

The state fire marshal shall adopt rules, in coordination with the department, relating to the certification or voluntary accreditation and monitoring of the fire and safety standards of certified or voluntarily accredited assisted living programs.

Sec. 22. Section 232.89, subsection 1, Code 1997, is amended to read as follows:

1. Upon the filing of a petition the parent, guardian, or custodian identified in the petition shall have the right to counsel in connection with all subsequent hearings and proceedings. If that person desires but is financially unable to employ counsel, the court shall appoint counsel. However, an incarcerated parent without legal custody shall not have the right to court-appointed counsel.

Sec. 23. Section 249F.1, subsection 2, paragraph b, subparagraph (6), Code 1997, is amended to read as follows:

(6) Transfers of assets that would, at the time of the transferor's application for medical assistance, have been exempt from consideration as a resource if ~~it had been~~ retained by the transferor, pursuant to 42 U.S.C. § 1382b(a), as implemented by regulations adopted by the secretary of the United States department of health and human services.

Sec. 24. Section 256B.2, subsection 3, unnumbered paragraph 1, Code 1997, is amended to read as follows:

It is the policy of this state to require school districts and state operated educational programs to provide or make provision, as an integral part of public education, for a free and appropriate public education sufficient to meet the needs of all children requiring special education. This chapter is not to be construed as encouraging separate facilities or segregated programs designed to meet the needs of children requiring special education when the children can benefit from all or part of the education program as offered by the local school district. To the maximum extent possible, children requiring special education shall attend regular classes and shall be educated with children who do not require special education. Whenever possible, hindrances to learning and to the normal functioning of children requiring special education within the regular school environment shall be overcome by the provision of special aids and services rather than by separate programs for those in need of special education. Special classes, separate schooling, or other removal of children requiring special education from the regular educational environment, shall occur only when, and to the extent that the nature or severity of the educational disability is such, that education in regular classes, even with the use of supplementary aids and services, cannot be accomplished satisfactorily. For those children who cannot adapt to the regular educational or home living conditions, and who are attending facilities under chapters 263, 269, and 270, upon the request of the board of directors of an area education agency, the department of human services shall provide residential or detention facilities and the area education agency shall provide special education programs and services. The area education agencies shall cooperate with the board of regents to provide the services required by this ~~Act~~ chapter.

Sec. 25. Section 257.21, unnumbered paragraph 2, Code 1997, is amended to read as follows:

The instructional support income surtax shall be imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year and after the date the board adopts a resolution to participate in the program or the first half of the succeeding calendar year, and shall be imposed on all individuals residing in the school district on the last day of the applicable tax year. As used in this section, "state individual income tax" means the taxes computed under section 422.5, less the credits allowed in sections 422.11A, 422.11B, ~~422.11C~~, 422.12, and 422.12B.

Sec. 26. Section 257.31, subsection 17, paragraph d, Code 1997, is amended to read as follows:

d. Funds transferred to the committee in accordance with section 321.34, subsection ~~12 22~~, are appropriated to and may be expended for the purposes of the committee, as described in this section. However, highest priority shall be given to districts that meet the conditions described in this subsection. Notwithstanding any other provision of the Code, unencumbered or unobligated funds transferred to the committee pursuant to section 321.34, subsection ~~12 22~~, remaining on June 30 of the fiscal year for which the funds were transferred, shall not revert but shall be available for expenditure for the purposes of this subsection in subsequent fiscal years.

Sec. 27. Section 260C.39, unnumbered paragraphs 3 and 4, Code 1997, are amended by striking the unnumbered paragraphs.

Sec. 28. Section 260C.45, unnumbered paragraph 3, Code 1997, is amended by striking the paragraph.

Sec. 29. Section 260C.46, Code 1997, is amended to read as follows:  
260C.46 PROGRAM AND ADMINISTRATIVE SHARING.

By September 1, 1990, the department shall establish guidelines and an approval process for program sharing agreements and for administrative sharing agreements entered into by two or more community colleges or by a community college and a higher education institution under the control of the board of regents. Guidelines established shall be designed to increase student access to programs, enhance educational program offerings throughout the state, and enhance interinstitutional cooperation in program offerings. ~~A community college must submit an application and obtain approval from the department in order to become eligible to receive funds from the community college excellence 2000 account under section 260D.14A for an administrative sharing or program sharing agreement. The application shall describe the sharing agreement, costs, and benefits associated with the sharing proposal.~~

Sec. 30. Section 260F.8, subsection 1, Code 1997, is amended to read as follows:

1. For each fiscal year, the department shall make funds available to the community colleges. The department shall allocate by formula from the moneys in the fund an amount for each community college to be used to provide the financial assistance for proposals of businesses whose applications have been approved by the department. The financial assistance shall be provided by the department from the amount set aside for that community college. If any portion of the moneys set aside for a community college have not been used or committed by May 1 of the fiscal year, that portion is available for use by the department to provide financial assistance to businesses ~~located in~~ applying to other community colleges. The department shall adopt by rule a formula for this set-aside.

Sec. 31. Section 282.18, subsection 7, Code 1997, is amended to read as follows:

7. A pupil participating in open enrollment shall be counted, for state school foundation aid purposes, in the pupil's district of residence. A pupil's residence, for purposes of this section, means a residence under section 282.1. The board of directors of the district of residence shall pay to the receiving district the state cost per pupil for the previous school year, plus any moneys received for the pupil as a result of the non-English speaking weighting under section 280.4, subsection 3, for the previous school year multiplied by the state cost per pupil for the previous year. The district of residence shall also transmit the phase III moneys allocated to the district for the previous year for the full-time equivalent attendance of the pupil, who is the subject of the request, to the receiving district specified in the request for transfer.

Sec. 32. Section 282.18, subsection 9, unnumbered paragraph 2, Code 1997, is amended to read as follows:

If a request to transfer is due to a change in family residence, change in the state in which the family residence is located, a change in a child's parents' marital status, a guardianship

proceeding, placement in foster care, adoption, participation in a foreign exchange program, or participation in a substance abuse or mental health treatment program, and the child, who is the subject of the request, is not currently using any provision of open enrollment, the parent or guardian of the child shall have the option to have the child remain in the child's original district of residence under open enrollment with no interruption in the child's educational program. If a parent or guardian exercises this option, the child's new district of residence is not required to pay the ~~lower of the two district costs per pupil or other costs to the receiving district~~ amount calculated in subsection 7, until the start of the first full year of enrollment of the child.

Sec. 33. Section 321.210, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The department is authorized to establish rules providing for the suspension of the license of an operator upon ~~twenty~~ thirty days' notice and without preliminary hearing upon a showing by its records or other sufficient evidence that the licensee:

Sec. 34. Section 321E.14, unnumbered paragraph 2, Code 1997, is amended by striking the paragraph.

Sec. 35. Section 321L.1, subsection 4, paragraph a, Code 1997, is amended to read as follows:

a. A handicapped registration plate issued to or for a handicapped person under section 321.34, subsection ~~7~~ 14.

Sec. 36. Section 331.438, subsection 2, Code 1997, is amended to read as follows:

2. Except as modified based upon the actual amount of the appropriation for purposes of state payment under section 331.439, the amount of the state payment for a fiscal year shall be calculated by applying the ~~inflation~~ allowed growth factor adjustment established in accordance with section 331.439, subsection 3, for that fiscal year to the amount of county expenditures for qualified services in the previous fiscal year. A state payment is the state funding a county receives pursuant to section 426B.2, subsection 2. Any state funding received by a county for property tax relief in accordance with section 426B.2, subsections 1 and 3, is not a state payment and shall not be included in the state payment calculation made pursuant to this subsection.

Sec. 37. Section 331.602, subsection 14, Code 1997, is amended by striking the subsection.

Sec. 38. Section 372.4, unnumbered paragraph 2, Code 1997, is amended to read as follows:

However, a city governed, on ~~the effective date of this section~~ July 1, 1975, by the mayor-council form composed of a mayor and a council consisting of two council members elected at large, and one council member from each of four wards, or a special charter city governed, on ~~the effective date of this section~~ July 1, 1975, by the mayor-council form composed of a mayor and a council consisting of two council members elected at large and one council member elected from each of eight wards, may continue until the form of government is changed as provided in section 372.2 or section 372.9. While a city is thus operating with an even number of council members, the mayor may vote to break a tie vote on motions not involving ordinances, resolutions or appointments made by the council alone, and in a special charter city operating with ten council members under this section, the mayor may vote to break a tie vote on all measures.

Sec. 39. Section 372.5, unnumbered paragraph 3, Code 1997, is amended to read as follows:

However, a city governed, on ~~the effective date of this section~~ July 1, 1975, by the commission form and having a council composed of a mayor and two council members elected at

large may continue with a council of three until the form of government is changed as provided in section 372.2 or section 372.9 or without changing the form, may submit to the voters the question of increasing the council to five members assigned to the five departments as set out in this section.

Sec. 40. Section 372.12, unnumbered paragraph 1, Code 1997, is amended to read as follows:

A city may not adopt the special charter form but a city governed by a special charter on ~~the effective date of the city code July 1, 1975,~~ is considered to have the special charter form although it may utilize elements of the mayor-council form in conjunction with the provisions of its special charter. In adopting and filing its charter as required in section 372.1, a special charter city shall include the provisions of its charter and any provisions of the mayor-council form which are followed by the city on ~~the effective date of the city code July 1, 1975.~~

Sec. 41. Section 421.16, Code 1997, is amended to read as follows:  
421.16 EXPENSES.

The director, deputy directors, ~~secretary,~~ and ~~assistants~~ department employees are entitled to receive from the state their actual necessary expenses while traveling on the business of the department. The expenditures shall be sworn to by the party who incurred the expense, and approved and allowed by the director. However, such expenses shall not be allowed residents of Polk county while in the city of Des Moines or traveling between their homes and the city of Des Moines.

Sec. 42. Section 422.6, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The tax imposed by section 422.5 less the credits allowed under sections 422.10, 422.11A, and 422.11B, ~~and 422.11C,~~ and the personal exemption credit allowed under section 422.12 apply to and are a charge against estates and trusts with respect to their taxable income, and the rates are the same as those applicable to individuals. The fiduciary shall make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries.

Sec. 43. Section 422.10, unnumbered paragraph 2, Code 1997, is amended to read as follows:

Any credit in excess of the tax liability imposed by section 422.5 less the credits allowed under sections 422.11A, ~~422.11C,~~ 422.12, and 422.12B for the taxable year shall be refunded with interest computed under section 422.25. In lieu of claiming a refund, a taxpayer may elect to have the overpayment shown on the taxpayer's final, completed return credited to the tax liability for the following taxable year.

Sec. 44. Section 422.12C, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The taxes imposed under this division, less the credits allowed under sections 422.11A, 422.11B, ~~422.11C,~~ 422.12, and 422.12B shall be reduced by a child and dependent care credit equal to the following percentages of the federal child and dependent care credit provided in section 21 of the Internal Revenue Code:

Sec. 45. Section 422.26, unnumbered paragraph 2, Code 1997, is amended to read as follows:

The lien shall attach at the time the tax becomes due and payable and shall continue for ten years from the date an assessment is issued unless sooner released or otherwise discharged. The lien may, within ten years from the date an assessment is issued, be extended by filing for record a notice with the appropriate county official of any county and from the time of such filing, the lien shall be extended to the property in such county for ten years, unless sooner released or otherwise discharged, with no limit on the number of extensions.

~~Liens having attached prior to January 1, 1960, will expire on January 1, 1970, unless extended by the director.~~ The director shall charge off any account whose lien is allowed to lapse and may charge off any account and release the corresponding lien before the lien has lapsed if the director determines under uniform rules prescribed by the director that the account is uncollectible or collection costs involved would not warrant collection of the amount due.

Sec. 46. Section 422D.2, Code 1997, is amended to read as follows:

**422D.2 LOCAL INCOME SURTAX.**

A county may impose by ordinance a local income surtax as provided in section 422D.1 at the rate set by the board of supervisors, of up to one percent, on the state individual income tax of each individual residing in the county at the end of the individual's applicable tax year. However, the cumulative total of the percents of income surtax imposed on any taxpayer in the county shall not exceed twenty percent. The reason for imposing the surtax and the amount needed shall be set out in the ordinance. The surtax rate shall be set to raise only the amount needed. For purposes of this section, "state individual income tax" means the tax computed under section 422.5, less the credits allowed in sections 422.11A, 422.11B, ~~422.11C~~, 422.12, and 422.12B.

Sec. 47. Section 424.18, Code 1997, is amended to read as follows:

**424.18 EFFECTIVE DATE.**

The environmental protection charge is imposed beginning July 1, 1989. For all deposits subject to the charge made on or after July 1, 1989, the depositor and receiver are obligated to pay the charge as provided in this chapter. ~~The amount of the initial environmental protection charge as calculated after determination of the cost factor by the board and the required forms and procedures shall be published in the Iowa administrative bulletin prior to July 1, 1989.~~

Sec. 48. Section 425.40, Code 1997, is amended to read as follows:

**425.40 LOW-INCOME FUND CREATED.**

1. A low-income tax credit and reimbursement fund is created.

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. 49. Section 427A.12, subsection 5, Code 1997, is amended to read as follows:

5. For each state fiscal year ending with or before the year in which the ninth increase in the additional personal property tax credit under this division becomes effective, each taxing district shall be reimbursed from the personal property tax replacement fund in an amount equal to its personal property tax replacement base multiplied by a fraction the numerator of which is the total assessed value of all personal property, excluding livestock, in the taxing district, on which taxes are not payable during the fiscal year because of the various tax credits granted by this chapter, and the denominator of which is the total assessed value of all personal property in the taxing district, excluding livestock but including other personal property eligible for tax credits granted by this chapter. ~~For the half year~~

~~beginning January 1, 1974, and ending June 30, 1974, the amount of reimbursement shall be half the amount determined pursuant to this subsection.~~ The county auditor shall certify and forward to the director of the department of management and the director of revenue and finance, at the times and in the form directed by the director of the department of management, any information needed for the purposes of this subsection. The director of the department of management shall make any necessary corrections and certify the appropriate information to the director of revenue and finance.

Sec. 50. Section 427A.12, subsection 6, Code 1997, is amended to read as follows:

6. The amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the director of revenue and finance on May 15 of each fiscal year, taking into consideration the relative budget and cash position of the state resources. ~~For the fiscal year beginning July 1, 1984 and ending June 30, 1985, one-half of the amount due each taxing district shall be paid to the respective county treasurers by the state comptroller on May 15, 1985.~~ For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and for each succeeding fiscal year the amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the director of revenue and finance on July 15 and May 15 of that fiscal year, taking into consideration the relative budget and cash position of the state resources. The July 15 payment shall be equal to the amount paid on May 15 of the preceding fiscal year and the payments received shall be an account receivable for each taxing district for the preceding fiscal year. The May 15 payment is equal to one-half of the amount of the additional personal property tax credit payable for the fiscal year. The county treasurer shall pay the proceeds to the various taxing districts in the county.

Sec. 51. Section 441.21, subsection 4, Code 1997, is amended by striking the subsection.

Sec. 52. Section 441.46, unnumbered paragraph 2, Code 1997, is amended to read as follows:

~~The assessment date for property taxes for the fiscal period beginning January 1, 1973 and ending June 30, 1974 and which became delinquent during the fiscal period beginning January 1, 1974 and ending June 30, 1975, was January 1, 1973. The assessment date for property taxes for the fiscal year beginning July 1, 1974 and ending June 30, 1975 and which became delinquent during the fiscal year beginning July 1, 1975 and ending June 30, 1976, was January 1, 1974. Thereafter, the~~ The assessment date is January 1 for taxes for the fiscal year which commences six months after the assessment date and which become delinquent during the fiscal year commencing eighteen months after the assessment date.

Sec. 53. Section 441.73, subsections 2 and 4, Code 1997, are amended to read as follows:

2. If the director of revenue and finance determines that foreseeable litigation expenses will exceed the amount available from appropriations made to the department of revenue and finance, the director of revenue and finance may apply to the executive council for use of funds on deposit in the litigation ~~defense~~ expense fund. The initial application for approval shall include an estimate of potential litigation expenses, allocated to each of the next four succeeding calendar quarters and substantiated by a breakdown of all anticipated costs for legal counsel, expert witnesses, and other applicable litigation expenses.

4. The executive council shall transfer for the fiscal year beginning July 1, 1992, and each fiscal year thereafter, from funds established in sections 405A.8, 425.1, and 426.1, an amount necessary to pay litigation expenses. ~~However, the amount of funds transferred to the litigation expense fund for the fiscal year beginning July 1, 1992, shall not exceed three hundred fifty thousand dollars and the~~ The amount of the fund for the succeeding each fiscal years year shall not exceed seven hundred thousand dollars. The executive council shall determine annually the proportionate amounts to be transferred from the three separate funds. At any time when no litigation is pending or in progress the balance in the litigation ~~defense~~ expense fund shall not exceed one hundred thousand dollars. Any excess moneys

shall be transferred in a proportionate amount back to the funds from which they were originally transferred.

Sec. 54. Section 457B.1, article V, paragraph c, Code 1997, is amended to read as follows:

c. If a party state's right to have waste generated within its borders disposed of at compact facilities, or at any noncompact facility made available to the region by an agreement entered into by the commission under article III, section h, subsection 6, is suspended, low-level radioactive waste generated within its borders by any person shall not be disposed of at any such facility during the period of the suspension.

Sec. 55. Section 462A.77, subsection 3, paragraph b, Code 1997, is amended to read as follows:

b. A person who is the owner of a vessel that is documented with the United States coast guard is not required to file an application for a certificate of title for the vessel and the vessel is exempt from the requirements of ~~sections~~ section 462A.82, subsections 1 and 2, and section 462A.84.

Sec. 56. Section 499.4, Code 1997, is amended to read as follows:

499.4 USE OF TERM "COOPERATIVE" RESTRICTED.

No person or firm, and no corporation hereafter organized, which is not an association as defined herein in this chapter or a cooperative as defined in chapter 501, shall use the word "cooperative" or any abbreviation thereof in its name or advertising or in any connection with its business, except foreign associations admitted under section 499.54. The attorney general or any association or any member thereof may sue and enjoin such use.

Sec. 57. Section 501.404, subsection 1, paragraph b, Code 1997, is amended to read as follows:

b. The material facts of the transaction and the director's interest were disclosed or known to the shareholders entitled to vote and they authorized, approved, or ratified the transaction. For purposes of this paragraph, a conflict of interest transaction is authorized, approved, or ratified if it receives a majority of the votes entitled to be counted under this paragraph. Shares owned by or voted under the control of a director who has a direct or indirect interest in the transaction, and shares owned by or voted under the control of an entity described in subsection 2, paragraph "a", shall not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under this paragraph. The vote of those shares, however, is counted in determining whether the transaction is approved under other sections of this chapter. A majority of the votes, whether or not the shareholders are present, that are entitled to be counted in a vote on the transaction under this paragraph constitutes a quorum for the purpose of taking action under this paragraph.

Sec. 58. Section 501.408, Code 1997, is amended to read as follows:

501.408 INDEMNIFICATION.

A cooperative may indemnify a present or former director, officer, employee, or agent in the manner and in the instances authorized in sections 490.850 through 490.858, provided that where these sections provide for action by the shareholders these sections are applicable to actions by the members, and where these sections refer to the ~~cooperative corporation~~ these sections are applicable to a cooperative.

Sec. 59. Section 502.207B, Code 1997, is amended to read as follows:

502.207B LEGISLATIVE REVIEW AND OVERSIGHT.

The director of revenue and finance and the administrator of the securities bureau of the insurance division shall each report on an annual basis to the senate's and house of representatives' committees on ways and means concerning ~~issuers using the seed capital tax credit, as authorized for personal taxpayers by section 422.11C and for corporate taxpayers by section 422.32, subsection 8, and the expedited filing by registration system provided by section 502.207A.~~

Sec. 60. Section 502.404, Code 1997, is amended to read as follows:

**502.404 PROHIBITED TRANSACTIONS OF BROKER-DEALERS AND AGENTS.**

A broker-dealer or agent shall not effect a transaction in, or induce or attempt to induce the purchase or sale of, any security in this state by means of any manipulative, deceptive or other fraudulent scheme, device, or contrivance, fictitious quotation, or in violation of this ~~Act~~ chapter or any rule or order hereunder. A broker-dealer or agent shall not recommend to a customer the purchase, sale or exchange of a security without reasonable grounds to believe that the transaction or recommendation is suitable for the customer based upon reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and other relevant information known by the broker-dealer.

Sec. 61. Section 505.8, subsection 2, Code 1997, is amended to read as follows:

2. The commissioner shall, subject to chapter 17A, establish, publish, and enforce rules not inconsistent with law for the enforcement of this subtitle and for the enforcement of the laws, the administration and supervision of which are imposed on the division, including rules to establish fees sufficient to administer the laws, where appropriate fees are not otherwise provided for in rule or statute, and as necessary to obtain from persons authorized to do business in the state or regulated by the division that data required ~~pursuant to former section 145.3~~ by the ~~state health data commission~~ community health management information system.

Sec. 62. Section 523A.2, subsection 1, paragraph d, Code 1997, is amended to read as follows:

d. A financial institution referred to in paragraph "a" shall file notice with the commissioner of all funds deposited under the trust agreement. The notice shall be on forms prescribed by the commissioner and shall be filed not later than March 1 of each year. Each notice shall contain the required information for all deposits made during the previous calendar year. Forms may be obtained from the commissioner. The commissioner may accept ~~annual reports~~ notices submitted in an electronic format, such as computer diskettes.

Sec. 63. Section 523E.2, subsection 1, paragraph d, Code 1997, is amended to read as follows:

d. A financial institution referred to in paragraph "a" shall file notice with the commissioner of all funds deposited under the trust agreement. The notice shall be on forms prescribed by the commissioner and shall be filed not later than March 1 of each year. Each notice shall contain the required information for all deposits made during the previous calendar year. Forms may be obtained from the commissioner. The commissioner may accept ~~annual reports~~ notices submitted in an electronic format, such as computer diskettes.

Sec. 64. Section 524.1802, subsection 2, Code 1997, is amended to read as follows:

2. A bank holding company shall not acquire a bank or bank holding company pursuant to section 524.1805 ~~or 524.1903~~ if, following that acquisition, those state and national banks located in this state in which out-of-state bank holding companies directly or indirectly control more than twenty-five percent of the voting shares or have the power to control in any manner the election of the majority of directors would have, in the aggregate, more than thirty-five percent of the sum of the total time and demand deposits of all state and national banks located in this state plus the total time and demand deposits of all offices located in this state of savings and loan associations and savings banks, whether chartered under the law of this or another state or under federal law, as determined by the superintendent on the basis of the most recent reports of those financial institutions to their supervisory authorities.

Sec. 65. Section 542B.27, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

In addition to any other penalties provided for in this ~~section~~ chapter, the board may by order impose a civil penalty upon a person who is not licensed under this chapter as a

professional engineer or a land surveyor and who does any of the following:

Sec. 66. Section 542B.35, subsection 2, paragraph c, Code 1997, is amended to read as follows:

c. A person who completes the real property inspection report shall not ~~represent themselves as claim to be~~ a licensed land surveyor or a professional engineer for purposes of the report.

Sec. 67. Section 543B.46, subsection 3, Code 1997, is amended to read as follows:

3. Each broker shall authorize the real estate commission to examine each trust account and shall obtain the certification of the bank or savings and loan association attesting to each trust account and consenting to the examination and audit of each account by a duly authorized representative of the commission. The certification and consent shall be furnished on forms prescribed by the commission. This subsection does not apply to an individual farm account maintained in the name of the owner or owners for the purpose of conducting ongoing farm business whether it is conducted by the farm owner or by an agent or farm manager when the account is part of a farm management agreement between the owner and agent or manager. This ~~section~~ subsection also does not apply to an individual property management account maintained in the name of the owner or owners for the purpose of conducting ongoing property management whether it is conducted by the property owner or by an agent or manager when the account is part of a property management agreement between the owner and agent or manager.

Sec. 68. Section 554.2512, subsection 1, paragraph b, Code 1997, is amended to read as follows:

b. despite tender of the required documents the circumstances would justify injunction against honor under ~~the provisions of~~ this chapter (section 554.5109, subsection 2).

Sec. 69. Section 554.5116, subsection 4, Code 1997, is amended to read as follows:

4. If there is conflict between this Article and Article 3, 4, ~~or 9~~, or 12, this Article governs.

Sec. 70. Section 554.8111, Code 1997, is amended to read as follows:

554.8111 CLEARING CORPORATION RULES.

A rule adopted by a clearing corporation governing rights and obligations among the clearing corporation and its participants in the clearing corporation is effective even if the rule conflicts with this ~~Article~~ chapter and affects another party who does not consent to the rule.

Sec. 71. Section 554.8205, unnumbered paragraph 1, Code 1997, is amended to read as follows:

An unauthorized signature placed on a security certificate before or in the course of issue is ineffective, but the signature is effective in favor of a purchaser for value of the certificated security if the purchaser is without notice of the lack of authority and the signing has been done by:

Sec. 72. Section 554.8401, subsection 1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

If a certificated security in registered form is presented to an issuer with a request to register transfer or an instruction is presented to an issuer with a request to register transfer of an uncertificated security, the issuer shall register the transfer as requested if:

Sec. 73. Section 554.9305, Code 1997, is amended to read as follows:

554.9305 WHEN POSSESSION BY SECURED PARTY PERFECTS SECURITY INTEREST WITHOUT FILING.

A security interest in ~~letters of credit (section 554.5114)~~, goods, instruments, money, negotiable documents, or chattel paper may be perfected by the secured party's taking possession of the collateral. A security interest in the right to proceeds of a written letter of credit

may be perfected by the secured party's taking possession of the letter of credit. If such collateral other than goods covered by a negotiable document is held by a bailee, the secured party is deemed to have possession from the time the bailee receives notification of the secured party's interest. A security interest is perfected by possession from the time possession is taken without a relation back and continues only so long as possession is retained, unless otherwise specified in this Article. The security interest may be otherwise perfected as provided in this Article before or after the period of possession by the secured party.

Sec. 74. Section 589.6, Code 1997, is amended to read as follows:

**589.6 INSTRUMENTS AFFECTING REAL ESTATE.**

All instruments in writing executed by a corporation before July 1, 1996, which are more than one year old, conveying, encumbering, or affecting real estate, including releases, or satisfactions of mortgages, judgments, or any other liens by entry of the release or satisfaction upon the page where the lien appears recorded or entered, where the corporate seal of the corporation has not been affixed or attached, and which are otherwise legally and properly executed, are legal, valid, and binding as though the corporate seal had been attached or affixed.

Sec. 75. Section 602.8102, subsection 32, Code 1997, is amended by striking the subsection.

Sec. 76. Section 602.8104, subsection 2, paragraph j, Code 1997, is amended by striking the paragraph.

Sec. 77. Section 690.1, Code 1997, is amended to read as follows:

**690.1 CRIMINAL IDENTIFICATION.**

The ~~director~~ commissioner of public safety may provide in the department a bureau of criminal identification. The ~~director~~ commissioner may adopt rules for the same. The sheriff of each county and the chief of police of each city shall furnish to the department criminal identification records and other information as directed by the ~~director~~ commissioner of public safety.

Sec. 78. Section 724.11, Code 1997, is amended to read as follows:

**724.11 ISSUANCE OF PERMIT TO CARRY WEAPONS.**

Applications for permits to carry weapons shall be made to the sheriff of the county in which the applicant resides. Applications from persons who are nonresidents of the state, or whose need to go armed arises out of employment by the state, shall be made to the commissioner of public safety. In either case, the issuance of the permit shall be by and at the discretion of the sheriff or commissioner, who shall, before issuing the permit, determine that the requirements of sections 724.6 to 724.10 have been satisfied. However, the training program requirements in section 724.9 may be waived for renewal permits. The issuing officer shall collect a fee of ten dollars, except from a duly appointed peace officer or correctional officer, for each permit issued. Renewal permits or duplicate permits shall be issued for a fee of five dollars. The issuing officer shall notify the commissioner of public safety of the issuance of any permit at least monthly and forward to the ~~director~~ commissioner an amount equal to two dollars for each permit issued and one dollar for each renewal or duplicate permit issued. All such fees received by the commissioner shall be paid to the treasurer of state and deposited in the operating account of the department of public safety to offset the cost of administering this chapter. Any unspent balance as of June 30 of each year shall revert to the general fund as provided by section 8.33.

Sec. 79. Section 901A.1, subsection 2, Code 1997, is amended to read as follows:

2. As used in this ~~section~~ chapter, the term "prior conviction" includes a plea of guilty, deferred judgment, deferred or suspended sentence, or adjudication of delinquency.