

2. If mediation is conducted pursuant to this section, the confidentiality of all mediation communications and mediation documents is protected as provided in section 679C.2.

Sec. 11. Section 654A.13, Code 1997, is amended by striking the section and inserting in lieu thereof the following:

**654A.13 CONFIDENTIALITY.**

If mediation is conducted pursuant to this chapter, the confidentiality of all mediation communications and mediation documents is protected as provided in section 679C.2.

Sec. 12. Section 679.12, Code 1997, is amended by striking the section and inserting in lieu thereof the following:

**679.12 CONFIDENTIALITY.**

If mediation is conducted pursuant to this chapter, the confidentiality of all mediation communications and mediation documents is protected as provided in section 679C.2.

Approved April 6, 1998

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## CHAPTER 1063

### SALES AND USE TAXES AND EXEMPTIONS RELATING TO COMPUTERS, MACHINERY, AND EQUIPMENT

S.F. 2288

**AN ACT** relating to the sales and use tax on optional service or warranty contracts and to the sales and use tax exemption on certain computers, equipment, machinery, and fuel, relating to the definition of manufacturer for purposes of the exemption, and providing a retroactive applicability date.

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

Section 1. Section 422.43, subsection 6, Code Supplement 1997, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** If the optional service or warranty contract is a computer software maintenance or support service contract and there is no separately stated fee for the taxable personal property or for the nontaxable service, the tax of five percent imposed by this subsection shall be imposed on fifty percent of the gross receipts from the sale of such contract. If the contract provides for technical support services only, no tax shall be imposed under this subsection. The provisions of this subsection also apply to the tax imposed by chapter 423.

Sec. 2. Section 422.45, subsection 27, paragraph b, Code Supplement 1997, is amended to read as follows:

b. The gross receipts from the sale of fuel used in creating heat, power, steam, or for generating electrical current, or from the sale of electricity, ~~directly and primarily used in processing by a manufacturer~~ **consumed by computers, machinery, or equipment used in an exempt manner described in paragraph "a", subparagraph (1), (2), (3), (5), or (6).**

Sec. 3. Section 422.45, subsection 27, paragraph c, Code Supplement 1997, is amended by adding the following new subparagraph:

**NEW SUBPARAGRAPH.** (4) Vehicles subject to registration, except vehicles subject to registration which are directly and primarily used in recycling or reprocessing of waste products.

Sec. 4. Section 422.45, subsection 27, paragraph d, subparagraph (4), Code Supplement 1997, is amended to read as follows:

(4) "Manufacturer" means as defined in section 428.20, but also includes contract manufacturers. A contract manufacturer is a manufacturer that otherwise falls within the definition of manufacturer under section 428.20, except that a contract manufacturer does not sell the tangible personal property the contract manufacturer processes on behalf of other manufacturers. A business engaged in activities subsequent to the extractive process of quarrying or mining, such as crushing, washing, sizing, or blending of aggregate materials, is a manufacturer with respect to these activities.

Sec. 5. Section 422.45, subsection 27, paragraph d, Code Supplement 1997, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (6) "Receipt or producing of raw materials" means activities performed upon tangible personal property only. With respect to raw materials produced from or upon real estate, the receipt or producing of raw materials is deemed to occur immediately following the severance of the raw materials from the real estate.

Sec. 6. RETROACTIVE APPLICABILITY DATE. Sections 2, 3, and 5 of this Act are retroactively effective July 1, 1997, for sales and taxable uses occurring on or after that date.

Approved April 9, 1998

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## CHAPTER 1064

### ADOPTION OF DECEASED PERSONS AND INTERNATIONAL ADOPTIONS

S.F. 2338

**AN ACT** relating to adoptions including the process for adoption of a deceased person and relating to the entities responsible for assisting in international adoptions and providing an effective date.

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

Section 1. **NEW SECTION.** 600.12A DEATH OF PERSON TO BE ADOPTED — PROCESS FOR FINAL ADOPTION DECREE.

1. If the person to be adopted dies following the filing of an adoption petition pursuant to section 600.3, but prior to issuance of a final adoption decree pursuant to section 600.13, the court may waive any investigations and reports required pursuant to section 600.8 that remain uncompleted, waive the minimum residence requirements pursuant to section 600.10, proceed to the adoption hearing, and issue a final adoption decree, unless any person to whom notice is to be provided pursuant to section 600.11 objects to the adoption.

2. A final adoption decree issued pursuant to this section terminates any parental rights existing prior to the time of its issuance and establishes the parent-child relationship between the adoption petitioner and the person adopted. However, the final adoption decree does not confer any rights on the adoption petitioner to the estate of the adopted person and does not confer any rights on the adopted person to the estate of the adoption petitioner.

Sec. 2. Section 600.15, Code 1997, is amended to read as follows:

600.15 FOREIGN AND INTERNATIONAL ADOPTIONS.

1. a. A decree establishing a parent-child relationship by adoption which is issued pur-