

**CHAPTER 1154****USE TAX EXEMPTION FOR VEHICLES USED IN INTERSTATE COMMERCE***H.F. 2541*

**AN ACT** relating to the use tax exemption for vehicles used substantially in interstate commerce.

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

Section 1. Section 423.4, subsection 10, Code Supplement 1997, is amended by adding the following new unnumbered paragraph:

**NEW UNNUMBERED PARAGRAPH.** For the purposes of this subsection, if a vehicle meets the requirement that twenty-five percent of the miles operated accrues in states other than Iowa in each year of the first four-year period of operation, the exemption from use tax shall continue until the vehicle is sold or transferred. If the vehicle is found to have not met the exemption requirements or the exemption was revoked, the value of the vehicle upon which the use tax shall be imposed is the book or market value, whichever is less, at the time the exemption requirements were not met or the exemption was revoked.

Approved April 23, 1998

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**CHAPTER 1155****DEPARTMENT OF HUMAN SERVICES INSTITUTIONS AND SERVICES —  
MISCELLANEOUS PROVISIONS***H.F. 2348*

**AN ACT** relating to institutions and facilities administered by the department of human services and to similar and related services.

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

Section 1. **INSTITUTIONS ADMINISTERED BY THE DEPARTMENT OF HUMAN SERVICES — LEGISLATIVE FINDINGS AND INTENT.** During the 1997 legislative interim, the human services restructuring task force of the general assembly visited the state institutions administered by the department of human services. The task force members heard from concerned parents, service consumers, service system administrators, state and community-based providers, advocates for the needs of persons with disabilities, and many other persons interested in the service system for persons with disabilities and juveniles. Based upon the task force's review and recommendations, the general assembly makes the following findings concerning these institutions:

1. While the department of human services institutions were originally established as single-purpose care facilities, they are evolving into diversified, multiuse regional resource centers with a mixture of public and private providers.
2. Department of human services facilities provide high quality care at a relatively reasonable cost.
3. The buildings at the department of human services institutions have been well maintained and are located to serve as community resource centers.
4. Community-based approaches and individually designed services and support are recognized as the most desirable means of meeting the needs of persons with disabilities. A

movement from an institution-oriented system to a community and individual-oriented system has occurred over time while community resources and individualized services have been developed. The general assembly recognizes the role of the department of human services and others in furthering this movement. As part of this movement, the state institutions are evolving to be state-of-the-art service providers for persons with chronic, complex, or difficult-to-treat conditions for which local services are not adequately available, while continuing to make residential services available to accommodate individual family choices.

5. There is a need to foster better understanding of the evolving role of the institutions.

6. The employees of the institutions are a talented, dedicated resource available to support community-based providers of services to similar populations.

Institution administrators and employees are encouraged to take every opportunity to work with local governments, school districts, other state agencies, and private providers to invite new uses and fill service gaps compatible with an institution's resources.

It is the intent of the general assembly that the department of human services shall provide ongoing training to the institutions' employees as necessary to maintain the quality of the support made available to community-based providers of services.

Sec. 2. STATUTORY REVISIONS. The legislative council is requested to authorize the legislative service bureau to work during the 1998 interim with representatives of the state institutions administered by the department of human services, the governor's developmental disabilities council, a certified employee organization that represents residential treatment workers, the Iowa association of rehabilitation and residential facilities, the Iowa state association of counties, the arc of Iowa which was formerly known as the association for retarded citizens of Iowa, the alliance for the mentally ill of Iowa, and other service system consumers, administrators, providers, and advocates in a project of reviewing the Iowa Code chapters and other laws pertaining to the institutions. The purpose of the project is to develop proposed legislation for revising the law to more accurately reflect the changed role for these institutions consistent with the provisions of this Act. If the project is authorized, any proposed legislation should be submitted for consideration in the 1999 legislative session by the chairpersons and ranking members of the human resources committees of the senate and house of representatives and of the joint appropriations subcommittee on human services.

### Sec. 3. OUT-OF-STATE SERVICES.

1. The department of human services shall work with county central point of coordination administrators, Iowa protection and advocacy, inc., state hospital-school staff, service providers, the legal clinic at the state university of Iowa, centers for independent living, and service advocates, in reviewing services provided to Iowa citizens with mental illness or mental retardation or other developmental disabilities who are placed outside of this state. The purpose of the review is to develop options for implementing services and revising admissions requirements to facilitate the return of citizens who may be appropriate for placement in this state and for ensuring the availability of in-state services for placement of any citizen with developmental disabilities or mental illness in the future. The department shall submit a report containing findings and recommendations to the governor and general assembly on or before December 15, 1998.

2. The department may enter into discussions with the states of Nebraska and Illinois and other states bordering Iowa for the states to utilize resources for making appropriate services available to citizens of the other states. The institutions administered by the department may hold preliminary discussions with their counterparts in the other states concerning options which may include creation of appropriate services to serve citizens from the other state. Any proposals developed under this subsection shall be cost neutral to the state of Iowa and its political subdivisions.

Sec. 4. SUBSTANCE ABUSE TREATMENT — METHAMPHETAMINE ADDICTION — DUAL DIAGNOSIS PROGRAM. The Iowa department of public health shall work with the

drug enforcement and abuse prevention coordinator, governor's alliance on substance abuse, department of human services, and county representatives in reviewing the extent of methamphetamine use in the state. The review shall identify statistical information concerning the prevalence of methamphetamine use affecting infants, toddlers, school children, adolescents, young adults, and adults. The review report shall provide the statistical information and options for early intervention to prevent the need for costly long-term interventions such as lengthy drug rehabilitation or prison stays. In addition, the review shall address the availability of dual diagnosis treatment for substance abuse and mental illness, recommend whether additional treatment capacity should be developed, identify the regional capacity needed, consider separate substance abuse and mental illness treatment costs, and identify an appropriate per diem cost to be charged for the treatment. The review of the current reimbursement rate structure shall address the effects of current rate caps on state institutions and the amounts paid by managed care contractors. The review report shall be submitted to the governor and the general assembly on or before December 15, 1998.

Sec. 5. STATE INSTITUTIONS — COST RECOVERY. The department of human services shall review the degree of cost recovery and other financial aspects of the practices applied to contracts for use of facilities and other resources of the state institutions administered by the department. The department shall consult with the department of general services, department of corrections, state board of regents, auditor of state, and other public and private entities knowledgeable concerning facility leasing practices in performing the review. The department shall include findings and provide other options for cost recovery in a report to the governor and general assembly which shall be submitted on or before December 15, 1998.

Sec. 6. Section 18.6, Code 1997, is amended by adding the following new subsections:  
NEW SUBSECTION. 15. The state shall purchase those products produced for sale by sheltered workshops, work activity centers, and other special programs funded in whole or in part by public moneys that employ persons with mental retardation or other developmental disabilities or mental illness if the products meet the required specifications.

NEW SUBSECTION. 16. The state shall make every effort to purchase products produced for sale by employers of persons in supported employment.

Sec. 7. Section 217.3, subsection 4, Code 1997, is amended to read as follows:

4. Approve the budget of the department of human services prior to submission to the governor. Prior to approval of the budget, the council shall publicize and hold a public hearing to provide explanations and hear questions, opinions, and suggestions regarding the budget. Invitations to the hearing shall be extended to the governor, the governor-elect, the director of the department of management, and other persons deemed by the council as integral to the budget process. The budget materials submitted to the governor shall include a review of options for revising the medical assistance program made available by federal action or by actions implemented by other states as identified by the department, the medical assistance advisory council created in section 249A.4, subsection 8, and by county representatives. The review shall address what potential revisions could be made in this state and how the changes would be beneficial to Iowans.

Sec. 8. Section 222.1, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The Glenwood state hospital-school and the Woodward state hospital-school shall be maintained as regional resource centers for the purpose of providing treatment, training, instruction, care, habilitation, and support of persons with mental retardation or other disabilities in this state, and providing facilities, services, and other support to the communities located in the region being served by a state hospital-school. In addition, the state hospital-schools are encouraged to serve as a training resource for community-based program staff, medical students, and other participants in professional education programs. A

hospital-school may request the approval of the council of human services to change the name of the institution for use in communication with the public, in signage, and in other forms of communication.

Sec. 9. Section 222.73, subsection 5, Code 1997, is amended to read as follows:

5. A superintendent of a hospital-school or special unit may request that the director of human services enter into a contract with a person for the hospital-school or special unit to provide consultation or treatment services or for fulfilling other purposes which are consistent with the purposes stated in section 222.1. The contract provisions shall include charges which reflect the actual cost of providing the services. Any income from a contract authorized under this subsection may be retained by the hospital-school or special unit to defray the costs of providing the services or fulfilling the other purposes. Except for a contract voluntarily entered into by a county under this subsection, the costs or income associated with a contract authorized under this subsection shall not be considered in computing charges and per diem costs in accordance with the provisions of subsections 1 through 4 ~~of this section~~.

Sec. 10. Section 226.1, Code 1997, is amended to read as follows:

226.1 OFFICIAL DESIGNATION.

1. The state hospitals for persons with mental illness shall be designated as follows:

- 1- a. Mental Health Institute, Mount Pleasant, Iowa.
- 2- b. Mental Health Institute, Independence, Iowa.
- 3- c. Mental Health Institute, Clarinda, Iowa.
- 4- d. Mental Health Institute, Cherokee, Iowa.

2. The purpose of the mental health institutes is to operate as regional resource centers providing one or more of the following:

- a. Treatment, training, care, habilitation, and support of persons with mental illness or a substance abuse problem.
- b. Facilities, services, and other support to the communities located in the region being served by a mental health institute so as to maximize the usefulness of the mental health institutes while minimizing overall costs.

In addition, the mental health institutes are encouraged to act as a training resource for community-based program staff, medical students, and other participants in professional education programs.

3. A mental health institute may request the approval of the council of human services to change the name of the institution for use in communication with the public, in signage, and in other forms of communication.

Sec. 11. Section 230.20, subsection 7, Code 1997, is amended to read as follows:

7. A superintendent of a mental health institute may request that the director of human services enter into a contract with a person for the mental health institute to provide consultation or treatment services or for fulfilling other purposes which are consistent with the purposes stated in section 226.1. The contract provisions shall include charges which reflect the actual cost of providing the services or fulfilling the other purposes. Any income from a contract authorized under this subsection may be retained by the mental health institute to defray the costs of providing the services. Except for a contract voluntarily entered into by a county under this subsection, the costs or income associated with a contract authorized under this subsection shall not be considered in computing charges and per diem costs in accordance with the provisions of subsections 1 through 6 of this section.

Approved April 27, 1998