

value of their investment in state government. To accomplish these goals, the following initiatives shall be completed:

1. **SPAN OF CONTROL.** The department of personnel, in consultation with the department of management and after discussion and collaboration with executive branch agencies, shall pursue a goal of increasing the ratio of the number of employees per supervisor for executive branch agencies in the aggregate to twelve employees for one supervisor by December 31, 2002.

2. **JOB CLASSIFICATION SYSTEM.** The department of personnel, in consultation and collaboration with executive branch agencies and employee organizations representing employees of executive branch agencies, shall evaluate the state's system of job classification for state employees in order to ensure the existence of technical skill-based career paths in state government which do not depend on an employee gaining supervisory responsibility to gain advancement, and which provide incentives for state employees to broaden their knowledge and skill base. The department shall include in its review the elimination of obsolete, duplicative, or unnecessary job classifications.

The department shall present an interim report to the governor and the general assembly by September 1, 2002, and a final report by February 1, 2003, concerning the progress made by the department in completing both initiatives and any recommendations and ongoing efforts by the department to meet each initiative.

Sec. 7. **NONCONTRACT EMPLOYEE ACROSS-THE-BOARD WAGE INCREASE DELAY.** Any across-the-board wage increases for employees not covered by a collective bargaining agreement, which would otherwise take effect at the beginning of the pay period in which July 1, 2002, falls, shall be delayed until the pay period in which November 1, 2002, falls.

Sec. 8. **EFFECTIVE DATES.**

1. Sections 2, 3, 4, 5, 6, and 7 of this Act, being deemed of immediate importance, take effect upon enactment.

2. Section 1 of this Act, establishing Code section 70A.38, takes effect July 1, 2002.

Approved November 19, 2001

CHAPTER 6

MISCELLANEOUS FUNDING RESTORATION, REDUCTIONS, AND OTHER PROVISIONS

H.F. 759

AN ACT relating to public funding and regulatory matters and making and reducing appropriations for the fiscal year beginning July 1, 2001, and including effective date and applicability provisions.

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

DIVISION I EXECUTIVE BRANCH

Section 1. **STANDING APPROPRIATIONS.** After applying the reduction made pursuant to executive order number 24¹ to the appropriations for the following designated pur-

¹ Published in IAB, XXIV, 11, November 28, 2001, page 859

poses, there is appropriated from the general fund of the state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to supplement the appropriations for the following designated purposes:

1. For the endowment for Iowa's health account of the tobacco settlement trust fund in 2001 Iowa Acts, chapter 174, section 1, subsection 2, unnumbered paragraph 2:
 \$ 311,664
2. For payment of claims against the state by the state appeals board in sections 25.2 and 669.11:
 \$ 236,500
3. For performance of duty by the executive council in sections 7D.29, 18.12, and 29C.20:
 \$ 64,500
4. For payment of expenses, compensation, and claims incurred by members of the national guard while on active duty in section 29A.29:
 \$ 4,730
5. For the secretary of state's administration of absentee ballots for Iowa residents serving in the armed forces in section 53.50:
 \$ 151
6. For state unemployment compensation administration under chapter 96:
 \$ 15,179
7. For the Iowa early intervention block grant program in section 256D.5, subsection 1:
 \$ 1,290,000
8. For instructional support state aid to school districts in section 257.20:
 \$ 636,324
9. For tuition grants in section 261.25, subsection 1:
 \$ 425,000
10. For child development grants and other programs for at-risk children in section 279.51:
 \$ 497,080
11. For educational excellence in section 294A.25, including the distributions required by that section, as amended by 2001 Iowa Acts, chapter 181, sections 21, 22, and 24:
 \$ 3,478,327
12. For school improvement technology in section 256D.5, subsection 2:
 \$ 430,000
13. For the property tax relief fund in section 426B.1:
 \$ 4,085,000
14. For payment of costs associated with extradition of criminals in section 820.24:
 \$ 172

Sec. 2. ICN DEBT SERVICE. After applying the reduction made pursuant to executive order number 24 to the appropriation made for the following designated purpose, there is appropriated from the general fund of the state to the treasurer of state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the appropriation for the following designated purpose:

- For Iowa communications network debt service in 2001 Iowa Acts, chapter 176, section 21:
 \$ 427,384

Sec. 3. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM. After applying the reduction made pursuant to executive order number 24 to the appropriation made for the following designated purpose, there is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the appropriation for the following designated purpose:

- For the national guard educational assistance program in 2001 Iowa Acts, chapter 181, section 1, subsection 6:
 \$ 50,525

Sec. 4. COMMUNITY COLLEGES. After applying the reduction made pursuant to executive order number 24 to the appropriation made for community colleges, there is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the following appropriation:

To supplement the appropriation made in 2001 Iowa Acts, chapter 181, section 6, subsection 14, for general state financial aid, including general financial aid to merged areas in lieu of personal property tax replacement payments, to merged areas as defined in section 260C.2, for vocational education programs in accordance with chapters 258 and 260C:

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

The appropriation made in this section shall be distributed among the merged areas listed in 2001 Iowa Acts, chapter 181, section 6, subsection 14, in proportion to the amount that each original allocation bears to the total amount originally appropriated in the subsection.

Sec. 5. STATE BOARD OF REGENTS. After applying the reduction made pursuant to executive order number 24 to the appropriations for the following designated purposes, there is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to supplement the appropriations for the following designated purposes:

1. For payments in lieu of tuition in 2001 Iowa Acts, chapter 176, section 19:

..... \$ 1,121,500

2. For the state university of Iowa state hygienic laboratory in 2001 Iowa Acts, chapter 181, section 8, subsection 2, paragraph "f":

..... \$ 178,821

3. For the state school for the deaf in 2001 Iowa Acts, chapter 181, section 8, subsection 5:

..... \$ 341,872

4. For the Iowa braille and sight saving school in 2001 Iowa Acts, chapter 181, section 8, subsection 6:

..... \$ 191,605

Sec. 6. IOWA VETERANS HOME. After applying the reduction made pursuant to executive order number 24 to the appropriation made for the following designated purpose, there is appropriated from the general fund of the state to the commission of veterans affairs for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the appropriation for the following designated purpose:

For the Iowa veterans home in 2001 Iowa Acts, chapter 182, section 7, subsection 2:

..... \$ 2,123,563

Sec. 7. DEPARTMENT OF CORRECTIONS. After applying the reduction made pursuant to executive order number 24 to the appropriations for the following designated purposes, there is appropriated from the general fund of the state to the department of corrections for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to supplement the appropriations for the following designated purposes:

1. For the operation of adult correctional institutions in 2001 Iowa Acts, chapter 186, section 4, subsection 1, to be allocated as follows:

a. For the operation of the Fort Madison correctional facility in 2001 Iowa Acts, chapter 186, section 4, subsection 1, paragraph "a":

..... \$ 467,922

b. For the operation of the Anamosa correctional facility in 2001 Iowa Acts, chapter 186, section 4, subsection 1, paragraph "b":

..... \$ 383,705

c. For the operation of the Clarinda correctional facility in 2001 Iowa Acts, chapter 186, section 4, subsection 1, paragraph "g":

..... \$ 645,379

d. For restoring the bed capacity, including the associated correctional officer positions, other essential positions, authorized programs, and authorized services such as treatment, medical, maintenance, and food service that were reduced from the quantity of beds, programs, and services funded and authorized as of July 1, 2001, in 2001 Iowa Acts, chapter 186, section 4, subsection 1:

..... \$ 362,875

2. For reimbursement of counties for certain confinement costs in 2001 Iowa Acts, chapter 186, section 4, subsection 1:

..... \$ 30,119

3. For the judicial district departments of correctional services in 2001 Iowa Acts, chapter 186, section 6, subsection 1, for restoring the quantity of probation, parole, and residential officer positions funded and authorized as of July 1, 2001, including restoring as many of the beds and programs that were reduced from the quantity funded and authorized as of July 1, 2001:

..... \$ 1,110,000

Sec. 8. IOWA LAW ENFORCEMENT ACADEMY. After applying the reduction made pursuant to executive order number 24 to the appropriation made for the following designated purpose, there is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the appropriation for the following designated purpose:

For the Iowa law enforcement academy in 2001 Iowa Acts, chapter 186, section 10:

..... \$ 59,500

Sec. 9. DEPARTMENT OF PUBLIC DEFENSE. After applying the reduction made pursuant to executive order number 24 to the appropriations for the following designated purposes, there is appropriated from the general fund of the state to the department of public defense for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to supplement the appropriations for the following designated purposes:

1. For the military division in 2001 Iowa Acts, chapter 186, section 12, subsection 1:

..... \$ 238,088

2. For the emergency management division in 2001 Iowa Acts, chapter 186, section 12, subsection 2:

..... \$ 46,383

Sec. 10. DEPARTMENT OF PUBLIC SAFETY. After applying the reduction made pursuant to executive order number 24 to the appropriations for the following designated purposes, there is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to supplement the appropriations for the following designated purposes:

1. For the department's administrative functions in 2001 Iowa Acts, chapter 186, section 13, subsection 1:

..... \$ 109,710

2. For the division of criminal investigation and bureau of identification in 2001 Iowa Acts, chapter 186, section 13, subsection 2:

..... \$ 542,099

3. For the division of narcotics enforcement in 2001 Iowa Acts, chapter 186, section 13, subsection 3, paragraph "a":

..... \$ 155,587

4. For the division of narcotics enforcement for undercover enforcement in 2001 Iowa Acts, chapter 186, section 13, subsection 3, paragraph "b":

..... \$ 5,582

5. For the state fire marshal's office in 2001 Iowa Acts, chapter 186, section 13, subsection 4, paragraph "a":

..... \$ 81,489

6. For the state fire marshal's office for fire protection services in 2001 Iowa Acts, chapter 186, section 13, subsection 4, paragraph "b":

..... \$ 26,184

7. For the capitol police division in 2001 Iowa Acts, chapter 186, section 13, subsection 5:

..... \$ 56,914

8. For the division of the Iowa state patrol in 2001 Iowa Acts, chapter 186, section 13, subsection 6:

..... \$ 1,652,907

9. For costs associated with the maintenance of the automated fingerprint information system (AFIS) in 2001 Iowa Acts, chapter 186, section 13, subsection 7:

..... \$ 10,309

10. For deposit in the public safety law enforcement sick-leave benefit fund established under section 80.42 in 2001 Iowa Acts, chapter 186, section 13, subsection 8:

..... \$ 12,390

11. For costs associated with the training and equipment needs of volunteer fire fighters in 2001 Iowa Acts, chapter 186, section 13, subsection 10:

..... \$ 24,795

Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 11. DEPARTMENT OF GENERAL SERVICES. After applying the reduction made pursuant to executive order number 24 to the appropriations made for the following designated purposes, there is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to supplement the appropriations for the following designated purposes:

1. For rental space in 2001 Iowa Acts, chapter 187, section 6, subsection 4:

..... \$ 44,243

2. For utility costs in 2001 Iowa Acts, chapter 187, section 6, subsection 5:

..... \$ 94,941

Sec. 12. STATE WORKERS' COMPENSATION CLAIMS. After applying the reduction made pursuant to executive order number 24 to the appropriation made for the following designated purpose, there is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the appropriation for the following designated purpose:

For distribution to state departments for funding of premiums for paying workers' compensation claims in 2001 Iowa Acts, chapter 187, section 20:

..... \$ 21,500

Sec. 13. DEPARTMENT OF HUMAN SERVICES FIELD OPERATIONS. After applying the reduction made pursuant to executive order number 24 for the following designated purpose, there is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to supplement the appropriation for the following designated purpose:

For field operations in 2001 Iowa Acts, chapter 191, section 27:

..... \$ 3,000,000

If the federal government approves the state plan amendment to commence, in the fiscal year beginning July 1, 2001, using medical assistance funding for targeted case management services for children, as submitted by the department pursuant to 2001 Iowa Acts, chapter 191, section 28, the appropriation made in this section is reduced in an amount equal to the net increase in federal reimbursement received for the services.

DIVISION II
LEGISLATIVE BRANCH

Sec. 14. GENERAL ASSEMBLY. The appropriations made from the general fund of the state in section 2.12, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, for the expenses of the general assembly and for legislative agencies, are reduced by the following amount:

..... \$ 1,079,992

Sec. 15. LEGISLATIVE PER DIEM PAYMENT. Notwithstanding section 2.10, subsection 6, for the special session that convenes November 8, 2001, the members of the general assembly are not entitled to and shall not receive the sum of eighty-six dollars per day for each day the general assembly is actually in special session, but shall receive the same travel allowances and expenses as authorized by section 2.10.

DIVISION III
JUDICIAL BRANCH

Sec. 16. 2001 Iowa Acts, chapter 179, section 1, unnumbered paragraph 2, is amended to read as follows:

For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates and staff, state court administrator, clerk of the supreme court, district court administrators, clerks of the district court, juvenile court officers, board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission, receipt and disbursement of child support payments, reimbursement of the auditor of state for expenses incurred in completing audits of the offices of the clerks of the district court during the fiscal year beginning July 1, 2001, and maintenance, equipment, and miscellaneous purposes:

..... \$ 113,792,166
\$ 108,688,725

Sec. 17. 2001 Iowa Acts, chapter 179, section 2, is amended to read as follows:

SEC. 2. JUDICIAL RETIREMENT FUND. There is appropriated from the general fund of the state to the judicial retirement fund for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Notwithstanding section 602.9104, subsection 4, paragraph "b", for the state's contribution to the judicial retirement fund in the amount of ~~16.6~~ 15.9 percent of the basic salaries of the judges covered under chapter 602, article 9:

..... \$ 3,207,834
3,069,897

DIVISION IV
EDUCATION-RELATED PROVISIONS

Sec. 18. AREA EDUCATION AGENCY SERVICES.

1. For the budget year beginning July 1, 2001, notwithstanding the requirements of section 257.37 for determining the budgets and funding of media services and educational services, an area education agency may, within the limits of the total of the funds provided to an area education agency pursuant to section 257.35, expend for special education sup-

port services an amount that exceeds the payment for special education support services pursuant to section 257.35 in order to maintain the level of required special education support services in the area education agency.

2. For the school budget year beginning July 1, 2001, and ending June 30, 2002, there is appropriated from the general fund of the state to the department of education the sum of one hundred eighteen thousand dollars to be distributed to area education agency XVI to supplement other moneys available to the agency. The appropriation in this subsection is not subject to executive order number 24.

Sec. 19. CATEGORICAL FUNDING TO SCHOOLS — FY 2001-2002. For the school budget year beginning July 1, 2001, and ending June 30, 2002, notwithstanding section 256.33 for educational technology assistance, chapter 256D for the Iowa early intervention and school improvement technology block grants, or section 294A.25 for educational excellence phase III, the board of directors of a school district may use the categorical state funding identified in this section and received by the district, for any school general fund purpose.

Sec. 20. Section 261.17, subsection 7, paragraph e, Code 2001, is amended by striking the paragraph.

DIVISION V
INTERSTATE COMPACT FOR ADULT
OFFENDERS — CORRECTIVE AMENDMENTS

Sec. 21. Section 422.7, subsection 12, paragraph c, Code 2001, as amended by 2001 Iowa Acts, chapter 15, section 1, is amended to read as follows:

c. An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the compact for adult offenders under chapter 907B applies.

Sec. 22. Section 422.7, subsection 12A, paragraph b, Code 2001, as amended by 2001 Iowa Acts, chapter 15, section 2, is amended to read as follows:

b. An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the compact for adult offenders under chapter 907B applies.

Sec. 23. Section 422.35, subsection 6, paragraph c, Code 2001, as amended by 2001 Iowa Acts, chapter 15, section 3, is amended to read as follows:

c. An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the compact for adult offenders under chapter 907B applies.

Sec. 24. Section 422.35, subsection 6A, paragraph b, Code 2001, as amended by 2001 Iowa Acts, chapter 15, section 4, is amended to read as follows:

b. An individual, whether or not domiciled in this state at the time of the hiring, who is on parole or probation and to whom the interstate probation and parole compact under section 907A.1, Code 2001, applies, or to whom the compact for adult offenders under chapter 907B applies.

Sec. 25. 2001 Iowa Acts, chapter 15, is amended by adding the following new section:
NEW SECTION. SEC. 9. EFFECTIVE DATE. The effective date of this Act shall be the later of July 1, 2002, or upon the legislative enactment of the interstate compact for adult offender supervision by the thirty-fifth jurisdiction. The director of the department of corrections shall notify the Code editor upon the enactment of the compact by the thirty-fifth

jurisdiction. The date upon which this Act takes effect constitutes the date of renunciation of the interstate probation and parole compact under section 907A.1, Code 2001, by the state of Iowa, and this Act in itself shall constitute and satisfy the six months' notice of renunciation required by section 907A.1, Code 2001. The duties of the state of Iowa as a renouncing state under section 907A.1, subsection 7, Code 2001, shall continue as to parolees and probationers residing within the state of Iowa on the effective date of renunciation until the parolees and probationers are retaken or finally discharged by the sending state.

Sec. 26. RETROACTIVE APPLICABILITY. This division of this Act is retroactively applicable to July 1, 2001, and is applicable on and after that date.

DIVISION VI BUDGETING REFORMS

Sec. 27. Section 8.55, subsection 1, Code 2001, is amended to read as follows:

1. The Iowa economic emergency fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state. ~~The moneys in the fund shall not revert to the general fund, notwithstanding section 8.33, unless and to the extent the fund exceeds the maximum balance. However, the fund shall be considered a special account for the purposes of section 8.53~~ The moneys credited to the fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section.

Sec. 28. Section 8.55, subsection 3, Code 2001, is amended to read as follows:

3. a. Except as provided in paragraphs "b" and "c", the moneys in the Iowa economic emergency fund may be appropriated shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall only be made for the fiscal year for in which the appropriation is made. The moneys shall only be appropriated by the general assembly for emergency expenditures. However, except

b. Moneys in the fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the fund by the end of that fiscal year.

c. There is appropriated from the Iowa economic emergency fund to the general fund of the state for the fiscal year in which moneys in the fund were used for cash flow purposes, for the purposes of reducing or preventing any overdraft on or deficit in the general fund of the state, the amount from the Iowa economic emergency fund that was used for cash flow purposes pursuant to paragraph "b" and that was not returned to the Iowa economic emergency fund by June 30 of the fiscal year. The appropriation in this paragraph shall not exceed fifty million dollars and is contingent upon all of the following having occurred:

(1) The revenue estimating conference estimate of general fund receipts made during the last quarter of the fiscal year was or the actual fiscal year receipts and accruals were at least one-half of one percent less than the comparable estimate made during the third quarter of the fiscal year.

(2) The governor has implemented the uniform reductions in appropriations required in section 8.31 as a result of subparagraph (1) and such reduction was insufficient to prevent an overdraft on or deficit in the general fund of the state or the governor did not implement uniform reductions in appropriations because of the lateness of the estimated or actual receipts and accruals under subparagraph (1).

(3) The balance of the general fund of the state at the end of the fiscal year prior to the appropriation made in this paragraph was negative.

(4) The governor has issued an official proclamation and has notified the cochairpersons of the fiscal committee of the legislative council and the legislative fiscal bureau that the contingencies in subparagraphs (1) through (3) have occurred and the reasons why the uniform reductions specified in subparagraph (2) were insufficient or were not implemented to prevent an overdraft on or deficit in the general fund of the state.

d. If an appropriation is made pursuant to paragraph "c" for a fiscal year, there is appropriated from the general fund of the state to the Iowa economic emergency fund for the following fiscal year, the amount of the appropriation made pursuant to paragraph "c".

e. Except as provided in section 8.58, the balance in the Iowa economic emergency fund may be used shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

Sec. 29. Section 8.56, subsection 1, Code 2001, is amended to read as follows:

1. A cash reserve fund is created in the state treasury. The cash reserve fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state except in determining the cash position of the state as provided in subsection 3. The moneys in the cash reserve fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the cash reserve fund shall be credited to the rebuild Iowa infrastructure fund created in section 8.57. Moneys in the cash reserve fund may be used for cash flow purposes during a fiscal year provided that any moneys so allocated are returned to the cash reserve fund by the end of ~~each that~~ fiscal year. ~~However, the fund shall be considered a special account for the purposes of section 8.53.~~

Sec. 30. Section 8.56, subsection 3, Code 2001, is amended to read as follows:

3. The moneys in the cash reserve fund ~~may~~ shall only be ~~appropriated~~ used pursuant to an appropriation made by the general assembly. An appropriation shall be made in accordance with subsection 4 only ~~in for~~ for the fiscal year ~~for in~~ in which the appropriation is made. The moneys shall only be appropriated by the general assembly for nonrecurring emergency expenditures and shall not be appropriated for payment of any collective bargaining agreement or arbitrator's decision negotiated or awarded under chapter 20. ~~However, except~~ Except as provided in section 8.58, ~~the balance in the cash reserve fund may be used~~ shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

Sec. 31. EFFECTIVE DATE. The provisions of this division of this Act amending section 8.56 take effect July 1, 2002.

DIVISION VII

Sec. 32. SALES TAX EXEMPTION PER FEDERAL SALES TAX HOLIDAY ACT.

1. a. There is hereby exempted from imposition of sales and use tax under division IV of chapter 422 or chapter 422B, 422E, or 423, the gross receipts from the sale of tangible personal property which receipts are otherwise taxable under division IV of chapter 422 or chapter 422B, 422E, or 423, contingent upon enactment of the federal Sales Tax Holiday Act of 2001 providing one hundred percent reimbursement from the federal government to the states for the loss of revenue from a tax exemption for sales that take place during a period of time specified in the federal Sales Tax Holiday Act of 2001 and providing reimbursement from the federal government for administrative costs incurred by the department of revenue and finance separate from the amount reimbursed for sales tax not collected. The exemption shall be applied in the manner prescribed by the federal Act.

b. Retailers shall be required to accurately report actual sales made during the period of time this exemption applies pursuant to rules adopted by the department.

c. The governor shall, not later than the date specified in the federal Sales Tax Holiday Act of 2001, notify the United States secretary of the treasury in writing of Iowa's intention to qualify for reimbursement under the federal Sales Tax Holiday Act of 2001 by not collecting applicable sales tax during the sales tax holiday period specified in the federal Act.

d. Notwithstanding paragraph "a", the motor vehicle lease tax imposed under section 423.7A is not considered an exempt sale for purposes of this section and the federal Sales Tax Holiday Act of 2001.

e. Notwithstanding paragraph "c", if the director of revenue and finance determines that it is not feasible to administer a sales tax holiday in the time provided by the federal Sales Tax Holiday Act of 2001, the director of revenue and finance shall immediately inform the governor and the governor may decline to send notification to the United States secretary of the treasury.

2. The department of revenue and finance may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this section and the rules shall be effective immediately upon filing unless a later date is specified in the rules. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

3. If any provision of this section is held invalid, the invalidity does not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

4. This section is repealed effective January 31, 2002.

DIVISION VIII GENERAL PROVISIONS

Sec. 33. Section 226.1, subsection 2, Code 2001, is amended by adding the following new paragraph after paragraph b:

NEW PARAGRAPH. c. A unit for the civil commitment of sexually violent predators committed to the custody of the director of human services pursuant to chapter 229A.

Sec. 34. **SEXUALLY VIOLENT PREDATORS UNIT.** Of the funds appropriated to the department of general services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, up to \$600,000 may be used for costs associated with renovation and furnishing of space necessary to meet the capacity needs of the department of human services unit for the civil commitment of sexually violent predators.

Sec. 35. **CIVIL COMMITMENT OF SEXUALLY VIOLENT PREDATORS.** The department of human services may collocate the unit for civil commitment of sexually violent predators at the mental health institute at Mount Pleasant.

Sec. 36. **EFFECT OF APPROPRIATION REDUCTIONS.** The moneys appropriated in this Act to supplement the appropriations for the fiscal year beginning July 1, 2001, and ending June 30, 2002, are not subject to executive order number 24.

Sec. 37. **EFFECTIVE DATE.** Unless otherwise provided by this Act, this Act, being deemed of immediate importance, takes effect upon enactment.

Approved November 15, 2001