

CHAPTER 131

STATE AND LOCAL GOVERNMENT FINANCIAL AND REGULATORY MATTERS — APPROPRIATIONS AND MISCELLANEOUS CHANGES

S.F. 533

AN ACT relating to state and local finances by providing for funding of property tax credits and reimbursements, by making and adjusting appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

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

DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS — FY 2011-2012

Section 1. BUDGET PROCESS FOR FISCAL YEAR 2012-2013.

1. For the budget process applicable to the fiscal year beginning July 1, 2012, on or before October 1, 2011, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph “a”, all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 2. LIMITATION OF STANDING APPROPRIATIONS. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 3, paragraph “d”, subparagraph (1):

..... \$ 416,702

2. For regional tourism marketing under section 99F.11, subsection 3, paragraph “d”, subparagraph (2):

..... \$ 810,306

3. For the center for congenital and inherited disorders central registry under section 144.13A, subsection 4, paragraph “a”:

..... \$ 171,121

4. For primary and secondary child abuse prevention programs under section 144.13A, subsection 4, paragraph “a”:

..... \$ 217,772

5. For programs for at-risk children under section 279.51:

..... \$ 10,728,891

The amount of any reduction in this subsection shall be prorated among the programs specified in section 279.51, subsection 1, paragraphs “a”, “b”, and “c”.

6. For payment for nonpublic school transportation under section 285.2:

..... \$ 7,060,931

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this subsection, the department of

education shall prorate the amount of each approved claim.

7. For reimbursement for the homestead property tax credit under section 425.1:	\$ 86,188,387
8. For reimbursement for the family farm and agricultural land tax credits under sections 425A.1 and 426.1:	\$ 32,395,131
9. For the enforcement of chapter 453D relating to tobacco product manufacturers under section 453D.8:	\$ 18,416

Sec. 3. INSTRUCTIONAL SUPPORT STATE AID — FY 2011-2012. In lieu of the appropriation provided in section 257.20, subsection 2, the appropriation for the fiscal year beginning July 1, 2011, and ending June 30, 2012, for paying instructional support state aid under section 257.20 for fiscal year 2011-2012 is zero.

Sec. 4. Section 256.30, unnumbered paragraph 1, Code 2011, is amended by striking the unnumbered paragraph and inserting in lieu thereof the following:

For the fiscal year beginning July 1, 2011, and ending June 30, 2012, and for each succeeding fiscal year, there is appropriated from the general fund of the state to the department the sum of one hundred thousand dollars. The department shall distribute the appropriation to the tribal council of the Sac and Fox Indian settlement for expenses of educating American Indian children residing in the Sac and Fox Indian settlement on land held in trust by the secretary of the interior of the United States in excess of federal moneys paid to the tribal council for educating the American Indian children when moneys are appropriated for that purpose. The tribal council shall administer the moneys distributed pursuant to this section and shall submit an annual report and other reports as required by the department to the department on the expenditure of the moneys.

Sec. 5. Section 257.35, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2011, and ending June 30, 2012, shall be reduced by the department of management by twenty million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

DIVISION II
SALARIES, COMPENSATION, AND RELATED MATTERS — FY 2011-2012

Sec. 6. BONUS PAY. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, employees of the executive branch, judicial branch, and legislative branch shall not receive bonus pay unless otherwise authorized by law, required pursuant to a contract of employment entered into before July 1, 2011, or required pursuant to a collective bargaining agreement. This section does not apply to employees of the state board of regents who receive bonuses funded by moneys from sources other than appropriations. For purposes of this section, “bonus pay” means any additional remuneration provided an employee in the form of a bonus, including but not limited to a retention bonus, recruitment bonus, exceptional job performance pay, extraordinary job performance pay, exceptional performance pay, extraordinary duty pay, or extraordinary or special duty pay, and any extra benefit not otherwise provided to other similarly situated employees.

Sec. 7. SALARY INCREASES — CERTAIN REVOLVING FUNDS.

1. For the fiscal years beginning July 1, 2011, and July 1, 2012, there is appropriated from the gaming enforcement revolving fund an amount necessary for funding annual pay adjustments and related benefits for agents and officers of the division of criminal investigation’s racetrack, excursion boat, or gambling structure enforcement activities.

* Item veto; see message at end of the Act

Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.

2. For the fiscal years beginning July 1, 2011, and July 1, 2012, there is appropriated from the gaming regulatory revolving fund, if enacted by the Eighty-fourth General Assembly, 2011 session, an amount necessary for funding annual pay adjustments and related benefits for positions in the racing and gaming commission of the department of inspections and appeals who are assigned to administration and enforcement of the excursion boat and gambling structure laws. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.

Sec. 8. STATE TROOPER MEAL ALLOWANCE. For the fiscal year beginning July 1, 2011, the sworn peace officers in the department of public safety who are not covered by a collective bargaining agreement negotiated pursuant to chapter 20 shall receive the same per diem meal allowance as the sworn peace officers in the department of public safety who are covered by a collective bargaining agreement negotiated pursuant to chapter 20.

Sec. 9. SALARY MODEL ADMINISTRATOR. The salary model administrator shall work in conjunction with the legislative services agency to maintain the state's salary model used for analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of regents. The department of revenue, the department of administrative services, the five institutions under the jurisdiction of the state board of regents, the judicial district departments of correctional services, and the state department of transportation shall provide salary data to the department of management and the legislative services agency to operate the state's salary model. The format and frequency of provision of the salary data shall be determined by the department of management and the legislative services agency. The information shall be used in collective bargaining processes under chapter 20 and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in section 20.3, subsection 4, may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

DIVISION III PERFORMANCE OF DUTY

Sec. 10. Section 7D.10, Code 2011, is amended to read as follows:

7D.10 Court costs.

If sufficient funds for court costs have not been appropriated to a state department, or if sufficient funds are not otherwise available for such purposes within the budget of a state department, upon authorization by the executive council may pay, out of any money in the state treasury there is appropriated from moneys in the general fund of the state not otherwise appropriated, an amount sufficient to pay expenses incurred, or costs taxed to the state, in any proceeding brought by or against any of the state departments or in which the state is a party or is interested. This section shall not be construed to authorize the payment of travel or other personal expenses of state officers or employees.

Sec. 11. Section 7D.10A, as amended by 2011 Iowa Acts, Senate File 478,¹ section 11, as enacted, is amended to read as follows:

7D.10A Allocation Payment to livestock remediation fund.

If moneys are not sufficient to support the livestock remediation fund as provided in chapter 459, subchapter V, the executive council ~~may allocate from moneys in the general fund of the state, which are not otherwise obligated or encumbered,~~ authorize as an expense paid from the appropriations addressed in section 7D.29 the payment of an amount to the livestock remediation fund as provided under section 459.501, subsection 5. However, not more than a total of one million dollars ~~shall be allocated~~ shall be paid pursuant to this section to the livestock remediation fund at any time.

¹ Chapter 81 herein

Sec. 12. Section 7D.29, Code 2011, is amended to read as follows:

7D.29 Performance of duty — expense.

1. The executive council shall not employ others, or ~~incur~~ authorize any expense, for the purpose of performing any duty imposed upon the council when the duty may, without neglect of their usual duties, be performed by the members, or by their regular employees, but, subject to this limitation, the council may ~~incur~~ authorize the necessary expense to perform or cause to be performed any legal duty imposed on the council, ~~and pay the same out of any money in the state treasury not otherwise appropriated. The expenses authorized by the executive council in accordance with this section and the expenses authorized by the executive council in accordance with other statutory provisions referencing the appropriations addressed in this section shall be paid as follows:~~

a. From the appropriation made from the Iowa economic emergency fund in section 8.55 for purposes of paying such expenses.

b. To the extent the appropriation from the Iowa economic emergency fund described in paragraph “a” is insufficient to pay such expenses, there is appropriated from moneys in the general fund of the state not otherwise appropriated the amount necessary to fund that deficiency.

2. At least two weeks prior to the executive council’s approval of a payment authorization under this section, the secretary of the executive council shall notify the legislative services agency that the authorization request will be considered by the executive council and shall provide background information justifying the request.

3. The executive council shall receive requests from the Iowa department of public health relative to the purchase, storing, and distribution of vaccines and medication for prevention, prophylaxis, or treatment. Upon review and after compliance with subsection 2, the executive council may approve the request and may ~~incur~~ authorize payment of the necessary expense ~~and pay the same out of any money in the state treasury not otherwise appropriated. The expense authorized by the executive council under this subsection shall be paid from the appropriations referred to in subsection 1.~~

Sec. 13. Section 7D.30, Code 2011, is amended to read as follows:

7D.30 Necessary record.

Before ~~incurring~~ authorizing any expense ~~authorized by~~ in accordance with section 7D.29, the executive council shall, in each case, by resolution, entered upon its records, set forth the necessity for ~~incurring~~ authorizing such expense, the special fitness of the one employed to perform such work, the definite rate of compensation or salary allowed, and the total amount of money that may be expended. Compensation or salary for personal services in such cases must be determined by unanimous vote of all members of the council.

Sec. 14. Section 8.55, subsection 3, paragraph a, Code 2011, is amended to read as follows:

a. Except as provided in paragraphs “b”, ~~and “c”~~, ~~and “0d”~~, the moneys in the Iowa economic emergency fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall only be made for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for emergency expenditures.

Sec. 15. Section 8.55, subsection 3, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. 0d. There is appropriated from the Iowa economic emergency fund to the executive council an amount sufficient to pay the expenses authorized by the executive council, as addressed in section 7D.29.

Sec. 16. Section 8A.321, subsection 4, Code 2011, is amended to read as follows:

4. Contract, with the approval of the executive council, for the repair, remodeling, or, if the condition warrants, demolition of all buildings and grounds of the state at the seat of government, at the state laboratories facility in Ankeny, and the institutions of the department of human services and the department of corrections for which no specific appropriation has been made, if the cost of repair, remodeling, or demolition will not exceed

one hundred thousand dollars when completed. The cost of repair projects for which no specific appropriation has been made shall be paid ~~from the fund as an expense authorized by the executive council as provided in section 7D.29.~~

Sec. 17. Section 8A.321, subsection 6, paragraphs a and b, Code 2011, are amended to read as follows:

a. Lease all buildings and office space necessary to carry out the provisions of this subchapter or necessary for the proper functioning of any state agency at the seat of government. For state agencies at the seat of government, the director may lease buildings and office space in Polk county or in a county contiguous to Polk county. If no specific appropriation has been made, the proposed lease shall be submitted to the executive council for approval authorization and if authorized lease expense shall be paid from the appropriations addressed in section 7D.29. ~~The cost of any lease for which no specific appropriation has been made shall be paid from the fund provided in section 7D.29.~~

b. When the general assembly is not in session, the director may request ~~moneys an expense authorization~~ from the executive council for moving state agencies located at the seat of government from one location to another. The request may include moving costs, telecommunications costs, repair costs, or any other costs relating to the move. The executive council may ~~approve and shall pay the costs from funds~~ authorize the expenses provided and may authorize the expenses to be paid from the appropriations addressed in section 7D.29 if it determines the agency or department has no available ~~does not have funds available~~ for these expenses.

Sec. 18. Section 11.32, as amended by 2011 Iowa Acts, House File 536,² section 26, as enacted, is amended to read as follows:

11.32 Certified accountants employed.

Nothing in this chapter shall prohibit the auditor of state, with the prior written permission of the state executive council, from employing certified public accountants for specific assignments. The auditor of state may employ such accountants for any assignment ~~now~~ expressly reserved to the auditor of state. Payments, after approval by the executive council, ~~will shall~~ be made to the accountants so employed from funds from which the auditor of state would have been paid had the auditor of state performed the assignment, or if ~~no~~ such specific funds are indicated not available, then payment will be made from the funds of authorization of the expense by the executive council shall be requested, and if authorized shall be paid from the appropriations addressed in section 7D.29.

Sec. 19. Section 13.3, Code 2011, is amended to read as follows:

13.3 Disqualification — substitute.

1. If, for any reason, the attorney general ~~be is~~ disqualified from appearing in any action or proceeding, the executive council shall ~~appoint some~~ authorize the appointment of a suitable person for that purpose and defray the. ~~There is appropriated from moneys in the general fund not otherwise appropriated an amount necessary to pay the reasonable expense thereof from any unappropriated funds in the state treasury for the person appointed.~~ The department involved in the action or proceeding shall be requested to recommend a suitable person to represent the department and when the executive council concurs in the recommendation, the person recommended shall be appointed.

2. If the governor or a department is represented by an attorney other than the attorney general in a court proceeding as provided in this section, at the conclusion of the court proceedings, the court shall review the fees charged to the state to determine if the fees are fair and reasonable. The executive council shall ~~not reimburse~~ authorize reimbursement of attorney fees in excess of those determined by the court to be fair and reasonable.

Sec. 20. Section 13.7, Code 2011, is amended to read as follows:

13.7 Special counsel.

Compensation shall not be allowed to any person for services as an attorney or counselor

² Chapter 75 herein

to an executive department of the state government, or the head ~~thereof of an executive department of state government~~, or to a state board or commission. However, the executive council may ~~employ~~ authorize employment of legal assistance, at a reasonable compensation, in a pending action or proceeding to protect the interests of the state, but only upon a sufficient showing, in writing, made by the attorney general, that the department of justice cannot for reasons stated by the attorney general perform the service, ~~which~~. The reasons and action of the council shall be entered upon its records. When ~~If~~ the attorney general determines that the department of justice cannot perform legal service in an action or proceeding, the executive council shall request the department involved in the action or proceeding to recommend legal counsel to represent the department. If the attorney general concurs with the department that the person recommended is qualified and suitable to represent the department, the person recommended shall be employed. If the attorney general does not concur in the recommendation, the department shall submit a new recommendation. This section does not affect the general counsel for the utilities board of the department of commerce, the legal counsel of the department of workforce development, or the general counsel for the property assessment appeal board.

Sec. 21. Section 29A.27, unnumbered paragraph 8, Code 2011, is amended to read as follows:

All payments ~~herein~~ provided for under this section shall be paid on the approval of the adjutant general from the contingent fund of the executive council created in section 29C.20.

Sec. 22. Section 29C.8, subsection 3, paragraph f, subparagraph (3), Code 2011, is amended to read as follows:

(3) Upon notification of a compensable loss to a member of a homeland security and emergency management response team, the department of administrative services shall process the claim and seek funding authorization from the executive council ~~for~~ to pay as an expense paid from the appropriations addressed in section 7D.29 those costs associated with covered benefits.

Sec. 23. Section 29C.20, subsection 1, paragraph a, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A contingent fund is created in the state treasury for the use of the executive council ~~which~~. Funding for the contingent fund, if authorized by the executive council, shall be paid from the appropriations addressed in section 7D.29. Moneys in the contingent fund may be expended for the following purposes:

Sec. 24. Section 96.13, subsection 3, paragraph c, Code 2011, is amended to read as follows:

c. The department may appear before the executive council and request ~~funds~~ authorization of moneys to meet unanticipated emergencies as an expense from the appropriations addressed in section 7D.29.

Sec. 25. Section 135.143, subsection 5, Code 2011, is amended to read as follows:

5. Upon notification of a compensable loss, the department of administrative services shall seek funding authorization from the executive council ~~for~~ to pay as an expense from the appropriations addressed in section 7D.29 those costs associated with covered workers' compensation benefits.

Sec. 26. Section 135.144, subsection 11, Code 2011, is amended to read as follows:

11. If a public health disaster or other public health emergency situation exists which poses an imminent threat to the public health, safety, and welfare, the department, in conjunction with the governor, may provide financial assistance, from funds appropriated to the department that are not otherwise encumbered, to political subdivisions as needed to alleviate the disaster or the emergency. If the department does not have sufficient unencumbered funds, the governor may request ~~that the executive council, pursuant to the authority of section 7D.29, commit sufficient funds, to authorize the payment of up to one million dollars, that are not otherwise encumbered from the general fund, as needed and~~

~~available, for as an expense from the appropriations addressed in section 7D.29 to alleviate the disaster or the emergency. If additional financial assistance is required in excess of one million dollars, approval by the legislative council is also required.~~

Sec. 27. Section 163.3A, subsection 4, paragraph b, Code 2011, is amended to read as follows:

b. The department shall provide and update a list of the registered members of each emergency response team, including the members' names and identifying information, to the department of administrative services. Upon notification of a compensable loss suffered by a registered member, the department of administrative services shall seek funding authorization from the executive council for to pay as an expense from the appropriations addressed in section 7D.29 those costs associated with covered benefits.

Sec. 28. Section 163.10, Code 2011, is amended to read as follows:

163.10 Quarantining or destroying animals.

The department may quarantine or destroy any animal exposed to or afflicted with an infectious or contagious disease. However, cattle exposed to or infected with tuberculosis shall not be destroyed without the owner's consent, unless there are sufficient moneys to reimburse the owner for the cattle, which may be paid ~~from the appropriation as an expense authorized as provided in section 163.15, from~~ moneys in the brucellosis and tuberculosis eradication fund created in section 165.18, or from moneys made available by the United States department of agriculture.

Sec. 29. Section 163.15, subsection 2, paragraph a, subparagraph (3), Code 2011, is amended to read as follows:

(3) A claim for an indemnity by the owner and a claim for compensation and expenses by the appraisers shall be filed with the department and submitted by the secretary of agriculture to the executive council for ~~its approval or disapproval authorization of payment of the claim as an expense from the appropriations addressed in section 7D.29.~~

Sec. 30. Section 163.15, subsection 2, paragraph a, subparagraph (4), Code 2011, is amended by striking the subparagraph.

Sec. 31. Section 163.15, subsection 2, paragraph b, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A formula established by rule adopted by the department that is effective as determined by the department in accordance with chapter 17A and applicable upon approval of the ~~plan program of eradication approved by the executive council.~~ The formula shall be applicable to indemnify owners if the executive council, upon recommendation by the secretary of agriculture, determines that an animal population in this state is threatened with infection from an exceptionally contagious disease.

Sec. 32. Section 163.15, subsection 2, paragraph b, subparagraph (4), Code 2011, is amended to read as follows:

(4) ~~Upon approval by the~~ The executive council, there is appropriated to the department from any moneys in the general fund of the state not otherwise appropriated moneys sufficient to carry out the may authorize payment under the provisions of this paragraph "b" as an expense from the appropriations addressed in section 7D.29.

Sec. 33. Section 307.45, subsection 3, Code 2011, is amended to read as follows:

3. Assessments against property owned by the state and not under the jurisdiction and control of the department's administrator of highways shall be made in the same manner as those made against private property and payment shall be made subject to authorization by the executive council from any funds of the state not otherwise appropriated. There is appropriated from moneys in the general fund not otherwise appropriated an amount necessary to pay the expense authorized by the executive council.

Sec. 34. Section 384.56, subsection 1, Code 2011, is amended to read as follows:

1. Cities may assess the cost of a public improvement which extends through, abuts upon, or is adjacent to lands owned by the state, and ~~the executive council shall pay payment for the assessable portion of the cost of the improvement through or along the lands as provided shall be subject to authorization by the executive council. The executive council shall pay assessments as and payable in the manner provided in section 307.45 for property owned by the state and not under the jurisdiction and control of the state department of transportation.~~

Sec. 35. Section 459.501, subsection 5, as amended by 2011 Iowa Acts, Senate File 478,³ section 1, as enacted, is amended to read as follows:

5. The following shall apply to moneys in the fund:

a. (1) ~~The executive council may allocate moneys from the general fund of the state as~~ authorize payment of moneys as an expense paid from the appropriations addressed in section 7D.29 and in the manner provided in section 7D.10A in an amount necessary to support the fund, including the following:

(a) The payment of claims as provided in section 459.505.

(b) The allocation of moneys to the department of agriculture and land stewardship for the payment of expenses incurred by the department of agriculture and land stewardship associated with providing for the sustenance and disposition of livestock pursuant to chapter 717.

(2) ~~Notwithstanding subparagraph (1), the allocation of moneys from the general fund of the state~~ executive council's authorization for payment shall be made provided only if the amount of moneys in the fund, which are not obligated or encumbered, and not counting the department's estimate of the cost to the fund for pending or unsettled claims, the amount to be allocated to the department of agriculture and land stewardship, and any amount required to be credited to the general fund of the state under this subsection, is less than one million dollars.

b. The department of natural resources shall credit an amount to the ~~general fund of the state~~ from which the expense authorized by the executive council as provided in paragraph "a" was appropriated which is equal to an amount allocated to support the livestock remediation fund by the executive council under paragraph "a". ~~The~~ However, the department shall only be required to credit the moneys to the ~~general such fund of the state~~ if the moneys in the livestock remediation fund which are not obligated or encumbered, and not counting the department's estimate of the cost to the livestock remediation fund for pending or unsettled claims, the amount to be allocated to the department of agriculture and land stewardship, and any amount required to be transferred to the general fund under from which appropriated as described in this paragraph, are in excess of two million five hundred thousand dollars. The department is not required to credit the total amount to the general fund of the state from which appropriated as described in this paragraph during any one fiscal year.

Sec. 36. Section 468.43, unnumbered paragraph 4, Code 2011, is amended to read as follows:

The assessments against lands under the jurisdiction of the department of natural resources shall be paid as an expense from the appropriations addressed in section 7D.29, if authorized by the executive council upon certification of the amount by the county treasurer. ~~There is appropriated from any funds in the general fund of the state not otherwise appropriated amounts sufficient to pay the certified assessments.~~

Sec. 37. Section 568.16, Code 2011, is amended to read as follows:

568.16 Purchase money refunded.

If the grantee of the state, or the grantee's successors, administrators, or assigns, shall be deprived of the land conveyed by the state under this chapter by the final decree of a court of record for the reason that the conveyance by the state passed no title whatever to the land therein ~~did not pass title to the land~~ described, because title thereto ~~to the land~~ had previously

³ Chapter 81 herein

for any reason been vested in others, then the money so paid by the state for the said land shall be refunded by the state to the person or persons entitled thereto to the refund, provided the said grantee, or the grantee's successors, administrators, or assigns, shall file a certified copy of the transcript of the said final decree with the executive council within one year from the date of the issuance of such decree, and shall also file satisfactory proof with the executive council that the action over the title to the land was commenced within ten years from the date of the issuance of patent or deed by the state. The amount of money to be refunded under the provisions of this section shall be certified authorized and paid by the executive council to the director of the department of administrative services, who shall draw a warrant therefor, and the same shall be paid out of the general fund as an expense from the appropriations addressed in section 7D.29.

Sec. 38. Section 602.10133, Code 2011, is amended to read as follows:

602.10133 Costs and expenses.

The court costs incident to such proceedings, and the reasonable expense of said the judges in attending said the hearing after being approved by the supreme court shall be paid as court costs an expense authorized by the executive council from the appropriations addressed in section 7D.29.

Sec. 39. Section 663.44, Code 2011, is amended to read as follows:

663.44 Costs.

1. If the plaintiff is discharged, the costs shall be assessed to the defendant, unless the defendant is an officer holding the plaintiff in custody under a commitment, or under other legal process, in which case the costs shall be assessed to the county. If the plaintiff's application is refused, the costs shall be assessed against the plaintiff, and, in the discretion of the court, against the person who filed the petition in the plaintiff's behalf.

2. However, where Notwithstanding subsection 1, if the plaintiff is confined in any state institution, and is discharged in habeas corpus proceedings, or where if the habeas corpus proceedings fail, and costs and fees cannot be collected from the person liable to pay the same costs and fees, such the costs and fees shall be paid by the county in which such state institution is located. The facts of such payment and the proceedings on which it is based, with a statement of the amount of fees or costs incurred, with approval in writing by the presiding judge appended to such the statement or endorsed thereon on the statement, shall then be certified by the clerk of the district court under the seal of office to the state executive council. The executive council shall then review the proceedings and authorize reimbursement for all such fees and costs or such part thereof of the fees and costs as the executive council shall find finds justified, and shall notify the director of the department of administrative services to draw a warrant to such county treasurer on the state general fund for the amount authorized. There is appropriated from moneys in the general fund not otherwise appropriated an amount necessary to pay the reimbursement authorized by the executive council. The costs and fees referred to above shall include any award of fees made to a court appointed attorney representing an indigent party bringing the habeas corpus action.

DIVISION IV

MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2013-2014

Sec. 40. ADULT MH/MR/DD SERVICES ALLOWED GROWTH FUNDING — FY 2013-2014. Notwithstanding section 331.439, subsection 3, the allowed growth factor adjustment for county mental health, mental retardation, and developmental disabilities service expenditures for the fiscal year beginning July 1, 2013, shall be established by statute which shall be enacted within thirty calendar days of the convening of the Eighty-fifth General Assembly, 2013 Session, on January 14, 2013. The governor shall submit to the general assembly a recommendation for such allowed growth factor adjustment and the amounts of related appropriations to the general assembly on or before January 14, 2013.

DIVISION V
STANDING APPROPRIATIONS AND RELATED MATTERS — FY 2012-2013

Sec. 41. BUDGET PROCESS FOR FISCAL YEAR 2013-2014.

1. For the budget process applicable to the fiscal year beginning July 1, 2013, on or before October 1, 2012, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and paragraph “a”, all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 42. LIMITATION OF STANDING APPROPRIATIONS. Notwithstanding the standing appropriations in the following designated sections for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the amounts appropriated from the general fund of the state pursuant to these sections for the following designated purposes shall not exceed the following amounts:

1. For operational support grants and community cultural grants under section 99F.11, subsection 3, paragraph “d”, subparagraph (1):

..... \$ 208,351

2. For regional tourism marketing under section 99F.11, subsection 3, paragraph “d”, subparagraph (2):

..... \$ 405,153

3. For the center for congenital and inherited disorders central registry under section 144.13A, subsection 4, paragraph “a”:

..... \$ 85,560

4. For primary and secondary child abuse prevention programs under section 144.13A, subsection 4, paragraph “a”:

..... \$ 108,886

5. For programs for at-risk children under section 279.51:

..... \$ 5,364,446

The amount of any reduction in this subsection shall be prorated among the programs specified in section 279.51, subsection 1, paragraphs “a”, “b”, and “c”.

6. For payment for nonpublic school transportation under section 285.2:

..... \$ 7,060,931

If total approved claims for reimbursement for nonpublic school pupil transportation exceed the amount appropriated in accordance with this subsection, the department of education shall prorate the amount of each approved claim.

7. For the enforcement of chapter 453D relating to tobacco product manufacturers under section 453D.8:

..... \$ 9,208

Sec. 43. INSTRUCTIONAL SUPPORT STATE AID — FY 2012-2013. In lieu of the appropriation provided in section 257.20, subsection 2, the appropriation for the fiscal year beginning July 1, 2012, and ending June 30, 2013, for paying instructional support state aid under section 257.20 for fiscal year 2012-2013 is zero.

Sec. 44. Section 257.35, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 5B. Notwithstanding subsection 1, and in addition to the reduction applicable pursuant to subsection 2, the state aid for area education agencies and the portion of the combined district cost calculated for these agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013, shall be reduced by the department of management by ten

million dollars. The reduction for each area education agency shall be prorated based on the reduction that the agency received in the fiscal year beginning July 1, 2003.

DIVISION VI
SALARIES, COMPENSATION, AND RELATED MATTERS — FY 2012-2013

Sec. 45. BONUS PAY. For the fiscal year beginning July 1, 2012, and ending June 30, 2013, employees of the executive branch, judicial branch, and legislative branch shall not receive bonus pay unless otherwise authorized by law, required pursuant to a contract of employment entered into before July 1, 2012, or required pursuant to a collective bargaining agreement. This section does not apply to employees of the state board of regents who receive bonuses funded by moneys from sources other than appropriations. For purposes of this section, "bonus pay" means any additional remuneration provided an employee in the form of a bonus, including but not limited to a retention bonus, recruitment bonus, exceptional job performance pay, extraordinary job performance pay, exceptional performance pay, extraordinary duty pay, or extraordinary or special duty pay, and any extra benefit not otherwise provided to other similarly situated employees.

Sec. 46. SALARY INCREASES — CERTAIN REVOLVING FUNDS.

1. For the fiscal years beginning July 1, 2012, and July 1, 2013, there is appropriated from the gaming enforcement revolving fund an amount necessary for funding annual pay adjustments and related benefits for agents and officers of the division of criminal investigation's racetrack, excursion boat, or gambling structure enforcement activities. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.

2. For the fiscal years beginning July 1, 2012, and July 1, 2013, there is appropriated from the gaming regulatory revolving fund, if enacted by the Eighty-fourth General Assembly, 2011 or 2012 session, an amount necessary for funding annual pay adjustments and related benefits for positions in the racing and gaming commission of the department of inspections and appeals who are assigned to administration and enforcement of the excursion boat and gambling structure laws. Moneys appropriated pursuant to this subsection shall be in addition to and supplement other appropriations from the fund.

Sec. 47. STATE TROOPER MEAL ALLOWANCE. For the fiscal year beginning July 1, 2012, the sworn peace officers in the department of public safety who are not covered by a collective bargaining agreement negotiated pursuant to chapter 20 shall receive the same per diem meal allowance as the sworn peace officers in the department of public safety who are covered by a collective bargaining agreement negotiated pursuant to chapter 20.

Sec. 48. SALARY MODEL ADMINISTRATOR. The salary model administrator shall work in conjunction with the legislative services agency to maintain the state's salary model used for analyzing, comparing, and projecting state employee salary and benefit information, including information relating to employees of the state board of regents. The department of revenue, the department of administrative services, the five institutions under the jurisdiction of the state board of regents, the judicial district departments of correctional services, and the state department of transportation shall provide salary data to the department of management and the legislative services agency to operate the state's salary model. The format and frequency of provision of the salary data shall be determined by the department of management and the legislative services agency. The information shall be used in collective bargaining processes under chapter 20 and in calculating the funding needs contained within the annual salary adjustment legislation. A state employee organization as defined in section 20.3, subsection 4, may request information produced by the model, but the information provided shall not contain information attributable to individual employees.

* Item veto; see message at end of the Act

DIVISION VII
CORRECTIVE PROVISIONS

Sec. 49. Section 8.6, subsection 9A, as enacted by 2011 Iowa Acts, House File 45,⁴ section 39, is amended to read as follows:

9A. *Budget and tax rate databases.* To develop and make available to the public a searchable budget database and internet site as required under chapter 8G, ~~division subchapter I~~, and to develop and make available to the public a searchable tax rate database and internet site as required under chapter 8G, ~~division subchapter II~~.

Sec. 50. Section 8.57E, subsection 3, paragraph a, as enacted by 2011 Iowa Acts, Senate File 209,⁵ section 30, is amended to read as follows:

a. Moneys in the ~~taxpayer's taxpayers~~ trust 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.

Sec. 51. Section 8G.13, as enacted by 2011 Iowa Acts, House File 45,⁶ section 50, is amended to read as follows:

8G.13 Updating database.

To facilitate the department of management's efforts in creating and maintaining a searchable database of the taxes identified in section 8G.12, subsection ~~3~~ 1, for all taxing jurisdictions in the state, each taxing jurisdiction may annually be required to report its tax rates to the department of management or the department of revenue and shall report any changes to its tax rates within thirty days of the change.

Sec. 52. Section 16.193, subsection 3, paragraph a, Code 2011, as amended by 2011 Iowa Acts, Senate File 475,⁷ section 11, is amended to read as follows:

a. During the term of the Iowa jobs program and Iowa jobs II program, the Iowa finance authority shall collect data on all of the projects approved for the ~~program~~ programs. The department of management and the state agencies associated with the projects shall assist the authority with the data collection and in developing the report required by this subsection. The authority shall report quarterly to the governor and the general assembly concerning the data.

Sec. 53. Section 68A.401, subsection 4, Code 2011, as amended by 2011 Iowa Acts, Senate File 475,⁸ section 17, is amended to read as follows:

4. Political committees expressly advocating the nomination, election, or defeat of candidates for both federal office and any elected office created by law or the Constitution of the State of Iowa shall file statements and reports with the board in addition to any federal reports required to be filed with the board. However, a political committee that is registered and filing full disclosure reports of all financial activities with the federal election commission may file verified statements as provided in section ~~68B.201A~~ 68A.201A.

Sec. 54. Section 139A.19, subsection 3, as enacted by 2011 Iowa Acts, House File 467,⁹ section 20, is amended to read as follows:

3. This section does not preclude a hospital, clinic, other health facility, or a health care provider from providing notification to a care provider under circumstances in which the hospital's, clinic's, other health facility's, or health care provider's policy provides for notification of the hospital's, ~~clinics~~ clinic's, other health facility's, or health care provider's own employees of exposure to a contagious or infectious disease that is not life-threatening if the notice does not reveal a patient's name, unless the patient consents.

⁴ Chapter 122 herein

⁵ Chapter 123 herein

⁶ Chapter 122 herein

⁷ Chapter 34 herein

⁸ Chapter 34 herein

⁹ Chapter 63 herein

Sec. 55. Section 175.3, subsection 1, paragraph a, Code 2011, as amended by 2011 Iowa Acts, Senate File 429,¹⁰ section 1, is amended to read as follows:

a. The agricultural development authority is established within the department of agriculture and land stewardship. The agency authority is constituted as a public instrumentality and agency of the state exercising public and essential governmental functions.

Sec. 56. Section 207.22, subsection 3, paragraph b, Code 2011, as amended by 2011 Iowa Acts, Senate File 475,¹¹ section 47, is amended to read as follows:

b. Acquisition of coal refuse disposal sites and all coal refuse thereon will serve the purposes of ~~Tit. IV of~~ Pub. L. No. 95-87, Tit. IV, codified at 30 U.S.C. ch. 25, subch. IV, or that public ownership is desirable to meet emergency situations and prevent recurrences of the adverse effect of past coal mining practices.

Sec. 57. Section 232.71D, subsection 3, paragraph a, unnumbered paragraph 1, as enacted by 2011 Iowa Acts, House File 562,¹² section 3, is amended to read as follows:

Unless any of the circumstances listed in paragraph “b” are applicable, cases to which any of the following circumstances apply shall not be placed ~~on~~ in the central registry:

Sec. 58. Section 256.7, subsection 26, paragraph a, subparagraph (1), as enacted by 2011 Iowa Acts, Senate File 453,¹³ section 1, is amended to read as follows:

(1) The rules establishing high school graduation requirements shall authorize a school district or accredited nonpublic school to consider that any student who satisfactorily completes a high school-level unit of English or language arts, mathematics, science, or social studies has satisfactorily completed a unit of the high school graduation requirements for that area as specified in this lettered paragraph, and ~~to~~ shall authorize the school district or accredited nonpublic school to issue high school credit for the unit to the student.

Sec. 59. Section 321.34, subsection 20C, paragraph a, if enacted by 2011 Iowa Acts, House File 651,¹⁴ section 2, is amended to read as follows:

a. The department, in consultation with the adjutant general, shall design combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, and combat medical badge distinguishing processed emblems. Upon receipt of two hundred fifty orders for ~~special~~ combat infantryman badge, combat action badge, combat action ribbon, air force combat action medal, or combat medical badge special registration plates, accompanied by a start-up fee of twenty dollars per order, the department shall begin issuing special registration plates with the applicable distinguishing processed emblem as provided in paragraphs “b” and “c”. The minimum order requirement shall apply separately to each of the special registration plates created under this subsection.

Sec. 60. Section 321.34, subsection 25, paragraph a, if enacted by 2011 Iowa Acts, House File 651,¹⁵ section 2, is amended to read as follows:

a. The department, in consultation with the adjutant general, shall design a civil war sesquicentennial distinguishing processed emblem. Upon receipt of two hundred fifty orders for ~~special~~ civil war sesquicentennial special registration plates, accompanied by a start-up fee of twenty dollars per order, the department shall begin issuing special registration plates with a civil war sesquicentennial processed emblem as provided in paragraph “b”.

Sec. 61. Section 327B.5, Code 2011, is amended to read as follows:

327B.5 Penalty.

Any person violating the provisions of this chapter shall, upon conviction, be subject to a scheduled fine as provided in section 805.8A, subsection 13, ~~paragraphs~~ paragraph “f” and “g”.

¹⁰ Chapter 13 herein

¹¹ Chapter 34 herein

¹² Chapter 28 herein

¹³ Chapter 71 herein

¹⁴ Chapter 114 herein

¹⁵ Chapter 114 herein

Sec. 62. Section 422.11O, subsection 5, paragraph a, subparagraph (2), if enacted by 2011 Iowa Acts, Senate File 531,¹⁶ section 17, is amended to read as follows:

(2) The E-15 plus gasoline promotion tax credit pursuant to section 422.11Y.

Sec. 63. Section 422.11Y, subsection 1, paragraph d, if enacted by 2011 Iowa Acts, Senate File 531,¹⁷ section 35, is amended to read as follows:

d. “*Tax credit*” means the E-15 plus gasoline promotion tax credit as provided in this section.

Sec. 64. Section 422.11Y, subsection 3, unnumbered paragraph 1, if enacted by 2011 Iowa Acts, Senate File 531,¹⁸ section 35, is amended to read as follows:

The taxes imposed under this division, less the credits allowed under section 422.12, shall be reduced by the amount of the E-15 plus gasoline promotion tax credit for each tax year that the taxpayer is eligible to claim a tax credit under this subsection.

Sec. 65. Section 422.11Y, subsection 6, paragraph b, subparagraph (2), if enacted by 2011 Iowa Acts, Senate File 531,¹⁹ section 35, is amended to read as follows:

(2) The retail dealer may claim the ethanol promotion tax credit as provided in paragraph “a” for the same ethanol gallonage used to calculate and claim the E-15 plus gasoline promotion tax credit.

Sec. 66. Section 423.4, subsection 9, unnumbered paragraph 1, if enacted by 2011 Iowa Acts, Senate File 531,²⁰ section 59, is amended to read as follows:

A person who qualifies as a biodiesel producer as provided in this subsection may apply to the director for a refund of the amount of the sales or use tax imposed and paid upon purchases made by the person.

Sec. 67. Section 483A.24A, Code 2011, as amended by 2011 Iowa Acts, Senate File 194,²¹ section 10, is amended to read as follows:

483A.24A License refunds — military service.

Notwithstanding any provision of this chapter to the contrary, a service member deployed for military service, ~~both~~ as defined in section 29A.1, subsection 3, shall receive a refund of that portion of any license fee paid by the service member representing the service member’s period of military service.

Sec. 68. Section 501.101, subsection 01, as enacted by 2011 Iowa Acts, House File 348,²² section 7, is amended to read as follows:

01. “*Alternative voting method*” means a method of voting other than a written ballot, including voting by electronic, telephonic, internet, or other means that reasonably ~~allow~~ allows members the opportunity to vote.

Sec. 69. Section 501A.703, subsection 5, paragraph d, Code 2011, as amended by 2011 Iowa Acts, House File 348,²³ section 19, is amended to read as follows:

d. If the ballot of the member is received by the cooperative on or before the date of the regular members’ meeting or as otherwise prescribed for an alternative, voting method, the ballot or alternative voting method shall be accepted and counted as the vote of the absent member.

Sec. 70. Section 511.8, subsection 22, paragraph i, unnumbered paragraph 1, as enacted by 2011 Iowa Acts, Senate File 406,²⁴ section 25, is amended to read as follows:

Securities held in the legal reserve of a life insurance company or association pledged as

¹⁶ Chapter 113 herein

¹⁷ Chapter 113 herein

¹⁸ Chapter 113 herein

¹⁹ Chapter 113 herein

²⁰ Chapter 113 herein

²¹ Chapter 47 herein

²² Chapter 23 herein

²³ Chapter 23 herein

²⁴ Chapter 70 herein

collateral for financial instruments used in highly effective hedging transactions as defined in the national association of insurance commissioners' Statement of Statutory Accounting Principles No. 86 shall continue to be eligible for inclusion ~~on~~ in the legal reserve of the life insurance company or association subject to all of the following:

Sec. 71. Section 514J.109, subsection 3, paragraph f, if enacted by 2011 Iowa Acts, House File 597,²⁵ section 9, is amended to read as follows:

f. The covered person or the covered person's authorized representative has provided all the information and forms required by the commissioner that are necessary to process an external review request pursuant to this section.

Sec. 72. Section 521F4, subsection 1, paragraph b, as enacted by 2011 Iowa Acts, Senate File 406,²⁶ section 44, is amended to read as follows:

b. The filing of a risk-based capital report by a health organization which indicates that the health organization has total adjusted capital which is greater than or equal to its company-action-level risk-based capital but less than the product of its authorized-control-level risk-based capital and three and triggers the trend test determined in accordance with the trend test ~~calculations~~ calculation included in the health risk-based capital instructions.

Sec. 73. Section 524.310, subsection 5, paragraph b, Code 2011, as amended by 2011 Iowa Acts, Senate File 475,²⁷ section 120, is amended to read as follows:

b. A corporate or company name reserved, registered, or protected as provided in section 489.109, 490.402, 490.403, 490A.402, 504.402, or 504.403.

Sec. 74. Section 717.3, subsection 5, paragraph b, Code 2011, as enacted by 2011 Iowa Acts, Senate File 478,²⁸ section 6, is amended to read as follows:

b. That the department shall assume supervision of and provide for the sustenance of the livestock ~~and~~ as provided in section 717.4.

Sec. 75. Section 717.4, subsection 2, as enacted by 2011 Iowa Acts, Senate File 478,²⁹ section 7, is amended to read as follows:

2. The court ordered lien shall be for the benefit of the department. The amount of the lien shall ~~not~~ not be ~~not~~ more than for expenses incurred in providing sustenance to the livestock pursuant to section 717.3 and providing for the disposition of the livestock pursuant to section 717.5.

Sec. 76. Section 717.4A, as enacted by 2011 Iowa Acts, Senate File 478,³⁰ section 8, is amended to read as follows:

717.4A Livestock in immediate need of sustenance — livestock remediation fund.

The department may utilize the moneys deposited into the livestock remediation fund pursuant to section 459.501 to pay for any expenses associated with providing sustenance to or the disposition of the livestock pursuant to a court order entered pursuant to section 717.3 or 717.5. The department shall utilize moneys from the fund only to the extent that the department determines that expenses cannot be timely paid by utilizing the available provisions of sections 717.4 and 717.5. The department shall deposit any unexpended and unobligated moneys in the fund. The department shall pay to the fund the proceeds from the disposition of the livestock and associated products less expenses incurred by the department in providing for the sustenance and disposition of the livestock, as provided in section 717.5.

²⁵ Chapter 101 herein

²⁶ Chapter 70 herein

²⁷ Chapter 34 herein

²⁸ Chapter 81 herein

²⁹ Chapter 81 herein

³⁰ Chapter 81 herein

Sec. 77. Section 903A.5, subsection 1, as enacted by 2011 Iowa Acts, House File 271,³¹ section 3, is amended to read as follows:

1. An inmate shall not be discharged from the custody of the director of the Iowa department of corrections until the inmate has served the full term for which the inmate was sentenced, less earned time and other credits earned and not forfeited, unless the inmate is pardoned or otherwise legally released. Earned time accrued and not forfeited shall apply to reduce a mandatory minimum sentence being served pursuant to section 124.406, 124.413, 902.7, 902.8, 902.8A, or 902.11. An inmate shall be deemed to be serving the sentence from the day on which the inmate is received into the institution. If an inmate was confined to a county jail or other correctional or mental facility at any time prior to sentencing, or after sentencing but prior to the case having been decided on appeal, because of failure to furnish bail or because of being charged with a nonbailable offense, the inmate shall be given credit for the days already served upon the term of the sentence. However, if a person commits any offense while confined in a county jail or other correctional or mental health facility, the person shall not be granted jail credit for that offense. Unless the inmate was confined in a correctional facility, the sheriff of the county in which the inmate was confined shall certify to the clerk of the district court from which the inmate was sentenced and to the department of corrections' records administrator at the Iowa medical and classification center the number of days so served. The department of corrections' records administrator, or the administrator's designee, shall apply jail credit as ordered by the court of proper jurisdiction or as authorized by this section and section 907.3, subsection 3.

Sec. 78. EFFECTIVE DATES.

1. The section of this division of this Act amending section 422.11O, subsection 5, paragraph a, subparagraph (2), if enacted by 2011 Iowa Acts, Senate File 531,³² section 17, takes effect January 1, 2012.

2. Section 423.4, subsection 9, unnumbered paragraph 1, if enacted by 2011 Iowa Acts, Senate File 531,³³ section 59, takes effect January 1, 2012.

Sec. 79. APPLICABILITY.

1. The section of this division of this Act amending section 422.11O, subsection 5, paragraph a, subparagraph (2), if enacted by 2011 Iowa Acts, Senate File 531,³⁴ section 17, applies to tax years beginning on and after January 1, 2012.

2. The section of this division of this Act amending section 422.11Y, subsection 1, paragraph d, if enacted by 2011 Iowa Acts, Senate File 531,³⁵ section 35, applies to tax years beginning on and after January 1, 2012, and to that part of a retail dealer's tax year or tax years occurring during that portion of the calendar year beginning on and after July 1, 2011, and ending on December 31, 2011.

3. The section of this division of this Act amending section 422.11Y, subsection 3, unnumbered paragraph 1, if enacted by 2011 Iowa Acts, Senate File 531,³⁶ section 35, applies to tax years beginning on and after January 1, 2012, and to that part of a retail dealer's tax year or tax years occurring during that portion of the calendar year beginning on and after July 1, 2011, and ending on December 31, 2011.

4. The section of this division of this Act amending section 422.11Y, subsection 6, paragraph b, subparagraph (2), if enacted by 2011 Iowa Acts, Senate File 531,³⁷ section 35, applies to tax years beginning on and after January 1, 2012, and to that part of a retail dealer's tax year or tax years occurring during that portion of the calendar year beginning on and after July 1, 2011, and ending on December 31, 2011.

³¹ Chapter 22 herein

³² Chapter 113 herein

³³ Chapter 113 herein

³⁴ Chapter 113 herein

³⁵ Chapter 113 herein

³⁶ Chapter 113 herein

³⁷ Chapter 113 herein

DIVISION VIII
MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

Sec. 80. VISION SCREENING PROGRAM — DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the department of public health for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For a grant to a national affiliated volunteer eye organization that has an established program for children and adults and that is solely dedicated to preserving sight and preventing blindness through education, nationally certified vision screening and training, and community and patient service programs:

..... \$ 100,000

Sec. 81. APPROPRIATION — FARMERS WITH DISABILITIES. There is appropriated from the general fund of the state to the department of agriculture and land stewardship for the following fiscal years, the following amounts, or so much thereof as is necessary, for a program for farmers with disabilities:

FY 2011–2012 \$ 97,000
FY 2012–2013 \$ 48,500

The moneys appropriated in this section shall be used for the public purpose of providing a grant to a national nonprofit organization with over 80 years of experience in assisting children and adults with disabilities and special needs. The moneys shall be used to support a nationally recognized program that began in 1986 and has been replicated in at least 30 other states, but which is not available through any other entity in this state, and that provides assistance to farmers with disabilities in all 99 counties to allow the farmers to remain in their own homes and be gainfully engaged in farming through provision of agricultural worksite and home modification consultations, peer support services, services to families, information and referral, and equipment loan services. Notwithstanding section 8.33, moneys appropriated in this section 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. 82. APPROPRIATION — BATTLESHIP IOWA, BB-61.

1. There is appropriated from the general fund of the state to the department of cultural affairs for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, or so much thereof as is necessary, to be credited to the BB-61 fund created in 2010 Iowa Acts, chapter 1194:

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

2. If the department of the navy, pursuant to a process outlined in a notice published in the federal register on May 24, 2010, volume 75, number 99, awards possession or conditionally awards possession of the battleship Iowa, BB-61, to a nonprofit group that is eligible to receive the battleship, the department of cultural affairs shall award a grant to the nonprofit group in an amount equal to \$3 million in addition to any moneys awarded as a grant from the BB-61 fund.

3. Notwithstanding section 8.33, moneys appropriated in this section 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 for succeeding fiscal years.

Sec. 83. GROUP HOME GRANT. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For a grant to a nonprofit organization providing residential services for persons with an intellectual disability at the intermediate care facility level and services under the medical assistance program habilitation and brain injury home and community-based services waivers, that is located in and providing such services in a county with a population between 90,000 and 95,000, according to the latest certified federal census:

..... \$ 100,000

The grant under this section shall be used for purchase or remodeling costs to develop a group home for not more than four individuals with intellectual disabilities or brain injury. Notwithstanding section 8.33, moneys appropriated in this section 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. 84. INVESTIGATIONS DIVISION OF DEPARTMENT OF INSPECTIONS AND APPEALS — CONTINGENT FTE AUTHORIZATION. If Senate File 313³⁸ or successor legislation providing for debt setoff or other recovery activities for nonpayment of premiums pursuant to section 249A.3, subsection 2, paragraph “a”, subparagraph (1), relating to a special income eligibility group under the Medicaid program, or pursuant to section 249J.8, subsection 1, relating to the expansion population eligibility group under the IowaCare program, is enacted by the Eighty-fourth General Assembly, 2011 Session, in addition to other full-time equivalent positions authorized for the investigations division of the department of inspections and appeals for the fiscal year beginning July 1, 2011, not more than 2.00 FTEs are authorized, to the extent funded through moneys available to the department of human services, to be used to implement such provisions of Senate File 313³⁹ or successor legislation.

Sec. 85. SPECIAL EDUCATION INSTRUCTIONAL PROGRAM. If a school district that is participating on a contractual basis in a special education instructional program operated by an area education agency, in which the area education agency employed teachers on behalf of the school district at the time the department of management calculated the teacher salary supplement cost per pupil under section 257.10, subsection 9, the professional development supplement cost per pupil under section 257.10, subsection 10, the area education agency teacher salary supplement cost per pupil under section 257.37A, subsection 1, and the area education agency professional development supplement cost per pupil under section 257.37A, subsection 2, for the fiscal year beginning July 1, 2009, terminates the contract for participation in the special education instructional program, the area education agency operating the program shall notify the department of management of the contract termination by the following April 1. The department of management shall recalculate the cost per pupil amounts for the area education agency and the school district for the fiscal year succeeding the notification date for the teacher salary supplement cost per pupil under section 257.10, subsection 9, the professional development supplement cost per pupil under section 257.10, subsection 10, the area education agency teacher salary supplement cost per pupil under section 257.37A, subsection 1, and the area education agency professional development supplement cost per pupil under section 257.37A, subsection 2, by estimating the amount of the original allocations used in the cost per pupil calculation that would have been allocated to the school district rather than the area education agency had the special education instructional program not existed, and the department of management shall increase the annual supplement cost per pupil for the school district and area education agency by the appropriate allowable growth for the appropriate fiscal years.

Sec. 86. PRESCHOOL FOUNDATION AID — ADMINISTRATIVE COSTS. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, of the amount of preschool foundation aid received by a school district for a fiscal year, not more than five percent shall be used by the school district for administering the district’s approved local program.

Sec. 87. TASK FORCE ON THE PREVENTION OF SEXUAL ABUSE OF CHILDREN.

1. A task force on the prevention of sexual abuse of children is established consisting of the following members:

a. Four members of the general assembly serving as ex officio, nonvoting members, with not more than one member from each chamber being from the same political party. The two senators shall be appointed, one each, by the majority leader of the senate and by the minority

³⁸ Chapter 120 herein

³⁹ Chapter 120 herein

leader of the senate. The two representatives shall be appointed, one each, by the speaker of the house of representatives and by the minority leader of the house of representatives.

- b. The director of human services or the director's designee.
 - c. The director of the department of education or the director's designee.
 - d. The director of public health or the director's designee.
 - e. The state court administrator or the state court administrator's designee.
 - f. A representative of the Iowa county attorneys association, appointed by the president of that association.
 - g. A representative of the chief juvenile court officers, appointed by the chief justice of the supreme court.
 - h. A representative of the Iowa state education association, appointed by the president of that organization.
 - i. A representative of prevent child abuse Iowa, appointed by the director of human services.
 - j. A representative of school administrators of Iowa, appointed by the president of that organization.
 - k. A representative of the Iowa association of school boards, appointed by the executive director of that organization.
1. A representative of the Iowa psychological association, appointed by the president of that association.
 - m. A representative of the Iowa coalition against sexual assault, appointed by the executive director of that coalition.
 - n. A representative of prevent child abuse Iowa, appointed by the executive director of that organization.
 - o. A child abuse expert employed by or under contract with one of Iowa's nationally accredited child protection centers, appointed by the director of the regional child protection center located in Des Moines.
2. Members of the task force shall be individuals who are actively involved in the fields of child abuse prevention. To the extent possible, appointment of members shall reflect the geographic diversity of the state. The voting members of the task force shall serve without compensation and shall not be reimbursed for their expenses.
 3. The director of prevent child abuse Iowa, or the director's designee, shall convene the organizational meeting of the task force. The task force shall elect from among its members a chairperson. Meetings shall be held at the call of the chairperson or at the request of two or more task force members. Six members shall constitute a quorum and the affirmative vote of six members shall be necessary for any action taken by the task force.
 4. Prevent child abuse Iowa shall provide staff support to the task force.
 5. The task force shall consult with employees of the department of human services, the Iowa coalition against sexual assault, the department of public safety, the state board of education, and any other state agency or department as necessary to accomplish the task force's responsibilities under this section.
 6. The task force shall develop a model policy addressing sexual abuse of children that may include but is not limited to the following:
 - a. Age-appropriate curricula for students enrolled in prekindergarten through grade five.
 - b. Training options for school personnel on child sexual abuse.
 - c. Educational information for parents and guardians that may be provided in a school handbook and may include the warning signs of a child being abused, along with any needed assistance, referral, or resource information.
 - d. Counseling options and resources available statewide for students affected by sexual abuse.
 - e. Emotional and educational support services that may be available for a child subject to abuse to continue to be successful in school.
 - f. Methods for increasing teacher, student, and parent awareness of issues regarding sexual abuse of children, including but not limited to knowledge of likely warning signs indicating that a child may be a victim of sexual abuse.
 - g. Actions that a child who is a victim of sexual abuse should take to obtain assistance and intervention.

7. The task force shall make recommendations for preventing the sexual abuse of children in Iowa. In making those recommendations, the task force shall do the following:

- a. Gather information concerning child sexual abuse throughout the state.
- b. Receive reports and testimony from individuals, state and local agencies, community-based organizations, and other public and private organizations.
- c. Create goals for state policy that would prevent child sexual abuse.
- d. Submit a final report with its recommendations to the governor and the general assembly on or before January 16, 2012. The recommendations may include proposals for specific statutory changes and methods to foster cooperation among state agencies and between the state, local school districts, and other local governments.

Sec. 88. RAILROAD COMPANY — LIMITED LIABILITY. A railroad company which alters facilities described in section 327F.2 pursuant to a written agreement executed on or before December 31, 2012, with a political subdivision with a population of more than 67,800, but less than 67,900, according to the 2010 certified federal census, to construct a flood mitigation project shall receive the limitation on liability contained in section 670.4, subsection 8, for its facilities described in section 327F.2 governed by the written agreement for any damages caused by the alteration due to a flood.

Sec. 89. STATE AGENCY OFFICE SUPPLIES PURCHASE, EQUIPMENT PURCHASES, PRINTING AND BINDING, AND MARKETING — APPLICABILITY. The limitation on expenditures made for office supplies, purchases of equipment, office equipment, and equipment noninventory, printing and binding, and marketing implemented pursuant to 2011 Iowa Acts, House File 45,⁴⁰ section 2, does not apply to a department or agency receiving a supplemental appropriation for the fiscal year beginning July 1, 2010, pursuant to 2011 Iowa Acts, Senate File 209,⁴¹ division III.

**Sec. 90. Section 80B.6, subsection 1, as amended by 2011 Iowa Acts, Senate File 236, section 1, is amended to read as follows:*

1. An Iowa law enforcement academy council is created consisting of the following ~~thirteen~~ fifteen voting members appointed by the governor, subject to confirmation by the senate, to terms of four years commencing as provided in section 69.19:

- a. Three residents of the state.*
- b. A sheriff of a county with a population of fifty thousand persons or more who is a member of the Iowa state sheriffs and deputies association.*
- c. A sheriff of a county with a population of less than fifty thousand persons who is a member of the Iowa state sheriffs and deputies association.*
- d. A deputy sheriff of a county who is a member of the Iowa state sheriffs and deputies association.*
- e. A member of the Iowa peace officers association.*
- f. A member of the Iowa state police association.*
- g. A member of the Iowa police chiefs association.*
- h. A police officer who is a member of a police department of a city with a population of fifty thousand persons or more.*
- i. A police officer who is a member of a police department of a city with a population of less than fifty thousand persons.*
- j. A member of the department of public safety.*
- k. A member of the office of motor vehicle enforcement of the department of transportation.*
- l. An employee of a county conservation board who is a certified peace officer.*
- m. A conservation peace officer employed under section 456A.13.**

⁴⁰ Chapter 122 herein

⁴¹ Chapter 123 herein

* Item veto; see message at end of the Act

Sec. 91. Section 256C.5, subsection 1, paragraph c, Code 2011, is amended to read as follows:

c. “*Preschool budget enrollment*” means the figure that is equal to ~~sixty~~ fifty percent of the actual enrollment of eligible students in the preschool programming provided by a school district approved to participate in the preschool program on October 1 of the base year, or the first Monday in October if October 1 falls on a Saturday or Sunday.

Sec. 92. Section 303.19A, subsection 1, as enacted by 2011 Iowa Acts, House File 267,⁴² section 2, is amended to read as follows:

1. The state historic preservation officer shall only recommend that a rural electric cooperative or a municipal utility constructing electric distribution and transmission facilities for which it is receiving federal funding conduct an archeological site survey of its proposed route when, based upon a review of existing information on historic properties within the area of potential effects of the construction, the state historic preservation officer has determined that a historic property, as defined by the federal National Historic Preservation Act of 1966, as amended, is likely to exist within the proposed route.

Sec. 93. Section 321J.2, subsection 4, paragraph b, Code 2011, is amended to read as follows:

b. Assessment of a minimum fine of one thousand eight hundred ~~fifty~~ seventy-five dollars and a maximum fine of six thousand two hundred fifty dollars. Surcharges and fees shall be assessed pursuant to chapter 911.

Sec. 94. Section 422.11P, subsection 2, paragraph b, Code 2011, as enacted by 2011 Iowa Acts, Senate File 531,⁴³ section 25, is amended to read as follows:

b. The tax credit shall apply to biodiesel blended fuel classified as provided in this section, if the classification meets the standards provided in section 214A.2. In ensuring that biodiesel blended fuel meets the classification requirements of this section, the department shall take into account reasonable variances due to testing and other limitations.

Sec. 95. Section 422.11S, subsection 7, paragraph a, subparagraph (2), Code 2011, is amended to read as follows:

(2) “*Total approved tax credits*” means for the tax year beginning in the 2006 calendar year, two million five hundred thousand dollars, for the tax year beginning in the 2007 calendar year, five million dollars, and for tax years beginning on or after January 1, 2008, seven million five hundred thousand dollars. However, for tax years beginning on or after January 1, 2012, and only if legislation is enacted by the Eighty-fourth General Assembly, 2011 session, amending section 257.8, subsections 1 and 2, to establish both the state percent of growth and the categorical state percent of growth for the budget year beginning July 1, 2012, at two percent, “total approved tax credits” means eight million seven hundred fifty thousand dollars.

Sec. 96. Section 453A.35, subsection 1, Code 2011, is amended to read as follows:

1. a. The With the exception of revenues credited to the health care trust fund pursuant to paragraph “b”, the proceeds derived from the sale of stamps and the payment of taxes, fees, and penalties provided for under this chapter, and the permit fees received from all permits issued by the department, shall be credited to the general fund of the state. However, of

b. Of the revenues generated from the tax on cigarettes pursuant to section 453A.6, subsection 1, and from the tax on tobacco products as specified in section 453A.43, subsections 1, 2, 3, and 4, and credited to the general fund of the state under this subsection, there is appropriated, annually, to the health care trust fund created in section 453A.35A, the first one hundred six million sixteen thousand four hundred dollars shall be credited to the health care trust fund created in section 453A.35A.

⁴² Chapter 4 herein

⁴³ Chapter 113 herein

Sec. 97. Section 453A.35A, subsection 1, Code 2011, is amended to read as follows:

1. A health care trust fund is created in the office of the treasurer of state. The fund consists of the revenues generated from the tax on cigarettes pursuant to section 453A.6, subsection 1, and from the tax on tobacco products as specified in section 453A.43, subsections 1, 2, 3, and 4, that are credited to the ~~general fund of the state and appropriated to the~~ health care trust fund, annually, pursuant to section 453A.35. Moneys in the fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. However, the fund shall be considered a special account for the purposes of section 8.53 relating to generally accepted accounting principles. Moneys in the fund shall be used only as specified in this section and shall be appropriated only for the uses specified. Moneys in 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. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 98. Section 466B.31, subsection 2, paragraph a, Code 2011, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (17) One member selected by the agribusiness association of Iowa.

NEW SUBPARAGRAPH. (18) One member selected by the Iowa floodplain and stormwater management association.

NEW SUBPARAGRAPH. (19) One member selected by Iowa rivers revival.

Sec. 99. Section 537A.5, subsection 1, as enacted by 2011 Iowa Acts, Senate File 396,⁴⁴ section 1, is amended to read as follows:

1. As used in this section, “*construction contract*” means an agreement relating to the construction, alteration, improvement, development, demolition, excavation, rehabilitation, maintenance, or repair of buildings, ~~highways, roads, streets, bridges, tunnels, transportation facilities, airports,~~ water or sewage treatment plants, power plants, or any other improvements to real property in this state, including shafts, wells, and structures, whether on ground, above ground, or underground, and includes agreements for architectural services, design services, engineering services, construction services, construction management services, development services, maintenance services, material purchases, equipment rental, and labor. “*Construction contract*” includes all public, private, foreign, or domestic agreements as described in this subsection other than such public agreements relating to highways, roads, and streets.

Sec. 100. REPEAL. Chapter 327K, Code 2011, is repealed.

Sec. 101. APPLICABILITY. The section of this division of this Act amending section 256C.5, subsection 1, takes effect upon enactment, and applies to budget years beginning on or after July 1, 2011.

Sec. 102. EFFECTIVE DATE — RETROACTIVE APPLICABILITY.

1. The section of this division of this Act appropriating moneys to the department of cultural affairs for purposes of a grant for the battleship Iowa, BB-61, being deemed of immediate importance, takes effect upon enactment, and applies retroactively to June 30, 2011.

2. The section of this division of this Act amending section 303.19A, being deemed of immediate importance, takes effect upon enactment, and applies retroactively to March 29, 2011.

Sec. 103. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. The provision of this division of this Act relating to a limitation on state agency office supplies purchase, equipment purchases, printing and binding, and marketing as enacted by 2011

⁴⁴ Chapter 33 herein

Iowa Acts, House File 45,⁴⁵ being deemed of immediate importance, takes effect upon enactment and applies retroactively to March 7, 2011.

Sec. 104. EFFECTIVE DATE — APPLICABILITY.

- 1. Section 422.11P, as amended by this division of this Act, takes effect on January 1, 2012.
- 2. Section 422.11P, as amended by this division of this Act, applies to tax years beginning on and after January 1, 2012.

DIVISION IX
 APPROPRIATION TRANSFERS
 REBUILD IOWA INFRASTRUCTURE FUND

Sec. 105. 2010 Iowa Acts, chapter 1184, section 26, is amended to read as follows:

SEC. 26. There is appropriated from the rebuild Iowa infrastructure fund to the department of economic development for deposit in the grow Iowa values fund, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, the following amount, notwithstanding section 8.57, subsection 6, paragraph “c”:

	\$ 38,000,000
<u>Of the moneys appropriated in this section, from the amount allocated to the department of economic development in accordance with 2010 Iowa Acts, chapter 1184, section 28, subsection 1, \$1,200,000 shall be used for the department’s Iowans helping Iowans business assistance program. Notwithstanding section 8.33, moneys designated pursuant to this unnumbered paragraph 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.</u>	

CASH RESERVE FUND

Sec. 106. 2010 Iowa Acts, chapter 1193, section 90, subsection 1, is amended to read as follows:

1. DEPARTMENT OF HUMAN SERVICES

For the medical assistance program:

	\$ 187,800,000
<u>a. Of the moneys appropriated in this subsection, the following amounts shall be transferred as follows:</u>	
<u>(1) To the Iowa finance authority to be used for the Iowans helping Iowans housing assistance program:</u>	

	\$ 6,050,000
<u>(2) To the department of human services to be used for the unmet needs program administered by the department:</u>	
	\$ 3,056,603

b. Notwithstanding section 8.33, moneys transferred pursuant to paragraph “a” 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. 107. EFFECTIVE DATE — APPLICABILITY.

1. This division of this Act being deemed of immediate importance takes effect upon enactment, and if approved by the governor on or after July 1, 2011, are retroactively applicable to the date specified in subsection 2.

2. The provisions of this division of this Act providing for transfers are retroactively applicable to August 27, 2010, and apply in lieu of the transfers made for the same purposes by the executive branch, as reported by the department of management in the transfer notice to the governor and lieutenant governor dated August 27, 2010.

⁴⁵ Chapter 122 herein

DIVISION X
REORGANIZATION

**Sec. 108. CONTRACT SERVICES — TRAINING.*

1. Each department, as defined in section 8.2, shall separately track the budget and actual expenditures for contract services and for employee training for each appropriation line item.

2. The terms of the contracts for contracted services entered into or revised during the fiscal year shall incorporate quality assurance and cost control measures.

3. The employee training tracking information shall be further divided into training categories. Each department's report on training tracking shall specifically address the use of electronically based training.

4. Each department shall report to the legislative services agency on January 15, 2012, and July 15, 2012, concerning the budget, expenditure, quality assurance, and cost control information addressed by this section for the previous six calendar months.*

Sec. 109. STATE GOVERNMENT PURCHASING EFFORTS — DEPARTMENT OF ADMINISTRATIVE SERVICES.

In order to facilitate efficient and cost-effective purchasing, the department of administrative services shall do the following:

1. Require state agencies to provide the department with a report regarding planned purchases and to report regarding efforts to standardize products and services within their own agencies and with other state agencies.

2. Require state employees who conduct bids for services to receive training about procurement rules and procedures and procurement best practices.

3. Identify procurement compliance employees within the department.

4. Review the process and basis for establishing departmental fees for purchasing.

5. Establish a work group to collaborate on best practices to implement the best cost savings for the state concerning purchasing.

6. Explore interstate and intergovernmental purchasing opportunities and encourage the legislative and judicial branches to participate in consolidated purchasing and efficiencies wherever possible.

7. Expand the use of procurement cards throughout state government to facilitate purchasing of items by state agencies.

Sec. 110. DEPARTMENT OF ADMINISTRATIVE SERVICES INFORMATION TECHNOLOGY — UTILIZATION BY LEGISLATIVE AND JUDICIAL BRANCH. The department of administrative services shall consult with and explore opportunities with the legislative and judicial branches of government relative to the providing of information technology services to those branches of government.

Sec. 111. STATE AGENCY ELECTRONIC RENEWAL NOTICES. State agencies, as defined in section 8A.101, should, to the greatest extent possible, utilize electronic mail or similar electronic means to notify holders of licenses or permits issued by that state agency that the license or permit needs to be renewed. The chief information officer of the state shall assist state agencies in implementing the directive in this section.

Sec. 112. STATE AGENCY EFFICIENCY EFFORTS.

1. LEAN EFFORTS. State agencies shall budget for and plan to conduct lean projects as described in section 8.70. Each state agency shall coordinate its activities with the office of lean enterprise created in section 8.70 in developing plans to conduct lean projects.

2. SHARED RESOURCES. State agencies are encouraged to share resources and services, including staff, training, and educational services, to the greatest extent possible in order to best fulfill the duties of each agency at the least cost.

* Item veto; see message at end of the Act

Sec. 113. JOINT APPROPRIATIONS SUBCOMMITTEES — REVIEW OF AGENCY FEES. Each joint appropriations subcommittee of the general assembly shall examine and review on an annual basis the fees charged by state agencies under the purview of that joint appropriations subcommittee.

Sec. 114. DEPARTMENT OF ADMINISTRATIVE SERVICES — STREAMLINED HIRING. The department of administrative services shall, in consultation with the department of management, examine the process by which state agencies hire personnel with the goal of simplifying and reducing the steps needed for state agencies to hire personnel. The department shall provide information to the general assembly concerning steps taken to implement a more streamlined hiring process and any recommendations for legislative action.

Sec. 115. TOBACCO RETAIL COMPLIANCE CHECKS. For the fiscal year beginning July 1, 2011, and ending June 30, 2012, the terms of a chapter 28D agreement, entered into between the division of tobacco use prevention and control of the department of public health and the alcoholic beverages division of the department of commerce, governing compliance checks conducted to ensure licensed retail tobacco outlet conformity with tobacco laws, regulations, and ordinances relating to persons under eighteen years of age, shall restrict the number of such checks to one check per retail outlet, and one additional check for any retail outlet found to be in violation during the first check.

Sec. 116. DEPARTMENT OF ADMINISTRATIVE SERVICES — CENTRALIZED PAYROLL SYSTEM. The department of administrative services shall examine the possibility of merging all state payroll systems into the centralized payroll system operated by the department. The department shall consult with those entities of state government not utilizing the centralized payroll system, including but not limited to the state department of transportation, about strategies for encouraging utilization of the state's centralized payroll system and by identifying those barriers preventing merging of the payroll systems. The department shall provide information to the joint appropriations subcommittee on administration and regulation concerning efforts by the department to merge payroll systems and any recommendations for legislative action to encourage, or eliminate barriers to, the provision of payroll services by the department to other state agencies.

DIVISION XI MEDICATION THERAPY MANAGEMENT

**Sec. 117. 2010 Iowa Acts, chapter 1193, section 166, subsections 2 and 3, are amended to read as follows:*

2. a. Prior to July 1, 2010, the department of administrative services shall utilize a request for proposals process to contract for the provision of medication therapy management services beginning July 1, 2010, and prior to July 1, 2011, shall amend the contract to continue the provision of medication therapy management services beginning July 1, 2011, for eligible employees who meet any of the following criteria:

(1) An individual who takes four or more prescription drugs to treat or prevent two or more chronic medical conditions.

(2) An individual with a prescription drug therapy problem who is identified by the prescribing physician or other appropriate prescriber, and referred to a pharmacist for medication therapy management services.

(3) An individual who meets other criteria established by the third-party payment provider contract, policy, or plan.

b. The department of administrative services shall utilize an advisory committee comprised of an equal number of physicians and pharmacists to provide advice and oversight regarding the request for proposals and evaluation processes. The department shall appoint the members of the advisory council based upon designees of the Iowa pharmacy association, the Iowa medical society, and the Iowa osteopathic medical association.

* Item veto; see message at end of the Act

c. The contract shall require the company to provide annual reports to the general assembly detailing the costs, savings, estimated cost avoidance and return on investment, and patient outcomes related to the medication therapy management services provided. The company shall guarantee demonstrated annual savings, including any savings associated with cost avoidance at least equal to the program's costs with any shortfall amount refunded to the state. As a proof of concept in the program for the period beginning July 1, 2010, and ending June 30, 2011, the company shall offer a dollar-for-dollar guarantee for drug product costs savings alone. Prior to entering into a contract with a company, the department and the company shall agree on the terms, conditions, and applicable measurement standards associated with the demonstration of savings. The department shall verify the demonstrated savings reported by the company was performed in accordance with the agreed upon measurement standards. The company shall be prohibited from using the company's employees to provide the medication therapy management services and shall instead be required to contract with licensed pharmacies, pharmacists, or physicians.

d. The fees for pharmacist-delivered medication therapy management services shall be separate from the reimbursement for prescription drug product or dispensing services; shall be determined by each third-party payment provider contract, policy, or plan; and must be reasonable based on the resources and time required to provide the service.

e. A fee shall be established for physician reimbursement for services delivered for medication therapy management as determined by each third-party payment provider contract, policy, or plan, and must be reasonable based on the resources and time required to provide the service.

f. If any part of the medication therapy management plan developed by a pharmacist incorporates services which are outside the pharmacist's independent scope of practice including the initiation of therapy, modification of dosages, therapeutic interchange, or changes in drug therapy, the express authorization of the individual's physician or other appropriate prescriber is required.

g. For the contract period beginning July 1, 2011, the department shall utilize the services of the college of pharmacy at a state university to validate reported drug cost savings.

h. The results of the pilot program for the period beginning July 1, 2010, and ending December 31, 2011, shall be submitted to the general assembly no later than March 1, 2012.

3. This section is repealed December 31, 2011 ~~2012~~.*

Sec. 118. TRANSFER — MEDICATION THERAPY MANAGEMENT PROGRAM. There is transferred \$510,000 from the fees collected by the board of pharmacy pursuant to chapter 155A and retained by the board pursuant to the authority granted in section 147.82 to the department of administrative services for the fiscal year beginning July 1, 2011, and ending June 30, 2012, to be used for the medication therapy management program.

Sec. 119. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment, and is retroactively applicable to June 15, 2011.

DIVISION XII EARNED INCOME TAX CREDIT

*Sec. 120. Section 422.12B, subsection 1, Code 2011, is amended to read as follows:

1. The taxes imposed under this division less the credits allowed under section 422.12 shall be reduced by an earned income credit equal to ~~seven~~ ten percent of the federal earned income credit provided in section 32 of the Internal Revenue Code. Any credit in excess of the tax liability is refundable.*

Sec. 121. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2011, for tax years beginning on or after that date.

* Item veto; see message at end of the Act

DIVISION XIII
REGULAR PROGRAM AND CATEGORICAL STATE PERCENT
OF GROWTH FOR EDUCATION — FY 2012-2013

Sec. 122. Section 257.8, subsection 1, Code 2011, is amended to read as follows:

1. *State percent of growth.* ~~The state percent of growth for the budget year beginning July 1, 2009, is four percent.~~ The state percent of growth for the budget year beginning July 1, 2010, is two percent. The state percent of growth for the budget year beginning July 1, 2012, is two percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

Sec. 123. Section 257.8, subsection 2, Code 2011, is amended to read as follows:

2. *Categorical state percent of growth.* The categorical state percent of growth for the budget year beginning July 1, 2010, is two percent. The categorical state percent of growth for the budget year beginning July 1, 2012, is two percent. The categorical state percent of growth for each budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the categorical state percent of growth for a budget year shall be the only subject matter of the bill which enacts the categorical state percent of growth for a budget year. The categorical state percent of growth may include state percents of growth for the teacher salary supplement, the professional development supplement, and the early intervention supplement.

Sec. 124. CODE SECTION 257.8 — APPLICABILITY. The requirements of section 257.8 regarding the time period of enactment and the subject matter of the legislation establishing the state percent of growth and the categorical state percent of growth for a budget year are not applicable to the division. The requirements of section 257.8 regarding enactment of the regular program state percent of growth and categorical state percent of growth within thirty days of the submission in the year preceding the base year of the governor's budget and the requirements that the subject matter of each bill establishing the state percent of growth or the categorical state percent of growth be the only subject matter of the bill do not apply to this division of this Act.

Sec. 125. APPLICABILITY. This division of this Act is applicable for computing state aid under the state school foundation program for the school budget year beginning July 1, 2012.

DIVISION XIV
WITHHOLDING AGREEMENTS

Sec. 126. Section 403.19A, subsection 1, paragraphs c and f, Code 2011, are amended to read as follows:

c. "*Employer*" means a business creating or retaining targeted jobs in an urban renewal area of a pilot project city pursuant to a withholding agreement.

f. "*Targeted job*" means a job in a business which is or will be located in an urban renewal area of a pilot project city that pays a wage at least equal to the countywide average wage. "*Targeted job*" includes new or retained jobs from Iowa business expansions or retentions within the city limits of the pilot project city and those jobs resulting from established out-of-state businesses, as defined by the department of economic development, moving to or expanding in Iowa.

Sec. 127. Section 403.19A, subsection 3, paragraph c, subparagraph (1), Code 2011, is amended to read as follows:

(1) The pilot project city shall enter into a withholding agreement with each employer concerning the targeted jobs withholding credit. The withholding agreement shall provide for the total amount of withholding tax credits awarded. An agreement shall not provide

for an amount of withholding credits that exceeds the amount of the qualifying investment made in the project. An agreement shall not be entered into by a pilot project city with a business currently located in this state unless the business either creates or retains ten new jobs or makes a qualifying investment of at least five hundred thousand dollars within the urban renewal area. The withholding agreement may have a term of up to ten years. An employer shall not be obligated to enter into a withholding agreement. An agreement shall not be entered into with an employer not already located in a pilot project city when another Iowa community is competing for the same project and both the pilot project city and the other Iowa community are seeking assistance from the department.

Sec. 128. Section 403.19A, subsection 3, paragraph f, Code 2011, is amended to read as follows:

f. If the employer ceases to meet the requirements of the withholding agreement, the agreement shall be terminated and any withholding tax credits for the benefit of the employer shall cease. However, in regard to the number of ~~new~~ jobs that are to be created or retained, if the employer has met the number of ~~new~~ jobs to be created or retained pursuant to the withholding agreement and subsequently the number of ~~new~~ jobs falls below the required level, the employer shall not be considered as not meeting the ~~new~~ job requirement until eighteen months after the date of the decrease in the number of ~~new~~ jobs created or retained.

Sec. 129. EFFECTIVE UPON ENACTMENT AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to July 1, 2006, for agreements entered into on or after that date.

DIVISION XV STATE FAIR AUTHORITY

Sec. 130. Section 173.1, subsection 4, Code 2011, is amended to read as follows:

4. A treasurer to be elected by the board ~~who shall serve as a nonvoting member~~ from the elected directors.

Sec. 131. REPEAL. Section 173.12, Code 2011, is repealed.

DIVISION XVI CONTROLLED SUBSTANCES

Sec. 132. CONTROLLED SUBSTANCE COLLECTION AND DISPOSAL PROGRAM. A person in possession of or a retailer selling a controlled substance designated in section 124.204, subsection 4, paragraph “ai”, subparagraphs (1) through (4), if enacted, shall be required to transfer such controlled substance to the department of public safety for destruction. The department of public safety shall establish a controlled substance collection and disposal program for a controlled substance designated in section 124.204, subsection 4, paragraph “ai”, subparagraphs (1) through (4). The department of public safety may partner with a third party, including a local enforcement agency, to implement and administer the program. The program shall be dissolved thirty days after the enactment date of section 124.204, subsection 4, paragraph “ai”, subparagraphs (1) through (4).

Sec. 133. APPLICABILITY — CRIMINAL PENALTIES. Criminal penalties do not apply to violations associated with the substances designated controlled substances in section 124.204, subsection 4, paragraph “ai”, subparagraphs (1) through (4), if enacted, until thirty days after the enactment date of section 124.204, subsection 4, paragraph “ai”, subparagraphs (1) through (4).

Sec. 134. 2011 Iowa Acts, Senate File 510,⁴⁶ section 28,⁴⁷ if enacted, is amended to read as follows:

SEC. 28.⁴⁸ EFFECTIVE DATE. The following provision of this division of this Act takes effect thirty days after enactment, ~~notwithstanding section 3.7 of this Act or thirty days after the enactment of 2011 Iowa Acts, Senate File 533,~~⁴⁹ if enacted, whichever is later:

The section of this division of this Act ~~amending~~ enacting section 124.204, subsection 4, paragraph “ai”, subparagraphs (1) through (4).

Sec. 135. 2011 Iowa Acts, Senate File 510,⁵⁰ section 29,⁵¹ if enacted, is amended to read as follows:

SEC. 29.⁵² EFFECTIVE UPON ENACTMENT. The following provision of this division of this Act, being deemed of immediate importance, ~~and notwithstanding section 3.7~~ takes effect upon enactment of this Act or upon enactment of 2011 Iowa Acts, Senate File 533,⁵³ if enacted, whichever is later:

The section of this Act ~~amending~~ enacting section 124.204, subsection 4, paragraph “ai”, subparagraph (5).

Sec. 136. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment of this Act or upon the enactment of 2011 Iowa Acts, Senate File 510,⁵⁴ if enacted, whichever is later.

DIVISION XVII TEACHER EXPENSES

Sec. 137. Section 422.7, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 54. A taxpayer is allowed to take the deduction for certain expenses of elementary and secondary school teachers allowed under section 62(a)(2)(D) of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

Sec. 138. REFUNDS. Notwithstanding any provision to the contrary in section 422.25, subsection 3, a taxpayer who files an amended return in the time permitted by statute to claim a refund related to the allowance of the deduction enacted in this division of this Act is only entitled to a refund of the amount paid that is in excess of tax liability. The taxpayer shall not be entitled to interest on such excess.

Sec. 139. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009.

DIVISION XVIII QUALIFIED HIGHER EDUCATION EXPENSES

Sec. 140. Section 422.7, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 54. A taxpayer is allowed to take the deduction for qualified tuition and related expenses allowed under section 222 of the Internal Revenue Code, as amended by the federal Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

⁴⁶ Chapter 134 herein

⁴⁷ According to enrolled Act; a reference to section 27 probably intended

⁴⁸ According to enrolled Act; a reference to section 27 probably intended

⁴⁹ This chapter

⁵⁰ Chapter 134 herein

⁵¹ According to enrolled Act; a reference to section 28 probably intended

⁵² According to enrolled Act; a reference to section 28 probably intended

⁵³ This chapter

⁵⁴ Chapter 134 herein

Sec. 141. REFUNDS. Notwithstanding any provision to the contrary in section 422.25, subsection 3, a taxpayer who files an amended return in the time permitted by statute to claim a refund related to the allowance of the deduction enacted in this division of this Act is only entitled to a refund of the amount paid that is in excess of tax liability. The taxpayer shall not be entitled to interest on such excess.

Sec. 142. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009.

DIVISION XIX SPECIAL FILING PROVISIONS

Sec. 143. SPECIAL FILING PROVISIONS.

1. Adjustments by individuals to federal adjusted gross income and by corporations to federal taxable income for tax returns filed prior to the enactment of 2011 Iowa Acts, Senate File 512,⁵⁵ may be required as a result of the provisions of the divisions of this Act relating to the adjustment provisions enumerated in this subsection. These adjustments are as follows:

a. The increased expensing allowance authorized in section 179(b) of the Internal Revenue Code for tax years beginning on or after January 1, 2010, but before January 1, 2011.

b. The deduction for qualified tuition and related expenses allowed under section 222 of the Internal Revenue Code.

c. The deduction for certain expenses of elementary and secondary school teachers allowed under section 62(a)(2)(D) of the Internal Revenue Code.

2. In lieu of filing an amended tax return, taxpayers may make the adjustments, pursuant to rules adopted by the director of revenue, on the next return filed subsequent to the enactment of 2011 Iowa Acts, Senate File 512.⁵⁶ If the taxpayer elects not to file an amended return, these provisions are suspended with regard to the following adjustments otherwise available as a result of this Act.

a. The limitation based on income provisions and regulations of section 179(b)(3) of the Internal Revenue Code with regard to the section 179(b) adjustment.

b. The applicable dollar limit provisions of section 222(b)(2)(B) of the Internal Revenue Code with regard to the section 222 adjustment.

DIVISION XX DISASTER-RELATED PERSONAL CASUALTY LOSS DEDUCTIONS

Sec. 144. Section 422.9, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 9. A taxpayer is allowed to take the deduction for disaster-related casualty losses under section 165(h) of the Internal Revenue Code, as modified by the Heartland Disaster Relief Act of 2008, Pub. L. No. 110-343, in computing net income for state tax purposes.

Sec. 145. Notwithstanding any provision to the contrary in section 422.25, subsection 3, a taxpayer who files an amended return in the time permitted by statute to claim a refund related to the allowance of the deduction enacted in this division of this Act is only entitled to a refund of the amount paid that is in excess of tax liability. The taxpayer shall not be entitled to interest on such excess.

Sec. 146. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies retroactively to January 1, 2008, for tax years beginning on or after that date and before January 1, 2009.

⁵⁵ Chapter 41 herein

⁵⁶ Chapter 41 herein

DIVISION XXI
CLASS "A" FELONIES — JUVENILES

Sec. 147. Section 902.1, Code 2011, is amended to read as follows:

902.1 Class "A" felony.

1. Upon a plea of guilty, a verdict of guilty, or a special verdict upon which a judgment of conviction of a class "A" felony may be rendered, the court shall enter a judgment of conviction and shall commit the defendant into the custody of the director of the Iowa department of corrections for the rest of the defendant's life. Nothing in the Iowa corrections code pertaining to deferred judgment, deferred sentence, suspended sentence, or reconsideration of sentence applies to a class "A" felony, and a person convicted of a class "A" felony shall not be released on parole unless the governor commutes the sentence to a term of years.

2. *a.* Notwithstanding subsection 1, a person convicted of a class "A" felony, and who was under the age of eighteen at the time the offense was committed shall be eligible for parole after serving a minimum term of confinement of twenty-five years.

b. If a person is paroled pursuant to this subsection the person shall be subject to the same set of procedures set out in chapters 901B, 905, 906, and chapter 908, and rules adopted under those chapters for persons on parole.

c. A person convicted of murder in the first degree in violation of section 707.2 shall not be eligible for parole pursuant to this subsection.

Sec. 148. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION XXII
CONDITIONAL EFFECTIVE DATES FOR 2011 IOWA ACTS

Sec. 149. SENATE FILE 508 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, Senate File 508,⁵⁷ as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to July 1, 2011.

Sec. 150. SENATE FILE 511 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, Senate File 511,⁵⁸ as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to July 1, 2011.

Sec. 151. SENATE FILE 525 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, Senate File 525,⁵⁹ as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to June 30, 2011.

Sec. 152. HOUSE FILE 148 EFFECTIVE DATE. Unless otherwise provided, if 2011 Iowa Acts, House File 148,⁶⁰ as enacted, is approved by the governor on or after July 1, 2011, the Act takes effect upon enactment and applies retroactively to June 30, 2011.

Sec. 153. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies as provided by this division of this Act.

DIVISION XXIII
HOUSING DEVELOPMENT — TAX STATUS

Sec. 154. Section 405.1, Code 2011, is amended to read as follows:

405.1 Housing development — tax status — limitation.

1. *a.* The board of supervisors of a county ~~with a population of less than twenty thousand~~ may adopt an ordinance providing that property acquired and subdivided for development of

⁵⁷ Chapter 126 herein

⁵⁸ Chapter 135 herein

⁵⁹ Chapter 121 herein

⁶⁰ Chapter 117 herein

housing on or after January 1, 2011, shall continue to be assessed for taxation in the manner that it was prior to the acquisition for housing. Each lot shall continue to be taxed in the manner it was prior to its acquisition for housing until the lot is sold for construction or occupancy of housing or five years from the date of subdivision, whichever is shorter. Upon the sale or the expiration of the five-year period, the property shall be assessed for taxation as residential or commercial multifamily property, whichever is applicable.

b. Ordinances adopted under this section, to the extent such ordinances affect the assessment of property subdivided for development of housing on or after January 1, 2004, but before January 1, 2011, shall remain in effect or otherwise be made effective and such ordinances adopted under section 405.1, subsection 1, Code 2011, shall be extended to apply the ordinances to the period of time ending ten years from the date of subdivision, and ordinances adopted under section 405.1, subsection 2, Code 2011, shall be extended to apply the ordinances to the period of time ending eight years from the date of subdivision.

2. The board of supervisors of a county with a population of twenty thousand or more may adopt an ordinance providing that property acquired and subdivided for development of housing shall continue to be assessed for taxation in the manner that it was prior to the acquisition for housing. Each lot shall continue to be taxed in the manner it was prior to its acquisition for housing until the lot is sold for construction or occupancy of housing or three years from the date of subdivision, whichever is shorter. Upon the sale or the expiration of the three-year period, the property shall be assessed for taxation as residential or commercial multifamily property, whichever is applicable. On or after the effective date of this division of this Act, the board of supervisors of a county may amend an ordinance adopted or otherwise made effective under subsection 1 to extend the period of time established under subsection 1 to apply the ordinance to a period of time not to exceed five years beyond the end of the period of time established under subsection 1. An extension of an ordinance under this subsection may apply to all or a portion of the property that was subject to the original ordinance.

3. A city council may adopt an ordinance affecting that portion of the applicable property located within the incorporated area of the city, effectuating an extension of a county ordinance otherwise eligible to be extended under subsection 2 and not previously extended by the board of supervisors. An ordinance by a city council providing for an extension under this subsection shall be subject to the limitations of subsection 2.

Sec. 155. Section 441.72, Code 2011, is amended to read as follows:

441.72 Assessment of platted lots.

1. When Except as provided in subsection 2, when a subdivision plat is recorded pursuant to chapter 354, the individual lots within the subdivision plat shall not be assessed in excess of the total assessment of the land as acreage or unimproved property for three five years after the recording of the plat or until the lot is actually improved with permanent construction, whichever occurs first. When an individual lot has been improved with permanent construction, the lot shall be assessed for taxation purposes as provided in chapter 428 and this chapter.

2. For subdivision plats recorded pursuant to chapter 354 on or after January 1, 2004, but before January 1, 2011, the individual lots within the subdivision plat shall not be assessed in excess of the total assessment of the land as acreage or unimproved property for eight years after the recording of the plat or until the lot is actually improved with permanent construction, whichever occurs first. When an individual lot has been improved with permanent construction, the lot shall be assessed for taxation purposes as provided in chapter 428 and this chapter.

3. This section does not apply to special assessment levies.

Sec. 156. IMPLEMENTATION. Nothing in this division of this Act shall be construed to require the refund or modification of property taxes that are attributable to assessment years beginning before January 1, 2012 or the adjustment of property assessments for assessment years beginning before January 1, 2012.

Sec. 157. EFFECTIVE UPON ENACTMENT AND APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment and applies to assessment years beginning on or after January 1, 2012.

DIVISION XXIV
CONDITIONAL EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

Sec. 158. EFFECTIVE DATE AND RETROACTIVE APPLICABILITY. Unless otherwise provided, this Act, if approved by the governor on or after July 1, 2011, takes effect upon enactment and applies retroactively to July 1, 2011.

Approved July 27, 2011, with exceptions noted.

TERRY E. BRANSTAD, Governor

Dear Mr. Secretary:

I hereby transmit Senate File 533, an Act relating to state and local finances by providing for funding of property tax credits and reimbursements, by making and adjusting appropriations, providing for salaries and compensation of state employees, providing for matters relating to tax credits, providing for fees and penalties, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions.

Senate File 533 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 6 in its entirety. This item would provide that for fiscal year 2012 bonus pay would be prohibited for employees of the Executive, Judicial and Legal branches. This item would unduly limit the ability of the Executive branch to deploy such methods to attract, retain, incentivize and reward exceptional employees.

I am unable to approve the item designated as Section 45 in its entirety. This item would provide that for fiscal year 2013 bonus pay would be prohibited for employees of the Executive, Judicial and Legal branches. This item would unduly limit the ability of the Executive branch to deploy such methods to attract, retain, incentivize and reward exceptional employees.

I am unable to approve the item designated as Section 90 in its entirety. This item would increase the number of voting members of the Iowa Law Enforcement Academy council by two members, increasing the total membership from thirteen to fifteen members. The number of voting members was increased by legislation earlier this year from seven to thirteen. I disapprove of this item because adding two additional members to this board, bringing the total to fifteen voting members, would make it too cumbersome and will impede its effectiveness. The existing board members can work to seek input from the public and interested parties.

I am unable to approve the items designated as Section 108 in its entirety. These items would specify that each department of State government track budget and actual expenditures for contract services and employee training. This item creates a redundant mandate. While I strongly support transparency efforts that publicly disclose how departments spend their resources, this information is available within the State's accounting and budgeting systems.

I am unable to approve the items designated as Sections 117, 118 and 119 in their entirety. These items would extend the Medication Therapy Management pilot program conducted by the Department of Administrative Services for certain State employees for one more

year. This pilot program is funded by a transfer of \$510,000 from the Board of Pharmacy to the Department of Administrative Services to pay for the extension. The purpose of this pilot program was to temporarily engage in an activity and, at completion, thoroughly review the results before taking additional action. As a result, it is premature to authorize an additional year for this pilot program until the results have been reviewed to measure program effectiveness and for that reason I cannot authorize its continuation at this time.

I am unable to approve the items designated as Sections 120 and 121 in their entirety. The item would increase the Earned Income Tax Credit from the current level of 7.0% of the federal credit to 10.0% of the federal credit. This change is estimated to reduce revenue to the state general fund by \$28.5 million for Fiscal Years 2012-2013. It is my desire to approach tax policy in a comprehensive and holistic manner. As such, I urge members of the House and Senate to continue to work with my office on an overall tax reduction package that both fits within our sound budgeting principles while reducing those taxes that are impeding our state's ability to compete for new business and jobs.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 533 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*