

PROOF

STATE OF IOWA

House Journal

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JOURNAL OF THE HOUSE

One Hundred Thirty-first Calendar Day - Eighty-fourth Session Day

Hall of the House of Representatives
Des Moines, Iowa, Friday, May 20, 2005

The House met pursuant to adjournment at 10:06 a.m., Speaker Rants in the chair.

Prayer was offered by the Honorable Danny Carroll, Speaker pro tempore of the House.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Speaker Rants.

The Journal of Thursday, May 19, 2005 was approved.

HOUSE REFUSED TO CONCUR

Greiner of Washington called up for consideration [Senate File 200](#), a bill for an act relating to the administration of the department of agriculture and land stewardship, by providing for its powers and duties, amended by the House, further amended by the Senate and moved that the House concur in the following Senate amendment [H-1630](#) to the House amendment:

[H-1630](#)

- 1 Amend the House amendment, S-3208, to Senate File
- 2 200, as passed by the Senate, as follows:
- 3 1. By striking page 1, line 8, through page 4,
- 4 line 33, and inserting the following:
- 5 "Sec. NEW SECTION. 455B.118 WATERSHED
- 6 IMPROVEMENT FUND.
- 7 1. A watershed improvement fund is created in the
- 8 state treasury under the joint administrative control
- 9 of the department of natural resources and the
- 10 department of agriculture and land stewardship.
- 11 Moneys appropriated to the fund and any other moneys
- 12 available to and obtained or accepted by either
- 13 department for placement in the fund shall be
- 14 deposited in the fund. Additionally, payments of
- 15 interest, recaptures of awards, and other repayments
- 16 to the fund shall be deposited in the fund.

17 Notwithstanding section 12C.7, subsection 2, interest
18 or earnings on moneys in the fund shall be credited to
19 the fund. Notwithstanding section 8.33, moneys in the
20 fund that remain unencumbered or unobligated at the
21 end of the fiscal year shall not revert, but shall
22 remain available for the same purpose in the
23 succeeding fiscal year. Moneys appropriated to either
24 department and deposited in the fund shall not be used
25 for administrative purposes.

26 2. The purposes of the watershed improvement fund
27 are the following:

28 a. Enhancement of water quality in the state
29 through a variety of impairment-based, locally
30 directed watershed improvement grant projects.

31 b. Positively affecting the management and use of
32 water for the purposes of drinking, agriculture,
33 recreation, sport, and economic development in the
34 state.

35 c. Ensuring public participation in the process of
36 determining priorities related to water quality
37 including but not limited to all of the following:

38 (1) Agricultural runoff and drainage.

39 (2) Stream bank erosion.

40 (3) Municipal discharge.

41 (4) Stormwater runoff.

42 (5) Unsewered communities.

43 (6) Industrial discharge.

44 (7) Livestock runoff.

45 3. A watershed improvement review committee is
46 established consisting of all of the following voting
47 members, appointed by the named entity or entities and
48 approved by the governor:

49 a. One member of the agribusiness association of
50 Iowa.

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1 b. One member of the Iowa association of water
2 agencies.

3 c. One member of the Iowa environmental council.

4 d. One member of the Iowa farm bureau federation.

5 e. One member of the Iowa pork producers
6 association.

7 f. One member of the Iowa rural water association.

8 g. One member of the Iowa soybean association.

9 h. One member representing soil and water
10 conservation districts of Iowa.

11 i. One member of the Iowa association of county
12 conservation boards.

13 j. One person representing the department of
14 agriculture and land stewardship.

15 k. One person representing the department of

16 natural resources.
17 4. The watershed improvement review committee
18 shall do all of the following:
19 a. Award local watershed improvement grants and
20 monitor the progress of local watershed improvement
21 projects awarded grants. A local watershed
22 improvement grant may be awarded for a period not to
23 exceed three years. Each local watershed improvement
24 grant awarded shall not exceed ten percent of the
25 moneys appropriated for the grants during a fiscal
26 year.
27 b. Assist with the development of monitoring plans
28 for local watershed improvement projects.
29 c. Review monitoring results before, during, and
30 after completion of a local watershed improvement
31 project.
32 d. Review costs and benefits of mitigation
33 practices utilized by a project.
34 e. By January 31, annually, submit an electronic
35 report to the governor and the general assembly
36 regarding the progress of the watershed improvement
37 projects during the previous calendar year.
38 f. Elicit the expertise of other organizations for
39 technical assistance in the work of the review
40 committee.
41 g. Adopt administrative rules pursuant to chapter
42 17A to administer this section.
43 5. A watershed improvement review committee member
44 who also serves on a local watershed improvement
45 committee shall abstain from voting on a local
46 watershed improvement grant application submitted by
47 the same local watershed improvement committee of
48 which the person is a member.
49 6. a. A local watershed improvement committee
50 shall be organized for the purposes of applying for a

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1 local watershed improvement grant and implementing a
2 local watershed improvement project. Each local
3 watershed improvement grant application shall include
4 a methodology for attaining measurable, observable,
5 and performance-based results. A majority of the
6 members of the local watershed improvement committee
7 shall represent a cause for the impairment of the
8 watershed. The committee shall be authorized as a
9 not-for-profit organization by the secretary of state.
10 Soil and water conservation districts may also be
11 eligible and apply for and receive local watershed
12 improvement grants.
13 b. A local watershed improvement committee shall
14 be responsible for application for and implementation

15 of an approved local watershed improvement grant,
16 including providing authorization for project bids and
17 project expenditures under the grant. A portion of
18 the grant moneys may be used to engage engineering
19 expertise related to the project. The committee shall
20 monitor local performance throughout the local
21 watershed grant project and shall submit a report at
22 six-month intervals regarding the progress and
23 findings of the project as required by the watershed
24 improvement review committee."
25 ___. Title page, by striking lines 1 through 3
26 and inserting the following: "An Act relating to
27 agriculture by providing for the powers and duties of
28 the department of agriculture and land stewardship and
29 watershed improvement.""

The motion lost and the House refused to concur in the Senate amendment [H-1630](#), to the House amendment.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 200](#) be immediately messaged to the Senate.

The House stood at ease at 10:16 a.m., until the fall of the gavel.

The House resumed session at 12:46 p.m., Speaker Rants in the chair.

QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed fifty-six members present, forty-four absent.

LEAVE OF ABSENCE

Leave of absence was granted as follows:

Chambers of O'Brien and Rayhons of Hancock, until their arrival, on request of Gipp of Winneshiek; Frevert of Palo Alto, Shomshor of Pottawattamie and R. Olson of Polk, until their arrival, on request of Bukta of Clinton.

SENATE AMENDMENT CONSIDERED

Heaton of Henry called up for consideration [House File 825](#), a bill for an act relating to and making appropriations to the department of human services, the department of elder affairs, the Iowa department of public health, the commission of veterans affairs and the Iowa veterans home, and the department of inspections and appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates, amended by the Senate amendment [H-1702](#) as follows:

[H-1702](#)

1 Amend [House File 825](#), as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, line 23, by striking the figure
4 "2,791,522" and inserting the following: "2,792,116".
5 2. By striking page 1, line 34, through page 2,
6 line 1, and inserting the following:
7 "2. Of the funds appropriated in this section,
8 \$174,198 shall be".
9 3. Page 2, by inserting after line 4, the
10 following:
11 "___ Of the funds appropriated in this section,
12 \$61,594 shall be used by the department of elder
13 affairs for a statewide coordinator for the program of
14 all-inclusive care for the elderly as defined in
15 section 249H.3. The coordinator shall work in
16 collaboration with the department of human services in
17 carrying out the coordinator's duties."
18 4. Page 2, line 17, by striking the figure
19 "1,258,710" and inserting the following: "2,259,020".
20 5. Page 2, by inserting after line 24, the
21 following:
22 "Of the moneys appropriated in this subsection,
23 \$30,310 shall be used to continue to provide funding
24 to local communities that have previously received
25 funding from the centers for disease control and
26 prevention of the United States department of health
27 and human services for secondhand smoke education
28 initiatives."
29 6. Page 3, line 14, by striking the figure
30 "1,264,299" and inserting the following: "1,274,299".
31 7. Page 3, by inserting after line 19, the
32 following:
33 "Of the funds appropriated in this subsection,
34 \$10,000 shall be used to continue the grant to a free
35 clinic, as defined in section 135.24, operating in one
36 county to continue the partnership and test program

37 for a buying cooperative approach for purchasing
38 prescription drugs at a price less than retail. The
39 prescription drugs purchased through the approach
40 shall be provided to patients of the free clinic who
41 are uninsured or underinsured."

42 8. By striking page 3, line 30, through page 4,
43 line 1, and inserting the following:

44 "The amount appropriated in this subsection
45 includes \$150,000 in additional funding for childhood
46 lead poisoning prevention activities for counties not
47 receiving federal funding for this purpose, and of
48 this amount, \$50,000 is allocated for a pilot project
49 to address lead poisoning prevention and remediation
50 activities in a three-county program in north central

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1 Iowa with a combined population of at least 50,000."

2 9. Page 4, line 13, by striking the figure
3 "1,044,151" and inserting the following: "1,379,258".

4 10. Page 4, line 16, by striking the figure
5 "335,107" and inserting the following: "670,214".

6 11. Page 4, line 18, by inserting after the
7 figure "135.106." the following: "The department
8 shall transfer the funding allocated for the HOPES-HFI
9 program to the Iowa empowerment board for distribution
10 and shall assist the board in managing the contracting
11 for the funding. The funding shall be distributed to
12 renew the grants that were provided to the grantees
13 that operated the program during the fiscal year
14 ending June 30, 2005."

15 12. Page 4, line 26, by striking the figure
16 "6,820,423" and inserting the following: "6,964,033".

17 13. Page 4, by inserting after line 27 the
18 following:

19 "The office of the state medical examiner and the
20 commissioner of public safety shall give consideration
21 to a proposal offered by Polk county for the state
22 criminalistics laboratory to share facilities with
23 Polk county."

24 14. Page 4, line 32, by striking the figure
25 "994,442" and inserting the following: "1,124,684".

26 15. Page 4, by inserting after line 33, the
27 following:

28 "11B. SAFETY NET PROVIDERS

29 The purpose of this subsection is to create a
30 formal network of providers to preserve and expand the
31 health care safety net for vulnerable Iowans, to
32 recognize that safety net providers are the means of
33 access to health care for the uninsured in this state,
34 and to provide a mechanism to identify the extent to
35 which the uninsured in the state access health care

36 safety net providers. Of the amount appropriated in
 37 this division of this Act for the medical assistance
 38 program, \$1,100,000 is transferred to the
 39 appropriation made in this subsection.
 40 a. For provision of developmental support services
 41 to safety net providers as provided in this
 42 subsection:
 43 \$ 450,000
 44 The Iowa department of public health shall contract
 45 with the Iowa/Nebraska primary care association to
 46 administer a network of community health centers
 47 (CHCs), rural health clinics (RHCs), and free clinics,
 48 with use of the free clinics as sources of referral to
 49 the CHCs and RHCs, to provide developmental support
 50 services including all of the following:

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1 (1) Promotion of the concept of quality, primary,
 2 preventive, and ameliorative health care through a
 3 comprehensive primary health care delivery system.
 4 (2) Provision of a forum to allow primary care
 5 practitioners, health care center and clinic
 6 administrators, health department professionals, and
 7 political and community leaders to interact and share
 8 information.
 9 (3) Partnering with existing relevant
 10 organizations and associations to monitor federal and
 11 state legislation to assure that the primary care
 12 needs of Iowans are adequately reflected in public
 13 policy.
 14 (4) Partnering with existing relevant
 15 organizations and associations to sponsor conferences,
 16 training opportunities, and workshops on topics of
 17 interest.
 18 (5) Provision of a linkage between the safety net
 19 providers and the expansion population under chapter
 20 249J, if enacted by 2005 Iowa Acts, [House File 841](#).
 21 b. For incubation grants to community health
 22 centers that receive a total score of 85 based on the
 23 evaluation criteria of the federal health resources
 24 and services administration:
 25 \$ 650,000
 26 A recipient of an incubation grant under this
 27 paragraph "b" shall provide a local match of twenty-
 28 five percent of the grant funds received."
 29 16. Page 6, by striking line 28, and inserting
 30 the following: "Iowa commission on volunteer service
 31 created pursuant to chapter 15H to utilize local
 32 veterans affairs".
 33 17. Page 12, line 2, by striking the figure
 34 "40,250,000" and inserting the following:

35 "40,556,413".
36 18. Page 13, line 6, by striking the figure
37 "524,800,000" and inserting the following:
38 "506,916,519".
39 19. Page 15, by striking lines 18 through 21.
40 20. Page 15, by striking lines 22 through 34.
41 21. By striking page 15, line 35, through page
42 16, line 7.
43 22. Page 16, by inserting after line 28, the
44 following:
45 "___". The department shall expand coverage under
46 the medical assistance program to cover smoking
47 cessation drugs.
48 "___". The department shall expand coverage under
49 the medical assistance program to cover weight
50 reduction treatments and drugs.

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1 "___". The department shall adopt rules to require
2 that if a product is to be considered by the
3 pharmaceutical and therapeutics committee established
4 pursuant to section 249A.20A for inclusion on the
5 preferred drug list, the pharmaceutical and
6 therapeutics committee shall respond to all inquiries
7 regarding the process at least 72 hours prior to a
8 meeting of the committee to consider inclusion of the
9 product. Additionally, the rules shall require that
10 the committee provide a pharmaceutical manufacturer of
11 a product with 20 days' prior written notice of
12 consideration of the manufacturer's product for
13 inclusion on the preferred drug list to allow adequate
14 time for preparation of appropriate materials to be
15 submitted to the committee for review. The rules
16 shall also require that adequate time be provided for
17 each interested individual to address the committee
18 regarding a product to be considered for inclusion on
19 the preferred drug list by the committee. A final
20 decision regarding inclusion of a product on the
21 preferred drug list shall not be made in an executive
22 session of the committee."
23 23. Page 18, line 29, by striking the figure
24 "8,350,752" and inserting the following: "17,750,752".
25 24. Page 18, line 31, by striking the figure
26 "7,325,228" and inserting the following: "16,325,228".
27 25. Page 19, line 6, by striking the figure
28 "500,000" and inserting the following: "900,000".
29 26. Page 20, line 31, by striking the figure
30 "76,400,000" and inserting the following:
31 "81,908,683".
32 27. Page 22, line 25, by striking the figure
33 "2,000,000" and inserting the following: "3,000,000".

34 28. Page 25, line 12, by striking the figure
 35 "300,000" and inserting the following: "1,000,000".
 36 29. Page 25, by inserting after line 26 the
 37 following:
 38 "___ Of the amount appropriated in this section,
 39 the following amounts are allocated for the indicated
 40 child welfare system improvements:
 41 a. For family team meetings and other family
 42 engagement efforts:
 43 \$ 900,000
 44 b. For recruiting, training, and development of
 45 additional resource families, including but not
 46 limited to families providing kinship, foster, and
 47 adoptive care:
 48 \$ 325,000
 49 c. For field staff working with families to have
 50 flexible funding to purchase services and other

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1 support and to fill urgent family needs:
 2 \$ 750,000
 3 d. For funding of shelter care so that 15
 4 emergency beds are available statewide for the fiscal
 5 year within the statewide average of 288 beds
 6 addressed in the department's shelter care plan:
 7 \$ 200,000
 8 e. For expansion of community partnerships to
 9 prevent child abuse:
 10 \$ 100,000"
 11 30. Page 25, by inserting after line 26, the
 12 following:
 13 "___ The general assembly finds that it is
 14 important for adequate, comprehensive mental health
 15 services to be available to the children of this
 16 state; that Iowa is seeking to develop a coordinated
 17 system of mental health care for children through a
 18 redesign of the children's mental health system; that
 19 Iowa is one of only two states that have not
 20 participated in the comprehensive community mental
 21 health services program for children and their
 22 families grant offered by the substance abuse and
 23 mental health services administration (SAMHSA) of the
 24 United States department of health and human services;
 25 and that implementing such an initiative requires
 26 long-term sustainability and support. The general
 27 assembly expresses appreciation to the department for
 28 applying to SAMHSA for the comprehensive services
 29 program grant to implement a six-year project located
 30 in northeast Iowa. The purpose of the project is to
 31 create a family-driven, coordinated system of care for
 32 children with mental illness to serve as a model for

33 developing a statewide approach based on family-
34 provider partnerships and long-term sustainability.
35 The general assembly strongly supports the grant
36 application and implementation of the project as vital
37 steps in redesigning the children's mental health
38 system."
39 31. Page 25, line 34, by striking the figure
40 "32,250,000" and inserting the following:
41 "32,275,732".
42 32. Page 27, by inserting after line 6 the
43 following:
44 "___ . For continuation of the department's
45 minority youth and family projects under the redesign
46 of the child welfare system:
47\$ 375,000"
48 33. Page 29, line 6, by striking the figure
49 "12,600,000" and inserting the following:
50 "12,650,344".

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1 34. Page 29, line 9, by striking the figure
2 "7,050,000" and inserting the following: "7,073,088".
3 35. Page 30, line 10, by striking the figure "1."
4 36. Page 30, line 19, by striking the figure
5 "10,514,619" and inserting the following:
6 "11,014,619".
7 37. Page 30, by striking lines 20 through 31.
8 38. Page 32, by inserting after line 16 the
9 following:
10 "___ . If the department has data indicating that a
11 geographic area has a substantial number of persons
12 with mental illness who are homeless and are not being
13 served by an existing grantee for that area under the
14 formula grant from the federal alcohol, drug abuse,
15 and mental health administration to provide mental
16 health services for the homeless and the existing
17 grantee has expressed a desire to no longer provide
18 services or the grantee's contract was terminated by
19 the department for nonperformance, the department
20 shall issue a request for proposals to replace the
21 grantee. Otherwise, the department shall maximize
22 available funding by continuing to contract to the
23 extent possible with those persons who are grantees as
24 of October 1, 2005. The department shall issue a
25 request for proposals if additional funding becomes
26 available for expansion to persons who are not being
27 served and it is not possible to utilize existing
28 grantees."
29 39. Page 33, line 13, by striking the figure
30 "53,505,000" and inserting the following:
31 "53,924,358".

- 32 40. Page 33, line 25, by striking the figure
33 "13,312,196" and inserting the following:
34 "13,342,196".
- 35 41. Page 33, line 26, by striking the figure
36 "292.00" and inserting the following: "293.00".
- 37 42. Page 33, by inserting after line 29, the
38 following:
39 "Of the funds appropriated in this section, \$30,000
40 is allocated to the department of human services for a
41 statewide coordinator for the program of all-inclusive
42 care for the elderly as defined in section 249H.3.
43 The coordinator shall work in collaboration with the
44 department of elder affairs in carrying out the
45 coordinator's duties."
- 46 43. Page 35, line 2, by striking the word "be"
47 and inserting the following: "not be less than".
- 48 44. Page 36, line 16, by striking the figure "3"
49 and inserting the following: "6".
- 50 45. Page 39, line 23, by striking the figure

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- 1 "1998" and inserting the following: "2002".
- 2 46. Page 40, by striking lines 2 through 6.
- 3 47. Page 40, by inserting after line 8, the
4 following:
5 "Sec. ___. SHELTER CARE REQUEST FOR PROPOSALS.
6 The department of human services shall amend the
7 request for proposals issued on April 15, 2005, for a
8 program to provide for the statewide availability of
9 emergency juvenile shelter care during the fiscal year
10 beginning July 1, 2005, to increase the statewide
11 daily average number of beds covered under the request
12 to 288 beds in order to include 15 unallocated beds
13 statewide for emergency placements. However, if the
14 date of enactment of this Act does not allow
15 sufficient time for the department to amend the
16 request for proposals as otherwise required by this
17 section, the department shall apply the requirement in
18 the negotiations with the program awarded the contract
19 and shall include the requirement in the final
20 contract."
- 21 48. Page 41, by inserting after line 25, the
22 following:
23 "Sec. ___. 2003 Iowa Acts, chapter 178, section
24 45, unnumbered paragraph 3, as enacted by 2004 Iowa
25 Acts, chapter 1175, section 160, is amended to read as
26 follows:
27 Notwithstanding section 8.33, moneys appropriated
28 in this section that remain unencumbered or
29 unobligated at the close of the fiscal year shall not
30 revert but shall remain available for expenditure for

31 the child and family services until the close of the
32 ~~succeeding~~ fiscal year beginning July 1, 2005."
33 49. Page 43, by inserting after line 29, the
34 following:
35 "___ The provision directing the department of
36 human services to amend the request for proposals
37 issued on April 15, 2005, to provide for statewide
38 emergency juvenile shelter care.
39 ___ The provision amending 2003 Iowa Acts,
40 chapter 178, section 45, unnumbered paragraph 3, as
41 enacted by 2004 Iowa Acts, chapter 1175, section 160."
42 50. Page 45, line 15, by striking the figure
43 "50,200,000" and inserting the following:
44 "77,753,926".
45 51. Page 46, by striking lines 23 and 24, and
46 inserting the following: "to only those persons who
47 meet the nursing facility level of care for home and
48 community-based services waiver services as
49 established on or after July 1, 2005."
50 52. Page 48, line 17, by striking the figure

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1 "14,507,362" and inserting the following:
2 "19,167,111".
3 53. Page 49, by inserting after line 32, the
4 following:
5 "Sec. NEW SECTION. 16.184 TRANSITIONAL
6 HOUSING REVOLVING LOAN PROGRAM FUND.
7 1. A transitional housing revolving loan program
8 fund is created within the authority to further the
9 availability of affordable housing for parents that
10 are reuniting with their children while completing or
11 participating in substance abuse treatment. The
12 moneys in the fund are annually appropriated to the
13 authority to be used for the development and operation
14 of a revolving loan program to provide financing to
15 construct affordable transitional housing, including
16 through new construction or acquisition and
17 rehabilitation of existing housing. The housing
18 provided shall be geographically located in close
19 proximity to licensed substance abuse treatment
20 programs. Preference in funding shall be given to
21 projects that reunite mothers with the mothers'
22 children.
23 2. Moneys transferred by the authority for deposit
24 in the transitional housing revolving loan program
25 fund, moneys appropriated to the transitional housing
26 revolving loan program, and any other moneys available
27 to and obtained or accepted by the authority for
28 placement in the fund shall be deposited in the fund.
29 Additionally, payment of interest, recaptures of

30 awards, and other repayments to the transitional
 31 housing revolving loan program fund shall be credited
 32 to the fund. Notwithstanding section 12C.7,
 33 subsection 2, interest or earnings on moneys in the
 34 transitional housing revolving loan program fund shall
 35 be credited to the fund. Notwithstanding section
 36 8.33, moneys that remain unencumbered or unobligated
 37 at the close of the fiscal year shall not revert but
 38 shall remain available for the same purpose in the
 39 succeeding fiscal year.

40 3. The authority shall annually allocate moneys
 41 available in the transitional housing revolving loan
 42 program fund for the development of affordable
 43 transitional housing for parents that are reuniting
 44 with the parents' children while completing or
 45 participating in substance abuse treatment. The
 46 authority shall develop a joint application process
 47 for the allocation of federal low-income housing tax
 48 credits and the funds available under this section.
 49 Moneys allocated to such projects may be in the form
 50 of loans, grants, or a combination of loans and

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1 grants.

2 4. The authority shall adopt rules pursuant to
 3 chapter 17A to administer this section."

4 54. Page 68, by inserting after line 32 the
 5 following:

6 "Sec. ____ Section 154A.22, Code 2005, is amended
 7 to read as follows:

8 154A.22 ~~DEPOSIT RECEIPT OF FEES.~~

9 1. The Except as otherwise provided in sub ion
 10 2, the department shall deposit all fees collected
 11 under the provisions of this chapter in the general
 12 fund of the state. Compensation and travel expenses
 13 of members and employees of the board, and other
 14 expenses necessary for the board to administer and
 15 carry out the provisions of this chapter shall be paid
 16 from funds appropriated from the general fund of the
 17 state.

18 2. The department may retain ninety percent of the
 19 revenue generated from an increase in licensure and
 20 permit fees established pursuant to section 154A.17
 21 above the licensure and permit fees in effect as of
 22 June 30, 2005. The moneys retained by the department
 23 shall be used for any of the board's duties, including
 24 but not limited to addition of full-time equivalent
 25 positions for program services and investigations.
 26 Revenues retained by the department pursuant to this
 27 subsection shall be considered repayment receipts as
 28 defined in section 8.2.

29 Sec. __. Section 155.6, Code 2005, is amended to
30 read as follows:
31 155.6 ~~FUND CREATED RECEIPT OF FEES.~~
32 1. ~~All~~ Except as otherwise provided in sub ion
33 2. all fees collected under the provisions of this
34 chapter shall be paid to the treasurer of state who
35 shall deposit the fees in the general fund of the
36 state. Funds shall be appropriated to the board to be
37 used and expended by the board to pay the compensation
38 and travel expenses of members and employees of the
39 board, and other expenses necessary for the board to
40 administer and carry out the provisions of this
41 chapter.
42 2. The board may retain ninety percent of the
43 revenue generated from an increase in examination,
44 licensure, and renewal of licensure fees established
45 pursuant to section 155.15 above the examination,
46 licensure, and renewal of licensure fees in effect as
47 of June 30, 2005. The moneys retained by the board
48 shall be used for any of the board's duties, including
49 but not limited to addition of full-time equivalent
50 positions for program services and investigations.

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1 Revenues retained by the department pursuant to this
2 subsection shall be considered repayment receipts as
3 defined in section 8.2."
4 55. Page 73, by inserting after line 33 the
5 following:
6 "Sec. __. Section 227.4, Code 2005, is amended to
7 read as follows:
8 227.4 STANDARDS FOR CARE OF PERSONS WITH MENTAL
9 ILLNESS OR ~~DEVELOPMENTAL DISABILITIES~~ MENTAL
10 RETARDATION IN COUNTY CARE FACILITIES.
11 The administrator, in cooperation with the
12 department of inspections and appeals, shall recommend
13 and the mental health, mental retardation,
14 developmental disabilities, and brain injury
15 commission created in section 225C.5 shall adopt
16 standards for the care of and services to persons with
17 mental illness or ~~developmental disabilities~~ mental
18 retardation residing in county care facilities. The
19 standards shall be enforced by the department of
20 inspections and appeals as a part of the licensure
21 inspection conducted pursuant to chapter 135C. The
22 objective of the standards is to ensure that persons
23 with mental illness or ~~developmental disabilities~~
24 mental retardation who are residents of county care
25 facilities are not only adequately fed, clothed, and
26 housed, but are also offered reasonable opportunities
27 for productive work and recreational activities suited

28 to their physical and mental abilities and offering
 29 both a constructive outlet for their energies and, if
 30 possible, therapeutic benefit. When recommending
 31 standards under this section, the administrator shall
 32 designate an advisory committee representing
 33 administrators of county care facilities, county
 34 mental health and developmental disabilities regional
 35 planning councils, and county care facility resident
 36 advocate committees to assist in the establishment of
 37 standards."

38 56. Page 74, by inserting after line 27 the
 39 following:

40 "Sec. . NEW SECTION. 231E.1 TITLE.

41 This chapter shall be known and may be cited as the
 42 "Iowa Substitute Decision Maker Act".

43 Sec. . NEW SECTION. 231E.2 OFFICE OF
 44 SUBSTITUTE DECISION MAKER – FINDINGS AND INTENT.

45 1. a. The general assembly finds that many adults
 46 in this state are unable to meet essential
 47 requirements to maintain their physical health or to
 48 manage essential aspects of their financial resources
 49 and are in need of substitute decision-making
 50 services. However, a willing and responsible person

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1 may not be available to serve as a private substitute
 2 decision maker or the adult may not have adequate
 3 income or resources to compensate a private substitute
 4 decision maker.

5 b. The general assembly further finds that a
 6 process should exist to assist individuals in finding
 7 alternatives to substitute decision-making services
 8 and less intrusive means of assistance before an
 9 individual's independence or rights are limited.

10 c. The general assembly further finds that a
 11 substitute decision maker may be necessary to finalize
 12 a person's affairs after death when there is no
 13 willing and appropriate person available to serve as
 14 the person's personal representative.

15 2. a. It is, therefore, the intent of the general
 16 assembly to establish a state office of substitute
 17 decision maker and authorize the establishment of
 18 local offices of substitute decision maker to provide
 19 substitute decision-making services to adults and
 20 their estates after their deaths, when no private
 21 substitute decision maker is available.

22 b. It is also the intent of the general assembly
 23 that the office of substitute decision maker provide
 24 assistance to both public and private substitute
 25 decision makers throughout the state in securing
 26 necessary services for their wards, principals,

27 clients, and decedents and to assist substitute
28 decision makers, wards, principals, clients, courts,
29 and attorneys in the orderly and expeditious handling
30 of substitute decision-making proceedings.

31 Sec. ____ NEW SECTION. 231E.3 DEFINITIONS.

32 As used in this chapter, unless the context
33 otherwise requires:

- 34 1. "Client" means an individual for whom a
35 representative payee is appointed.
- 36 2. "Commission" means the commission of elder
37 affairs.
- 38 3. "Conservator" means conservator as defined in
39 section 633.3.
- 40 4. "Court" means court as defined in section
41 633.3.
- 42 5. "Decedent" means the individual for whom an
43 estate is administered or executed.
- 44 6. "Department" means the department of elder
45 affairs established in section 231.21.
- 46 7. "Director" means the director of the department
47 of elder affairs.
- 48 8. "Estate" means estate as defined in section
49 633.3.
- 50 9. "Guardian" means guardian as defined in section

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1 633.3.

2 10. "Incompetent" means incompetent as defined in
3 section 633.3.

4 11. "Local office" means a local office of
5 substitute decision maker.

6 12. "Local substitute decision maker" means an
7 individual under contract with the department to act
8 as a substitute decision maker.

9 13. "Personal representative" means personal
10 representative as defined in section 633.3.

11 14. "Planning and service area" means a geographic
12 area of the state designated by the commission for the
13 purpose of planning, developing, delivering, and
14 administering services for elders.

15 15. "Power of attorney" means a durable power of
16 attorney for health care as defined in section 144B.1
17 or a power of attorney that becomes effective upon the
18 disability of the principal as described in section
19 633.705.

20 16. "Principal" means an individual for whom a
21 power of attorney is established.

22 17. "Representative payee" means an individual
23 appointed by a government entity to receive funds on
24 behalf of a client pursuant to federal regulation.

25 18. "State agency" means any executive department,

26 commission, board, institution, division, bureau,
27 office, agency, or other executive entity of state
28 government.

29 19. "State office" means the state office of
30 substitute decision maker.

31 20. "State substitute decision maker" means the
32 administrator of the state office of substitute
33 decision maker.

34 21. "Substitute decision maker" means a guardian,
35 conservator, representative payee, attorney in fact
36 under a power of attorney, or personal representative.

37 22. "Substitute decision making" or "substitute
38 decision-making services" means the provision of
39 services of a guardian, conservator, representative
40 payee, attorney in fact under a power of attorney, or
41 personal representative.

42 23. "Ward" means the individual for whom a
43 guardianship or conservatorship is established.

44 Sec. __. NEW SECTION. 231E.4 STATE OFFICE OF
45 SUBSTITUTE DECISION MAKER – ESTABLISHED – DUTIES –
46 DEPARTMENT RULES.

47 1. A state office of substitute decision maker is
48 established within the department to create and
49 administer a statewide network of substitute decision
50 makers who provide substitute decision-making services

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1 if other substitute decision makers are not available
2 to provide the services.

3 2. The director shall appoint an administrator of
4 the state office who shall serve as the state
5 substitute decision maker. The state substitute
6 decision maker shall be qualified for the position by
7 training and expertise in substitute decision-making
8 law. The state substitute decision maker shall also
9 have knowledge of social services available to meet
10 the needs of persons adjudicated incompetent or in
11 need of substitute decision making.

12 3. The state office shall do all of the following:

13 a. Select persons through a request for proposals
14 process to establish local offices of substitute
15 decision maker in each of the planning and service
16 areas. Local offices shall be established statewide
17 on or before July 1, 2015.

18 b. Monitor and terminate contracts with local
19 offices based on criteria established by rule of the
20 department.

21 c. Retain oversight responsibilities for all local
22 substitute decision makers.

23 d. Act as substitute decision maker if a local
24 office is not available to so act.

25 e. Work with the department of human services, the
26 Iowa department of public health, the governor's
27 developmental disabilities council, and other agencies
28 to establish a referral system for the provision of
29 substitute decision-making services.

30 f. Develop and maintain a current listing of
31 public and private services and programs available to
32 assist wards, principals, clients, personal
33 representatives, and their families and establish and
34 maintain relationships with public and private
35 entities to assure the availability of effective
36 substitute decision-making services for wards,
37 principals, clients, and estates.

38 g. Provide information and referrals to the public
39 regarding substitute decision-making services.

40 h. Provide personal representatives for estates
41 where a person is not available for that purpose.

42 i. Maintain statistical data on the local offices
43 including various methods of funding, the types of
44 services provided, and the demographics of the wards,
45 principals, clients, and decedents and report to the
46 general assembly on or before November 1, annually,
47 regarding the local offices and recommend any
48 appropriate legislative action.

49 j. Develop, in cooperation with the judicial
50 council as established in section 602.1202, a

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1 substitute decision-maker education and training
2 program. The program may be offered to both public
3 and private substitute decision makers. The state
4 office shall establish a curriculum committee, which
5 includes but is not limited to probate judges, to
6 develop the education and training program.

7 4. The state office may do any of the following:

8 a. Accept and receive gifts, grants, or donations
9 from any public or private entity in support of the
10 state office.

11 b. Accept the services of individual volunteers
12 and volunteer organizations.

13 c. Employ staff necessary to administer the state
14 office and enter into contracts as necessary.

15 5. The department shall provide administrative
16 support to the state office.

17 6. The department shall adopt rules in accordance
18 with chapter 17A necessary to create and administer
19 the state and local offices, relating to but not
20 limited to all of the following:

21 a. An application and intake process and standards
22 for receipt of substitute decision-making services
23 from the state or a local office.

24 b. A process for the removal or termination of the
25 state or a local substitute decision maker.
26 c. An ideal range of staff-to-client ratios for
27 the state and local substitute decision makers.
28 d. Minimum training and experience requirements
29 for professional staff and volunteers.
30 e. A fee schedule. The department may establish
31 by rule a schedule of reasonable fees for the costs of
32 substitute decision-making services provided under
33 this chapter. The fee schedule established may be
34 based upon the ability of the ward, principal, client,
35 or estate to pay for the services but shall not exceed
36 the actual cost of providing the services. The state
37 office or a local office may waive collection of a fee
38 upon a finding that collection is not economically
39 feasible. The rules may provide that the state office
40 or a local office may investigate the financial status
41 of a ward, principal, or client who, or an estate that
42 requests substitute decision-making services or for
43 whom or which the state or a local substitute decision
44 maker has been appointed for the purpose of
45 determining the fee to be charged by requiring the
46 ward, principal, client, or estate to provide any
47 written authorizations necessary to provide access to
48 records of public or private sources, otherwise
49 confidential, needed to evaluate the individual's or
50 estate's financial eligibility. The rules may also

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1 provide that the state or a local substitute decision
2 maker may, upon request and without payment of fees
3 otherwise required by law, obtain information
4 necessary to evaluate the individual's or estate's
5 financial eligibility from any office of the state or
6 of a political subdivision or agency of the state that
7 possesses public records. In estate proceedings, the
8 state or local decision maker shall be compensated
9 pursuant to chapter 633, division III, part 8.
10 f. Standards and performance measures for
11 evaluation of local offices.
12 g. Recordkeeping and accounting procedures to
13 ensure that the state office and local offices
14 maintain confidential, accurate, and up-to-date
15 financial, case, and statistical records. The rules
16 shall require each local office to file with the state
17 office, on an annual basis, an account of all public
18 and private funds received and a report regarding the
19 operations of the local office for the preceding
20 fiscal year.
21 h. Procedures for the sharing of records held by
22 the court or a state agency with the state office,

23 which are necessary to evaluate the state office or
24 local offices, to assess the need for additional
25 substitute decision makers, or to develop required
26 reports.

27 Sec. . **NEW SECTION.** 231E.5 LOCAL OFFICE OF
28 SUBSTITUTE DECISION MAKER.

29 1. The state substitute decision maker shall
30 select persons to provide local substitute decision-
31 making services in each of the planning and service
32 areas, based upon a request for proposals process
33 developed by the department.

34 2. The local office shall comply with all
35 requirements established for the local office by the
36 department and shall do all of the following:

37 a. Maintain a staff of professionally qualified
38 individuals to carry out the substitute decision-
39 making functions.

40 b. Identify client needs and local resources to
41 provide necessary support services to recipients of
42 substitute decision-making services.

43 c. Collect program data as required by the state
44 office.

45 d. Meet standards established for the local
46 office.

47 e. Comply with minimum staffing requirements and
48 caseload restrictions.

49 f. Conduct background checks on employees and
50 volunteers.

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1 g. With regard to a proposed ward, the local
2 office shall do all of the following:

3 (1) Determine the most appropriate form of
4 substitute decision making needed, if any, giving
5 preference to the least restrictive alternative.

6 (2) Determine whether the needs of the proposed
7 ward require the appointment of guardian or
8 conservator.

9 (3) Assess the financial resources of the proposed
10 ward based on the information supplied to the local
11 office at the time of the determination.

12 (4) Inquire and, if appropriate, search to
13 determine whether any other person may be willing and
14 able to serve as the proposed ward's guardian or
15 conservator.

16 (5) Determine the form of guardianship or
17 conservatorship to request of a court, if any, giving
18 preference to the least restrictive form.

19 (6) If determined necessary, file a petition for
20 the appointment of a guardian or conservator pursuant
21 to chapter 633.

22 h. With regard to an estate, the local office may
 23 appoint a personal representative to file a petition
 24 to open an estate who shall do all of the following:
 25 (1) Retain legal counsel as described in section
 26 231E.12 to be compensated from the proceeds of the
 27 estate pursuant to chapter 633, division III, part 8.
 28 (2) Liquidate all assets of the estate.
 29 (3) Distribute the assets of the estate pursuant
 30 to chapter 633, division VII, parts 7 and 8, and other
 31 applicable provisions of law.
 32 3. A local office may do any of the following:
 33 a. Contract for or arrange for provision of
 34 services necessary to carry out the duties of a local
 35 substitute decision maker.
 36 b. Accept the services of volunteers or
 37 consultants and reimburse them for necessary expenses.
 38 c. Employ staff and delegate to members of the
 39 staff the powers and duties of the local substitute
 40 decision maker. However, the local office shall
 41 retain responsibility for the proper performance of
 42 the delegated powers and duties. All delegations
 43 shall be to persons who meet the eligibility
 44 requirements of the specific type of substitute
 45 decision maker.
 46 4. An individual acting as the state or a local
 47 substitute decision maker shall comply with applicable
 48 requirements for guardians, conservators, or personal
 49 representatives pursuant to chapter 633, attorneys in
 50 fact under a power of attorney pursuant to chapter 633

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1 or a durable power of attorney for health care
 2 pursuant to chapter 144B, or representative payees
 3 pursuant to federal law and regulations.
 4 5. Notwithstanding any provision to the contrary,
 5 an individual acting as the state or a local
 6 substitute decision maker shall not be subject to the
 7 posting of a bond pursuant to chapter 633. An
 8 individual acting as the state or a local substitute
 9 decision maker shall complete at least eight hours of
 10 training annually as certified by the department.
 11 Sec. ___. NEW SECTION. 231E.6 COURT-INITIATED OR
 12 PETITION-INITIATED APPOINTMENT OF STATE OR LOCAL
 13 SUBSTITUTE DECISION MAKER – GUARDIANSHIP OR
 14 CONSERVATORSHIP – DISCHARGE.
 15 The court may appoint on its own motion or upon
 16 petition of any person, the state office or local
 17 office of substitute decision maker, to serve as
 18 guardian or conservator for any proposed ward in cases
 19 in which the court determines that the proceeding will
 20 establish the least restrictive form of substitute

21 decision making suitable for the proposed ward and if
22 the proposed ward meets all of the following criteria:
23 1. Is a resident of the planning and service area
24 in which the local office is located from which
25 services would be provided or is a resident of the
26 state, if the state office would provide the services.
27 2. Is eighteen years of age or older.
28 3. Does not have suitable family or another
29 appropriate entity willing and able to serve as
30 guardian or conservator.
31 4. Is incompetent.
32 5. Is an individual for whom guardianship or
33 conservatorship services are the least restrictive
34 means of meeting the individual's needs.
35 Sec. __. NEW SECTION. 231E.7 SUBSTITUTE
36 DECISION MAKER-INITIATED APPOINTMENT.
37 The state office or local office may on its own
38 motion or at the request of the court intervene in a
39 guardianship or conservatorship proceeding if the
40 state office or local office or the court considers
41 the intervention to be justified because of any of the
42 following:
43 1. An appointed guardian or conservator is not
44 fulfilling prescribed duties or is subject to removal
45 under section 633.65.
46 2. A willing and qualified guardian or conservator
47 is not available.
48 3. The best interests of the ward require the
49 intervention.
50 Sec. __. NEW SECTION. 231E.8 PROVISIONS

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1 APPLICABLE TO ALL APPOINTMENTS AND DESIGNATIONS –
2 DISCHARGE.
3 1. The court shall only appoint or intervene on
4 its own motion or act upon the petition of any person
5 under section 231E.6 or 231E.7 if such appointment or
6 intervention would comply with staffing ratios
7 established by the department and if sufficient
8 resources are available to the state office or local
9 office. Notice of the proposed appointment shall be
10 provided to the state office or local office prior to
11 the granting of such appointment.
12 2. The state office or local office shall maintain
13 reasonable personal contact with each ward, principal,
14 or client for whom the state office or local office is
15 appointed or designated in order to monitor the
16 ward's, principal's, or client's care and progress.
17 For any estates in which the state office or local
18 office is involved, the state office or local office
19 shall move estate proceedings forward in a reasonable

20 and expeditious manner and shall monitor the progress
21 of any legal counsel retained on a regular basis.

22 3. Notwithstanding any provision of law to the
23 contrary, the state office or local office appointed
24 by the court or designated under a power of attorney
25 document may access all confidential records
26 concerning the ward or principal for whom the state
27 office or local office is appointed or designated,
28 including medical records and abuse reports.

29 4. In any proceeding in which the state or local
30 office is appointed or is acting as guardian or
31 conservator, the court shall waive court costs or
32 filing fees, if the state office or local office
33 certifies to the court that the state office or local
34 office has waived its fees in their entirety based
35 upon the ability of the ward to pay for the services
36 of the state office or local office. In any estate
37 proceeding, the court costs shall be paid in
38 accordance with chapter 633, division VII, part 7.

39 5. The state or a local substitute decision maker
40 shall be subject to discharge or removal, by the
41 court, on the grounds and in the manner in which other
42 guardians, conservators, or personal representatives
43 are discharged or removed pursuant to chapter 633.

44 Sec. __. NEW SECTION. 231E.9 FEES –
45 APPROPRIATED.

46 Fees received by the state office and by local
47 offices for services provided as state or local
48 substitute decision maker shall be deposited in the
49 general fund of the state and the amounts received are
50 appropriated to the department for the purposes of

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1 administering this chapter.

2 Sec. __. NEW SECTION. 231E.10 CONFLICTS OF
3 INTEREST – LIMITATIONS.

4 Notwithstanding section 633.63 or any other
5 provision to the contrary, a local substitute decision
6 maker shall not provide direct services to or have an
7 actual or the appearance of any conflict of interest
8 relating to any individual for whom the local
9 substitute decision maker acts in a substitute
10 decision-making capacity unless such provision of
11 direct services or the appearance of a conflict of
12 interest is approved and monitored by the state office
13 in accordance with rules adopted by the department.

14 Sec. __. NEW SECTION. 231E.11 DUTY OF ATTORNEY
15 GENERAL, COUNTY ATTORNEY, OR OTHER COUNSEL.

16 1. The attorney general shall advise the state
17 office on legal matters and represent the state office
18 in legal proceedings.

19 2. Upon the request of the attorney general, a
20 county attorney may represent the state office or a
21 local office in connection with the filing of a
22 petition for appointment as guardian or conservator
23 and with routine, subsequent appearances.

24 3. A local attorney experienced in probate matters
25 may represent the personal representative for all
26 routine matters associated with probating an estate.

27 Sec. __. NEW SECTION. 231E.12 LIABILITY.

28 All employees and volunteers of the state office
29 and local offices operating under this chapter and
30 other applicable chapters and pursuant to rules
31 adopted under this and other applicable chapters are
32 considered employees of the state and state volunteers
33 for the purposes of chapter 669 and shall be afforded
34 protection under section 669.21 or 669.24, as
35 applicable. This section does not relieve a guardian
36 or conservator from performing duties prescribed under
37 chapter 633.

38 Sec. __. NEW SECTION. 231E.13 IMPLEMENTATION.

39 Implementation of this chapter is subject to
40 availability of funding as determined by the
41 department. The department shall notify the Code
42 editor upon implementation of this chapter."

43 57. Page 74, by inserting after line 34 the
44 following:

45 "Sec. __. Section 232.107, Code 2005, is amended
46 by adding the following new unnumbered paragraph:
47 NEW UNNUMBERED PARAGRAPH. If a breastfeeding
48 infant is removed from the child's home in accordance
49 with an order entered under this division, unless the
50 court finds that substantial evidence exists to

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1 believe that reasonable visitation or supervised
2 visitation would cause an imminent risk to the
3 infant's life or health, the order shall allow the
4 infant's mother reasonable visitation or supervised
5 visitation for purposes of breastfeeding the infant.
6 The department or other person with custody of the
7 infant shall make every reasonable effort to comply
8 with the order."

9 58. Page 76, by inserting before line 3 the
10 following:

11 "Sec. __. Section 235B.6, subsection 2, paragraph
12 e, Code 2005, is amended by adding the following new
13 subparagraph:

14 NEW SUBPARAGRAPH. (11) The state office or a
15 local office of substitute decision maker as defined
16 in section 231E.3, appointed by the court as a
17 guardian or conservator of the adult named in a report

18 as the victim of abuse or the person designated to be
 19 responsible for performing or obtaining protective
 20 services on behalf of a dependent adult pursuant to
 21 section 235B.18."

22 59. Page 86, by inserting after line 3 the
 23 following:

24 "Sec. ___. Section 633.63, subsection 3, Code
 25 2005, is amended to read as follows:

26 3. A private nonprofit corporation organized under
 27 chapter 504, Code 1989, or current chapter 504 or 504A
 28 is qualified to act as a guardian, as defined in
 29 section 633.3, ~~subsection 20~~, or a conservator, as
 30 defined in section 633.3, ~~subsection 7~~, where the
 31 ~~assets subject to the conservatorship at the time when~~
 32 ~~such corporation is appointed conservator are less~~
 33 ~~than or equal to seventy five thousand dollars and if~~
 34 the corporation does not possess a proprietary or
 35 legal interest in an organization which provides
 36 direct services to the individual.

37 Sec. ___. Section 633.63, Code 2005, is amended by
 38 adding the following new subsection:

39 NEW SUBSECTION. 4. The state or a local
 40 substitute decision maker as defined in section 231E.3
 41 is authorized to act in a fiduciary capacity in this
 42 state in accordance with chapter 231E."

43 60. By renumbering, relettering, or redesignating
 44 and correcting internal references as necessary.

Heaton of Henry offered the following amendment [H-1704](#), to the Senate amendment [H-1702](#), filed by him, Foege of Linn, Smith of Marshall and Upmeyer of Hancock from the floor and moved its adoption:

[H-1704](#)

1 Amend the Senate amendment, [H-1702](#), to House File
 2 825, as amended, passed, and reprinted by the House,
 3 as follows:

4 1. By striking page 1, line 3, through page 20,
 5 line 44, and inserting the following:

6 " ___. Page 1, line 23, by striking the figure
 7 "2,791,522" and inserting the following: "2,792,116".

8 ___. By striking page 1, line 34, through page 2,
 9 line 1, and inserting the following:

10 "2. Of the funds appropriated in this section,
 11 \$174,198 shall be".

12 ___. Page 2, line 17, by striking the figure
 13 "1,258,710" and inserting the following: "1,759,020".

14 ___. Page 2, by inserting after line 24, the
 15 following:

16 "Of the moneys appropriated in this subsection,
 17 \$30,310 shall be used to continue to provide funding

18 to local communities that have previously received
19 funding from the centers for disease control and
20 prevention of the United States department of health
21 and human services for secondhand smoke education
22 initiatives."

23 _____. By striking page 3, line 30, through page 4,
24 line 1, and inserting the following:

25 "The amount appropriated in this subsection
26 includes \$150,000 in additional funding for childhood
27 lead poisoning prevention activities for counties not
28 receiving federal funding for this purpose, and of
29 this amount, \$50,000 is allocated for a pilot project
30 to address lead poisoning prevention and remediation
31 activities in a three-county program in north central
32 Iowa with a combined population of at least 50,000."

33 _____. Page 4, line 13, by striking the figure
34 "1,044,151" and inserting the following: "1,379,258".

35 _____. Page 4, line 16, by striking the figure
36 "335,107" and inserting the following: "670,214".

37 _____. Page 4, line 18, by inserting after the
38 figure "135.106." the following: "The department
39 shall transfer the funding allocated for the HOPES-HFI
40 program to the Iowa empowerment board for distribution
41 and shall assist the board in managing the contracting
42 for the funding. The funding shall be distributed to
43 renew the grants that were provided to the grantees
44 that operated the program during the fiscal year
45 ending June 30, 2005."

46 _____. Page 4, line 26, by striking the figure
47 "6,820,423" and inserting the following: "6,964,033".

48 _____. Page 4, by inserting after line 27, the
49 following:

50 "The office of the state medical examiner and the

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1 commissioner of public safety shall give consideration
2 to a proposal offered by Polk county for the state
3 criminalistics laboratory to share facilities with
4 Polk county."

5 _____. Page 4, line 32, by striking the figure
6 "994,442" and inserting the following: "1,073,884".

7 _____. Page 4, by inserting after line 33, the
8 following:

9 "11B. IOWA COLLABORATIVE SAFETY NET PROVIDER
10 NETWORK

11 The purpose of this subsection is to create a
12 formal network of safety net providers to do all of
13 the following: preserve and expand the health care
14 safety net for vulnerable Iowans; emphasize preventive
15 services and disease management, reduction of errors,
16 continuity of care, and the medical home concept;

17 recognize that safety net providers are the primary
 18 means of access to health care for the uninsured in
 19 this state; and provide a mechanism to identify the
 20 extent to which the uninsured in this state access
 21 health care safety net providers. Of the amount
 22 appropriated in this division of this Act for the
 23 medical assistance program, \$1,100,000 is transferred
 24 to the appropriations made in this subsection. The
 25 amount transferred is allocated as follows:

26 a. To contract for a program to develop an Iowa
 27 collaborative safety net provider network:
 28 \$ 450,000

29 (1) The Iowa department of public health shall
 30 issue a request for proposals to select the most
 31 qualified applicant to develop and administer an Iowa
 32 collaborative safety net provider network that
 33 includes community health centers, rural health
 34 clinics, free clinics, and other safety net providers.
 35 The department shall coordinate conditions of the
 36 request for proposals with the data and information
 37 requirements of the task force on indigent care
 38 created pursuant to section 249J.14A, as enacted by
 39 2005 Iowa Acts, [House File 841](#), section 16. The
 40 request for proposals shall also require the person
 41 awarded the contract to enroll as a member of the task
 42 force on indigent care. The person awarded the
 43 contract shall do all of the following:

44 (a) Establish an Iowa safety net provider advisory
 45 group consisting of representatives of community
 46 health centers, rural health clinics, free clinics,
 47 other safety net providers, patients, and other
 48 interested parties.

49 (b) Develop a planning process to logically and
 50 systematically implement the Iowa collaborative safety

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1 net provider network.

2 (c) In cooperation with the free clinics of Iowa
 3 and individual free clinics, the Iowa association of
 4 rural health clinics, and the Iowa/Nebraska primary
 5 care association, develop a database of all community
 6 health centers, rural health clinics, free clinics,
 7 and other safety net providers. The data collected
 8 shall include the demographics and needs of the
 9 vulnerable populations served, current provider
 10 capacity, and the resources and needs of the
 11 participating safety net providers.

12 (d) Develop network initiatives for collaboration
 13 between community health centers, rural health
 14 clinics, free clinics, other safety net providers, and
 15 other health care providers to, at a minimum, improve

16 quality, improve efficiency, reduce errors, and
 17 provide clinical communication between providers. The
 18 network initiatives shall include, but are not limited
 19 to, activities that address all of the following:
 20 (i) Training.
 21 (ii) Information technology.
 22 (iii) Financial resource development.
 23 (iv) A referral system for ambulatory care.
 24 (v) A referral system for specialty care.
 25 (vi) Pharmaceuticals.
 26 (vii) Recruitment of health professionals.
 27 (2) The Iowa department of public health shall
 28 issue a request for proposals to provide for an
 29 evaluation of the performance of the Iowa
 30 collaborative safety net provider network and its
 31 impact on the medically underserved.
 32 b. For an incubation grant program to community
 33 health centers that receive a total score of 85 based
 34 on the evaluation criteria of the health resources and
 35 services administration of the United States
 36 department of health and human services:
 37 \$ 650,000
 38 The Iowa department of public health shall select
 39 qualified applicants eligible under this lettered
 40 paragraph, and shall approve grants in prorated
 41 amounts to all such selected qualified applicants
 42 based on the total amount of funding appropriated. A
 43 grantee shall meet all federal requirements for a
 44 federally qualified health center, including
 45 demonstrating a commitment to serve all populations in
 46 the grantee's respective medically underserved
 47 community and satisfying the administrative,
 48 management, governance, service-related, utilization
 49 of funding, and audit requirements unique to federally
 50 qualified health centers as provided under section 330

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1 of the federal Public Health Service Act, as amended,
 2 and as codified at 42 U.S.C. § 254(b). A grant may be
 3 approved for a two-year period. However, if a grantee
 4 is approved as a federally qualified health center
 5 during the grant period, the grant and accompanying
 6 funding shall be terminated for the remainder of the
 7 grant period. If a grantee is not approved as a
 8 federally qualified health center during the grant
 9 period, the grantee may apply for a subsequent grant
 10 under this lettered paragraph on a competitive basis.
 11 A recipient of a grant under this lettered paragraph
 12 shall provide a local match of 25 percent of the grant
 13 funds received."
 14 _____. Page 6, by striking line 28, and inserting

15 the following: "Iowa commission on volunteer service
16 created pursuant to chapter 15H to utilize local
17 veterans affairs".

18 _____. Page 12, line 2, by striking the figure
19 "40,250,000" and inserting the following:
20 "40,439,695".

21 _____. Page 12, line 3, by inserting before the
22 word "Of" the following: "1."

23 _____. Page 12, by inserting after line 4 the
24 following:

25 "2. Of the funds appropriated in this section,
26 \$100,000 shall be used to provide a grant to an Iowa-
27 based nonprofit organization with a history of
28 providing tax preparation assistance to low-income
29 Iowans in order to expand the usage of the earned
30 income tax credit. The purpose of the grant is to
31 supply this assistance to underserved areas of the
32 state. The grant shall be provided to an organization
33 that has existing national foundation support for
34 supplying such assistance that can also secure local
35 charitable match funding."

36 _____. Page 13, line 6, by striking the figure
37 "524,800,000" and inserting the following:
38 "519,040,317".

39 _____. Page 15, line 1, by striking the figure
40 "3,270,082" and inserting the following: "3,050,082".

41 _____. Page 15, by striking lines 18 through 21.

42 _____. Page 15, by striking lines 22 through 34.

43 _____. By striking page 15, line 35, through page
44 16, line 7.

45 _____. Page 16, by inserting after line 28, the
46 following:

47 "_____. The department shall expand coverage under
48 the medical assistance program to cover smoking
49 cessation drugs.

50 _____. The department shall expand coverage under

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1 the medical assistance program to cover weight
2 reduction treatments and drugs.

3 _____. The department shall adopt rules to require
4 that if a product is to be considered by the
5 pharmaceutical and therapeutics committee established
6 pursuant to section 249A.20A for inclusion on the
7 preferred drug list, the pharmaceutical and
8 therapeutics committee shall respond to all inquiries
9 regarding the process at least 72 hours prior to a
10 meeting of the committee to consider inclusion of the
11 product. Additionally, the rules shall require that
12 the committee provide a pharmaceutical manufacturer of
13 a product with 20 days' prior written notice of

14 consideration of the manufacturer's product for
 15 inclusion on the preferred drug list to allow adequate
 16 time for preparation of appropriate materials to be
 17 submitted to the committee for review. The rules
 18 shall also require that adequate time be provided for
 19 each interested individual to address the committee
 20 regarding a product to be considered for inclusion on
 21 the preferred drug list by the committee. A final
 22 decision regarding inclusion of a product on the
 23 preferred drug list shall not be made in an executive
 24 session of the committee."

25 _____. Page 18, line 29, by striking the figure
 26 "8,350,752" and inserting the following:
 27 "15,800,752".

28 _____. Page 18, line 31, by striking the figure
 29 "7,325,228" and inserting the following:
 30 "14,375,228".

31 _____. Page 19, line 4, by inserting after the word
 32 "level." the following: "The poverty level changes
 33 shall take effect September 1, 2005."

34 _____. Page 19, line 6, by striking the figure
 35 "500,000" and inserting the following: "900,000".

36 _____. Page 20, line 12, by striking the figure
 37 "6,201,283" and inserting the following: "6,226,283".

38 _____. Page 20, line 31, by striking the figure
 39 "76,400,000" and inserting the following:
 40 "75,200,000".

41 _____. Page 22, line 25, by striking the figure
 42 "2,000,000" and inserting the following: "2,500,000".

43 _____. Page 25, line 12, by striking the figure
 44 "300,000" and inserting the following: "1,000,000".

45 _____. Page 25, by inserting after line 26, the
 46 following:

47 "_____. Of the amount appropriated in this section,
 48 the following amounts are allocated for the indicated
 49 child welfare system improvements:

50 a. For family team meetings and other family

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1	engagement efforts:	
2	\$ 900,000
3	b. For recruiting, training, and development of	
4	additional resource families, including but not	
5	limited to families providing kinship, foster, and	
6	adoptive care:	
7	\$ 325,000
8	c. For field staff working with families to have	
9	flexible funding to purchase services and other	
10	support and to fill urgent family needs:	
11	\$ 250,000
12	d. For funding of shelter care so that 15	

13 emergency beds are available statewide for the fiscal
 14 year within the statewide average of 288 beds
 15 addressed in the department's shelter care plan:
 16 \$ 200,000
 17 e. For expansion of community partnerships to
 18 prevent child abuse:
 19 \$ 100,000"
 20 ____ Page 25, by inserting after line 26, the
 21 following:
 22 "____. The general assembly finds that it is
 23 important for adequate, comprehensive mental health
 24 services to be available to the children of this
 25 state; that Iowa is seeking to develop a coordinated
 26 system of mental health care for children through a
 27 redesign of the children's mental health system; that
 28 Iowa is one of only two states that have not
 29 participated in the comprehensive community mental
 30 health services program for children and their
 31 families grant offered by the substance abuse and
 32 mental health services administration (SAMHSA) of the
 33 United States department of health and human services;
 34 and that implementing such an initiative requires
 35 long-term sustainability and support. The general
 36 assembly expresses appreciation to the department for
 37 applying to SAMHSA for the comprehensive services
 38 program grant to implement a six-year project located
 39 in northeast Iowa. The purpose of the project is to
 40 create a family-driven, coordinated system of care for
 41 children with mental illness to serve as a model for
 42 developing a statewide approach based on family-
 43 provider partnerships and long-term sustainability.
 44 The general assembly strongly supports the grant
 45 application and implementation of the project as vital
 46 steps in redesigning the children's mental health
 47 system.
 48 ____ The department shall revise policies or
 49 administrative rules applicable when a breastfeeding
 50 infant is removed from the infant's home in accordance

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1 with chapter 232, to allow the infant's mother to
 2 continue to breastfeed the infant when such contact
 3 with the mother is in the best interest of the
 4 infant."
 5 ____ Page 27, by inserting after line 6, the
 6 following:
 7 "____. For continuation of the department's
 8 minority youth and family projects under the redesign
 9 of the child welfare system:
 10 \$ 375,000"
 11 ____ Page 28, line 13, by striking the figure

12 "13,074,889" and inserting the following:
13 "13,079,889".
14 ____ Page 28, line 25, by striking the figure
15 "17,329,091" and inserting the following:
16 "17,334,091".
17 ____ Page 30, line 19, by striking the figure
18 "10,514,619" and inserting the following:
19 "10,914,619".
20 ____ Page 30, line 21, by striking the figure
21 "500,000" and inserting the following: "100,000".
22 ____ Page 32, by inserting after line 16, the
23 following:
24 " ____ If the department has data indicating that a
25 geographic area has a substantial number of persons
26 with mental illness who are homeless and are not being
27 served by an existing grantee for that area under the
28 formula grant from the federal alcohol, drug abuse,
29 and mental health administration to provide mental
30 health services for the homeless and the existing
31 grantee has expressed a desire to no longer provide
32 services or the grantee's contract was terminated by
33 the department for nonperformance, the department
34 shall issue a request for proposals to replace the
35 grantee. Otherwise, the department shall maximize
36 available funding by continuing to contract to the
37 extent possible with those persons who are grantees as
38 of October 1, 2005. The department shall issue a
39 request for proposals if additional funding becomes
40 available for expansion to persons who are not being
41 served and it is not possible to utilize existing
42 grantees."
43 ____ Page 33, line 13, by striking the figure
44 "53,505,000" and inserting the following:
45 "53,790,628".
46 ____ Page 33, line 25, by striking the figure
47 "13,312,196" and inserting the following:
48 "13,342,196".
49 ____ Page 33, line 26, by striking the figure
50 "292.00" and inserting the following: "293.00".

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1 ____ Page 33, by inserting after line 29, the
2 following:
3 "Of the funds appropriated in this section, \$30,000
4 is allocated to the department of human services for a
5 statewide coordinator for the program of all-inclusive
6 care for the elderly as defined in section 249H.3.
7 The coordinator shall work in collaboration with the
8 department of elder affairs in carrying out the
9 coordinator's duties."
10 ____ Page 35, line 2, by striking the word "be"

11 and inserting the following: "not be less than".
12 ____ Page 36, by striking lines 16 and 17, and
13 inserting the following: "children shall be \$156.03
14 per day."
15 ____ By striking page 36, line 33, through page
16 37, line 5.
17 ____ Page 39, by striking line 19, and inserting
18 the following:
19 "11. Beginning on September 1, 2005, for child".
20 ____ Page 39, line 23, by striking the figure
21 "1998" and inserting the following: "2002".
22 ____ Page 40, by striking lines 2 through 6.
23 ____ Page 40, by inserting after line 8, the
24 following:
25 "Sec.____. SHELTER CARE REQUEST FOR PROPOSALS.
26 The department of human services shall amend the
27 request for proposals issued on April 15, 2005, for a
28 program to provide for the statewide availability of
29 emergency juvenile shelter care during the fiscal year
30 beginning July 1, 2005, to increase the statewide
31 daily average number of beds covered under the request
32 to 288 beds in order to include 15 unallocated beds
33 statewide for emergency placements. However, if the
34 date of enactment of this Act does not allow
35 sufficient time for the department to amend the
36 request for proposals as otherwise required by this
37 section, the department shall apply the requirement in
38 the negotiations with the program awarded the contract
39 and shall include the requirement in the final
40 contract."
41 ____ Page 41, by inserting after line 25, the
42 following:
43 "Sec.____. 2003 Iowa Acts, chapter 178, section
44 45, unnumbered paragraph 3, as enacted by 2004 Iowa
45 Acts, chapter 1175, section 160, is amended to read as
46 follows:
47 Notwithstanding section 8.33, moneys appropriated
48 in this section that remain unencumbered or
49 unobligated at the close of the fiscal year shall not
50 revert but shall remain available for expenditure for

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1 the child and family services until the close of the
2 ~~succeeding~~ fiscal year beginning July 1, 2005."
3 ____ Page 43, by inserting after line 17 the
4 following:
5 "Sec.____. INDIGENT PATIENT PROGRAM. If the
6 Eighty-first General Assembly, 2005 Regular Session,
7 enacts legislation subsequent to the enactment of 2005
8 Iowa Acts, [House File 841](#), relating to the medical and
9 surgical treatment of indigent patients as provided in

10 chapter 255 that is in conflict with the provisions of
11 2005 Iowa Acts, [House File 841](#), including provisions
12 relating to the quota under chapter 255, the
13 provisions of 2005 Iowa Acts, [House File 841](#), shall
14 prevail."

15 ____ Page 43, by inserting after line 29, the
16 following:

17 "____. The provision directing the department of
18 human services to amend the request for proposals
19 issued on April 15, 2005, to provide for statewide
20 emergency juvenile shelter care.

21 ____ The provision amending 2003 Iowa Acts,
22 chapter 178, section 45, unnumbered paragraph 3, as
23 enacted by 2004 Iowa Acts, chapter 1175, section 160."

24 ____ Page 45, line 15, by striking the figure
25 "50,200,000" and inserting the following:
26 "59,647,109".

27 ____ Page 46, by striking lines 23 and 24, and
28 inserting the following: "to only those persons who
29 meet the nursing facility level of care for home and
30 community-based services waiver services as
31 established on or after July 1, 2005."

32 ____ Page 47, by inserting after line 27, the
33 following:

34 "Sec. ____ 2004 Iowa Acts, chapter 1175, section
35 173, subsection 1, is amended by adding the following
36 new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. Notwithstanding section
38 8.33 and section 426B.5, subsection 1, paragraph "d",
39 moneys appropriated in this subsection that remain
40 unencumbered or unobligated at the close of the fiscal
41 year shall not revert but shall remain available for
42 expenditure for the purposes designated until the
43 close of the succeeding fiscal year."

44 ____ Page 48, line 17, by striking the figure
45 "14,507,362" and inserting the following:
46 "23,925,724".

47 ____ Page 49, by striking lines 4 through 16, and
48 inserting the following:

49 "a. For an ending balance percentage of less than
50 5 percent, a withholding factor of 0 percent. In

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1 addition, a county that is subject to this lettered
2 paragraph shall receive an inflation adjustment equal
3 to 3 percent of the gross expenditures reported for
4 the county's services fund for the fiscal year.

5 b. For an ending balance percentage of 5 or more
6 but less than 10 percent, a withholding factor of 0
7 percent. In addition, a county that is subject to this
8 lettered paragraph shall receive an inflation

9 adjustment equal to 2 percent of the gross
 10 expenditures reported for the county's services fund
 11 for the fiscal year.

12 c. For an ending balance percentage of 10 or more
 13 but less than 25 percent, a withholding factor of 25
 14 percent.

15 d. For an ending balance percentage of 25 percent
 16 or more, a withholding percentage of 100 percent."

17 _____. Page 49, line 19, by striking the figure
 18 "4,659,749" and inserting the following: "9,418,362".

19 _____. Page 49, by inserting after line 30, the
 20 following:

21 "NEW SUBSECTION. 6. a. In addition to the amount
 22 to be distributed under subsection 4, for the fiscal
 23 year beginning July 1, 2005, a county with an ending
 24 balance percentage under subsection 4 of less than
 25 zero shall receive a distribution from the sum of the
 26 following:

27 (1) The amounts appropriated in 2004 Iowa Acts,
 28 chapter 1175, section 132 and section 173, subsection
 29 1, that were not distributed and did not revert at the
 30 close of the fiscal year beginning July 1, 2004.

31 (2) The amounts appropriated for the fiscal year
 32 beginning July 1, 2005, for the mental health and
 33 developmental disabilities community services fund and
 34 in this section that were not distributed in
 35 accordance with subsections 3, 4, and 5.

36 b. The amount of a county's distribution under
 37 paragraph "a" shall be equal to the county's
 38 proportion of the general population of the counties
 39 eligible to receive a distribution under this
 40 subsection.

41 c. The distribution amount determined under this
 42 subsection shall be included in the county's allowed
 43 growth payment determined in accordance with
 44 subsections 3, 4, and 5.

45 Sec.____. EFFECTIVE DATE. The section of this
 46 division of this Act amending 2004 Iowa Acts, chapter
 47 1175, section 173, subsection 1, being deemed of
 48 immediate importance, takes effect upon enactment."

49 _____. Page 49, by inserting after line 32, the
 50 following:

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1 "Sec.____. Section 15H.3, subsection 5, as enacted
 2 by 2005 Iowa Acts, [House File 478](#), section 3, is
 3 amended to read as follows:

4 5. Members shall serve staggered terms of three
 5 years beginning ~~and ending as provided by section~~
 6 ~~69.19 July 1~~. Members of the commission shall serve
 7 no more than two three-year terms. Any vacancy shall

8 be filled in the same manner as the original
9 appointment.
10 Sec. . **NEW SECTION.** 16.184 TRANSITIONAL
11 HOUSING REVOLVING LOAN PROGRAM FUND.
12 1. A transitional housing revolving loan program
13 fund is created within the authority to further the
14 availability of affordable housing for parents that
15 are reuniting with their children while completing or
16 participating in substance abuse treatment. The
17 moneys in the fund are annually appropriated to the
18 authority to be used for the development and operation
19 of a revolving loan program to provide financing to
20 construct affordable transitional housing, including
21 through new construction or acquisition and
22 rehabilitation of existing housing. The housing
23 provided shall be geographically located in close
24 proximity to licensed substance abuse treatment
25 programs. Preference in funding shall be given to
26 projects that reunite mothers with the mothers'
27 children.
28 2. Moneys transferred by the authority for deposit
29 in the transitional housing revolving loan program
30 fund, moneys appropriated to the transitional housing
31 revolving loan program, and any other moneys available
32 to and obtained or accepted by the authority for
33 placement in the fund shall be deposited in the fund.
34 Additionally, payment of interest, recaptures of
35 awards, and other repayments to the transitional
36 housing revolving loan program fund shall be credited
37 to the fund. Notwithstanding section 12C.7,
38 subsection 2, interest or earnings on moneys in the
39 transitional housing revolving loan program fund shall
40 be credited to the fund. Notwithstanding section
41 8.33, moneys that remain unencumbered or unobligated
42 at the close of the fiscal year shall not revert but
43 shall remain available for the same purpose in the
44 succeeding fiscal year.
45 3. The authority shall annually allocate moneys
46 available in the transitional housing revolving loan
47 program fund for the development of affordable
48 transitional housing for parents that are reuniting
49 with the parents' children while completing or
50 participating in substance abuse treatment. The

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1 authority shall develop a joint application process
2 for the allocation of federal low-income housing tax
3 credits and the funds available under this section.
4 Moneys allocated to such projects may be in the form
5 of loans, grants, or a combination of loans and
6 grants.

7 4. The authority shall adopt rules pursuant to
8 chapter 17A to administer this section."

9 _____. Page 68, by inserting after line 32, the
10 following:

11 "Sec. _____. Section 154A.22, Code 2005, is amended
12 to read as follows:

13 154A.22 ~~DEPOSIT RECEIPT OF FEES.~~

14 1. The Except as otherwise provided in subsection
15 2, the department shall deposit all fees collected
16 under the provisions of this chapter in the general
17 fund of the state. Compensation and travel expenses
18 of members and employees of the board, and other
19 expenses necessary for the board to administer and
20 carry out the provisions of this chapter shall be paid
21 from funds appropriated from the general fund of the
22 state.

23 2. The department may retain ninety percent of the
24 revenue generated from an increase in licensure and
25 permit fees established pursuant to section 154A.17
26 above the licensure and permit fees in effect as of
27 June 30, 2005. The moneys retained by the department
28 shall be used for any of the board's duties, including
29 but not limited to addition of full-time equivalent
30 positions for program services and investigations.
31 Revenues retained by the department pursuant to this
32 subsection shall be considered repayment receipts as
33 defined in section 8.2.

34 Sec. _____. Section 155.6, Code 2005, is amended to
35 read as follows:

36 155.6 ~~FUND CREATED RECEIPT OF FEES.~~

37 1. All Except as otherwise provided in subsection
38 2, all fees collected under the provisions of this
39 chapter shall be paid to the treasurer of state who
40 shall deposit the fees in the general fund of the
41 state. Funds shall be appropriated to the board to be
42 used and expended by the board to pay the compensation
43 and travel expenses of members and employees of the
44 board, and other expenses necessary for the board to
45 administer and carry out the provisions of this
46 chapter.

47 2. The board may retain ninety percent of the
48 revenue generated from an increase in examination,
49 licensure, and renewal of licensure fees established
50 pursuant to section 155.15 above the examination.

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1 licensure, and renewal of licensure fees in effect as
2 of June 30, 2005. The moneys retained by the board
3 shall be used for any of the board's duties, including
4 but not limited to addition of full-time equivalent
5 positions for program services and investigations.

6 Revenues retained by the department pursuant to this
7 subsection shall be considered repayment receipts as
8 defined in section 8.2."

9 ____ Page 73, by inserting after line 33, the
10 following:

11 "Sec. ____ Section 227.4, Code 2005, is amended to
12 read as follows:

13 227.4 STANDARDS FOR CARE OF PERSONS WITH MENTAL
14 ILLNESS OR ~~DEVELOPMENTAL DISABILITIES~~ MENTAL
15 RETARDATION IN COUNTY CARE FACILITIES.

16 The administrator, in cooperation with the
17 department of inspections and appeals, shall recommend
18 and the mental health, mental retardation,
19 developmental disabilities, and brain injury
20 commission created in section 225C.5 shall adopt
21 standards for the care of and services to persons with
22 mental illness or ~~developmental disabilities~~ mental
23 retardation residing in county care facilities. The
24 standards shall be enforced by the department of
25 inspections and appeals as a part of the licensure
26 inspection conducted pursuant to chapter 135C. The
27 objective of the standards is to ensure that persons
28 with mental illness or ~~developmental disabilities~~
29 mental retardation who are residents of county care
30 facilities are not only adequately fed, clothed, and
31 housed, but are also offered reasonable opportunities
32 for productive work and recreational activities suited
33 to their physical and mental abilities and offering
34 both a constructive outlet for their energies and, if
35 possible, therapeutic benefit. When recommending
36 standards under this section, the administrator shall
37 designate an advisory committee representing
38 administrators of county care facilities, county
39 mental health and developmental disabilities regional
40 planning councils, and county care facility resident
41 advocate committees to assist in the establishment of
42 standards."

43 ____ Page 83, by inserting after line 2, the
44 following:

45 "Sec. ____ Section 249J.8, subsection 4, as
46 enacted by 2005 Iowa Acts, [House File 841](#), section 8,
47 is amended to read as follows:

48 4. The department shall track the impact of the
49 out-of-pocket expenditures on ~~patient expansion~~
50 population enrollment and shall report the findings on

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1 at least a quarterly basis to the medical assistance
2 projections and assessment council established
3 pursuant to section 249J.19. The findings shall
4 include estimates of the number of expansion

5 population members complying with payment of required
 6 out-of-pocket expenditures, the number of expansion
 7 population members not complying with payment of
 8 required out-of-pocket expenditures and the reasons
 9 for noncompliance, any impact as a result of the out-
 10 of-pocket requirements on the provision of services to
 11 the populations previously served, the administrative
 12 time and cost associated with administering the
 13 out-of-pocket requirements, and the benefit to the
 14 state resulting from the out-of-pocket expenditures.
 15 To the extent possible, the department shall track the
 16 income level of the member, the health condition of
 17 the member, and the family status of the member
 18 relative to the out-of-pocket information."

19 ____ Page 86, by striking lines 11 and 12, and
 20 inserting the following:

21 "Sec. ____ EFFECTIVE DATES.

22 1. The amendment in this division of this Act to".

23 ____ Page 86, by inserting after line 13, the
 24 following:

25 "2. The amendment in this division of this Act to
 26 section 15H.3, subsection 5, being deemed of immediate
 27 importance, takes effect upon enactment and is
 28 retroactively applicable to April 19, 2005."

29 ____ Page 86, by inserting after line 13, the
 30 following:

31 "DIVISION

32 SUBSTITUTE DECISION MAKER ACT

33 Sec. ____ NEW SECTION. 231E.1 TITLE.

34 This chapter shall be known and may be cited as the
 35 "Iowa Substitute Decision Maker Act".

36 Sec. ____ NEW SECTION. 231E.2 OFFICE OF
 37 SUBSTITUTE DECISION MAKER – FINDINGS AND INTENT.

38 1. a. The general assembly finds that many adults
 39 in this state are unable to meet essential
 40 requirements to maintain their physical health or to
 41 manage essential aspects of their financial resources
 42 and are in need of substitute decision-making
 43 services. However, a willing and responsible person
 44 may not be available to serve as a private substitute
 45 decision maker or the adult may not have adequate
 46 income or resources to compensate a private substitute
 47 decision maker.

48 b. The general assembly further finds that a
 49 process should exist to assist individuals in finding
 50 alternatives to substitute decision-making services

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1 and less intrusive means of assistance before an
 2 individual's independence or rights are limited.
 3 c. The general assembly further finds that a

4 substitute decision maker may be necessary to finalize
5 a person's affairs after death when there is no
6 willing and appropriate person available to serve as
7 the person's personal representative.

8 2. a. It is, therefore, the intent of the general
9 assembly to establish a state office of substitute
10 decision maker and authorize the establishment of
11 local offices of substitute decision maker to provide
12 substitute decision-making services to adults and
13 their estates after their deaths, when no private
14 substitute decision maker is available.

15 b. It is also the intent of the general assembly
16 that the office of substitute decision maker provide
17 assistance to both public and private substitute
18 decision makers throughout the state in securing
19 necessary services for their wards, principals,
20 clients, and decedents and to assist substitute
21 decision makers, wards, principals, clients, courts,
22 and attorneys in the orderly and expeditious handling
23 of substitute decision-making proceedings.

24 Sec. __. NEW SECTION. 231E.3 DEFINITIONS.

25 As used in this chapter, unless the context
26 otherwise requires:

27 1. "Client" means an individual for whom a
28 representative payee is appointed.

29 2. "Commission" means the commission of elder
30 affairs.

31 3. "Conservator" means conservator as defined in
32 section 633.3.

33 4. "Court" means court as defined in section
34 633.3.

35 5. "Decedent" means the individual for whom an
36 estate is administered or executed.

37 6. "Department" means the department of elder
38 affairs established in section 231.21.

39 7. "Director" means the director of the department
40 of elder affairs.

41 8. "Estate" means estate as defined in section
42 633.3.

43 9. "Guardian" means guardian as defined in section
44 633.3.

45 10. "Incompetent" means incompetent as defined in
46 section 633.3.

47 11. "Local office" means a local office of
48 substitute decision maker.

49 12. "Local substitute decision maker" means an
50 individual under contract with the department to act

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1 as a substitute decision maker.

2 13. "Personal representative" means personal

3 representative as defined in section 633.3.

4 14. "Planning and service area" means a geographic
5 area of the state designated by the commission for the
6 purpose of planning, developing, delivering, and
7 administering services for elders.

8 15. "Power of attorney" means a durable power of
9 attorney for health care as defined in section 144B.1
10 or a power of attorney that becomes effective upon the
11 disability of the principal as described in section
12 633.705.

13 16. "Principal" means an individual for whom a
14 power of attorney is established.

15 17. "Representative payee" means an individual
16 appointed by a government entity to receive funds on
17 behalf of a client pursuant to federal regulation.

18 18. "State agency" means any executive department,
19 commission, board, institution, division, bureau,
20 office, agency, or other executive entity of state
21 government.

22 19. "State office" means the state office of
23 substitute decision maker.

24 20. "State substitute decision maker" means the
25 administrator of the state office of substitute
26 decision maker.

27 21. "Substitute decision maker" means a guardian,
28 conservator, representative payee, attorney in fact
29 under a power of attorney, or personal representative.

30 22. "Substitute decision making" or "substitute
31 decision-making services" means the provision of
32 services of a guardian, conservator, representative
33 payee, attorney in fact under a power of attorney, or
34 personal representative.

35 23. "Ward" means the individual for whom a
36 guardianship or conservatorship is established.

37 Sec. __. NEW SECTION. 231E.4 STATE OFFICE OF
38 SUBSTITUTE DECISION MAKER – ESTABLISHED – DUTIES –
39 DEPARTMENT RULES.

40 1. A state office of substitute decision maker is
41 established within the department to create and
42 administer a statewide network of substitute decision
43 makers who provide substitute decision-making services
44 if other substitute decision makers are not available
45 to provide the services.

46 2. The director shall appoint an administrator of
47 the state office who shall serve as the state
48 substitute decision maker. The state substitute
49 decision maker shall be qualified for the position by
50 training and expertise in substitute decision-making

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1 law. The state substitute decision maker shall also

2 have knowledge of social services available to meet
3 the needs of persons adjudicated incompetent or in
4 need of substitute decision making.

5 3. The state office shall do all of the following:

6 a. Select persons through a request for proposals
7 process to establish local offices of substitute
8 decision maker in each of the planning and service
9 areas. Local offices shall be established statewide
10 on or before July 1, 2015.

11 b. Monitor and terminate contracts with local
12 offices based on criteria established by rule of the
13 department.

14 c. Retain oversight responsibilities for all local
15 substitute decision makers.

16 d. Act as substitute decision maker if a local
17 office is not available to so act.

18 e. Work with the department of human services, the
19 Iowa department of public health, the governor's
20 developmental disabilities council, and other agencies
21 to establish a referral system for the provision of
22 substitute decision-making services.

23 f. Develop and maintain a current listing of
24 public and private services and programs available to
25 assist wards, principals, clients, personal
26 representatives, and their families and establish and
27 maintain relationships with public and private
28 entities to assure the availability of effective
29 substitute decision-making services for wards,
30 principals, clients, and estates.

31 g. Provide information and referrals to the public
32 regarding substitute decision-making services.

33 h. Provide personal representatives for estates
34 where a person is not available for that purpose.

35 i. Maintain statistical data on the local offices
36 including various methods of funding, the types of
37 services provided, and the demographics of the wards,
38 principals, clients, and decedents and report to the
39 general assembly on or before November 1, annually,
40 regarding the local offices and recommend any
41 appropriate legislative action.

42 j. Develop, in cooperation with the judicial
43 council as established in section 602.1202, a
44 substitute decision-maker education and training
45 program. The program may be offered to both public
46 and private substitute decision makers. The state
47 office shall establish a curriculum committee, which
48 includes but is not limited to probate judges, to
49 develop the education and training program.

50 4. The state office may do any of the following:

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1 a. Accept and receive gifts, grants, or donations
2 from any public or private entity in support of the
3 state office.
4 b. Accept the services of individual volunteers
5 and volunteer organizations.
6 c. Employ staff necessary to administer the state
7 office and enter into contracts as necessary.
8 5. The department shall provide administrative
9 support to the state office.
10 6. The department shall adopt rules in accordance
11 with chapter 17A necessary to create and administer
12 the state and local offices, relating to but not
13 limited to all of the following:
14 a. An application and intake process and standards
15 for receipt of substitute decision-making services
16 from the state or a local office.
17 b. A process for the removal or termination of the
18 state or a local substitute decision maker.
19 c. An ideal range of staff-to-client ratios for
20 the state and local substitute decision makers.
21 d. Minimum training and experience requirements
22 for professional staff and volunteers.
23 e. A fee schedule. The department may establish
24 by rule a schedule of reasonable fees for the costs of
25 substitute decision-making services provided under
26 this chapter. The fee schedule established may be
27 based upon the ability of the ward, principal, client,
28 or estate to pay for the services but shall not exceed
29 the actual cost of providing the services. The state
30 office or a local office may waive collection of a fee
31 upon a finding that collection is not economically
32 feasible. The rules may provide that the state office
33 or a local office may investigate the financial status
34 of a ward, principal, or client who, or an estate that
35 requests substitute decision-making services or for
36 whom or which the state or a local substitute decision
37 maker has been appointed for the purpose of
38 determining the fee to be charged by requiring the
39 ward, principal, client, or estate to provide any
40 written authorizations necessary to provide access to
41 records of public or private sources, otherwise
42 confidential, needed to evaluate the individual's or
43 estate's financial eligibility. The rules may also
44 provide that the state or a local substitute decision
45 maker may, upon request and without payment of fees
46 otherwise required by law, obtain information
47 necessary to evaluate the individual's or estate's
48 financial eligibility from any office of the state or
49 of a political subdivision or agency of the state that
50 possesses public records. In estate proceedings, the

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1 state or local decision maker shall be compensated
2 pursuant to chapter 633, division III, part 8.

3 f. Standards and performance measures for
4 evaluation of local offices.

5 g. Recordkeeping and accounting procedures to
6 ensure that the state office and local offices
7 maintain confidential, accurate, and up-to-date
8 financial, case, and statistical records. The rules
9 shall require each local office to file with the state
10 office, on an annual basis, an account of all public
11 and private funds received and a report regarding the
12 operations of the local office for the preceding
13 fiscal year.

14 h. Procedures for the sharing of records held by
15 the court or a state agency with the state office,
16 which are necessary to evaluate the state office or
17 local offices, to assess the need for additional
18 substitute decision makers, or to develop required
19 reports.

20 Sec. __. **NEW SECTION. 231E.5 LOCAL OFFICE OF**
21 **SUBSTITUTE DECISION MAKER.**

22 1. The state substitute decision maker shall
23 select persons to provide local substitute decision-
24 making services in each of the planning and service
25 areas, based upon a request for proposals process
26 developed by the department.

27 2. The local office shall comply with all
28 requirements established for the local office by the
29 department and shall do all of the following:

30 a. Maintain a staff of professionally qualified
31 individuals to carry out the substitute decision-
32 making functions.

33 b. Identify client needs and local resources to
34 provide necessary support services to recipients of
35 substitute decision-making services.

36 c. Collect program data as required by the state
37 office.

38 d. Meet standards established for the local
39 office.

40 e. Comply with minimum staffing requirements and
41 caseload restrictions.

42 f. Conduct background checks on employees and
43 volunteers.

44 g. With regard to a proposed ward, the local
45 office shall do all of the following:

46 (1) Determine the most appropriate form of
47 substitute decision making needed, if any, giving
48 preference to the least restrictive alternative.

49 (2) Determine whether the needs of the proposed
50 ward require the appointment of guardian or

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1 conservator.

2 (3) Assess the financial resources of the proposed
3 ward based on the information supplied to the local
4 office at the time of the determination.

5 (4) Inquire and, if appropriate, search to
6 determine whether any other person may be willing and
7 able to serve as the proposed ward's guardian or
8 conservator.

9 (5) Determine the form of guardianship or
10 conservatorship to request of a court, if any, giving
11 preference to the least restrictive form.

12 (6) If determined necessary, file a petition for
13 the appointment of a guardian or conservator pursuant
14 to chapter 633.

15 h. With regard to an estate, the local office may
16 appoint a personal representative to file a petition
17 to open an estate who shall do all of the following:

18 (1) Retain legal counsel as described in section
19 231E.11 to be compensated from the proceeds of the
20 estate pursuant to chapter 633, division III, part 8.

21 (2) Liquidate all assets of the estate.

22 (3) Distribute the assets of the estate pursuant
23 to chapter 633, division VII, parts 7 and 8, and other
24 applicable provisions of law.

25 3. A local office may do any of the following:

26 a. Contract for or arrange for provision of
27 services necessary to carry out the duties of a local
28 substitute decision maker.

29 b. Accept the services of volunteers or
30 consultants and reimburse them for necessary expenses.

31 c. Employ staff and delegate to members of the
32 staff the powers and duties of the local substitute
33 decision maker. However, the local office shall
34 retain responsibility for the proper performance of
35 the delegated powers and duties. All delegations
36 shall be to persons who meet the eligibility
37 requirements of the specific type of substitute
38 decision maker.

39 4. An individual acting as the state or a local
40 substitute decision maker shall comply with applicable
41 requirements for guardians, conservators, or personal
42 representatives pursuant to chapter 633, attorneys in
43 fact under a power of attorney pursuant to chapter 633
44 or a durable power of attorney for health care
45 pursuant to chapter 144B, or representative payees
46 pursuant to federal law and regulations.

47 5. Notwithstanding any provision to the contrary,
48 an individual acting as the state or a local
49 substitute decision maker shall not be subject to the
50 posting of a bond pursuant to chapter 633. An

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1 individual acting as the state or a local substitute
2 decision maker shall complete at least eight hours of
3 training annually as certified by the department.
4 Sec. __. NEW SECTION. 231E.6 COURT-INITIATED OR
5 PETITION-INITIATED APPOINTMENT OF STATE OR LOCAL
6 SUBSTITUTE DECISION MAKER – GUARDIANSHIP OR
7 CONSERVATORSHIP – DISCHARGE.

8 The court may appoint on its own motion or upon
9 petition of any person, the state office or local
10 office of substitute decision maker, to serve as
11 guardian or conservator for any proposed ward in cases
12 in which the court determines that the proceeding will
13 establish the least restrictive form of substitute
14 decision making suitable for the proposed ward and if
15 the proposed ward meets all of the following criteria:

- 16 1. Is a resident of the planning and service area
17 in which the local office is located from which
18 services would be provided or is a resident of the
19 state, if the state office would provide the services.
- 20 2. Is eighteen years of age or older.
- 21 3. Does not have suitable family or another
22 appropriate entity willing and able to serve as
23 guardian or conservator.
- 24 4. Is incompetent.
- 25 5. Is an individual for whom guardianship or
26 conservatorship services are the least restrictive
27 means of meeting the individual's needs.

28 Sec. __. NEW SECTION. 231E.7 SUBSTITUTE
29 DECISION MAKER-INITIATED APPOINTMENT.

30 The state office or local office may on its own
31 motion or at the request of the court intervene in a
32 guardianship or conservatorship proceeding if the
33 state office or local office or the court considers
34 the intervention to be justified because of any of the
35 following:

- 36 1. An appointed guardian or conservator is not
37 fulfilling prescribed duties or is subject to removal
38 under section 633.65.
- 39 2. A willing and qualified guardian or conservator
40 is not available.
- 41 3. The best interests of the ward require the
42 intervention.

43 Sec. __. NEW SECTION. 231E.8 PROVISIONS
44 APPLICABLE TO ALL APPOINTMENTS AND DESIGNATIONS –
45 DISCHARGE.

- 46 1. The court shall only appoint or intervene on
47 its own motion or act upon the petition of any person
48 under section 231E.6 or 231E.7 if such appointment or
49 intervention would comply with staffing ratios
50 established by the department and if sufficient

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1 resources are available to the state office or local
2 office. Notice of the proposed appointment shall be
3 provided to the state office or local office prior to
4 the granting of such appointment.

5 2. The state office or local office shall maintain
6 reasonable personal contact with each ward, principal,
7 or client for whom the state office or local office is
8 appointed or designated in order to monitor the
9 ward's, principal's, or client's care and progress.
10 For any estates in which the state office or local
11 office is involved, the state office or local office
12 shall move estate proceedings forward in a reasonable
13 and expeditious manner and shall monitor the progress
14 of any legal counsel retained on a regular basis.

15 3. Notwithstanding any provision of law to the
16 contrary, the state office or local office appointed
17 by the court or designated under a power of attorney
18 document may access all confidential records
19 concerning the ward or principal for whom the state
20 office or local office is appointed or designated,
21 including medical records and abuse reports.

22 4. In any proceeding in which the state or local
23 office is appointed or is acting as guardian or
24 conservator, the court shall waive court costs or
25 filing fees, if the state office or local office
26 certifies to the court that the state office or local
27 office has waived its fees in their entirety based
28 upon the ability of the ward to pay for the services
29 of the state office or local office. In any estate
30 proceeding, the court costs shall be paid in
31 accordance with chapter 633, division VII, part 7.

32 5. The state or a local substitute decision maker
33 shall be subject to discharge or removal, by the
34 court, on the grounds and in the manner in which other
35 guardians, conservators, or personal representatives
36 are discharged or removed pursuant to chapter 633.

37 Sec. __. NEW SECTION. 231E.9 FEES –
38 APPROPRIATED.

39 Fees received by the state office and by local
40 offices for services provided as state or local
41 substitute decision maker shall be deposited in the
42 general fund of the state and the amounts received are
43 appropriated to the department for the purposes of
44 administering this chapter.

45 Sec. __. NEW SECTION. 231E.10 CONFLICTS OF
46 INTEREST – LIMITATIONS.

47 Notwithstanding section 633.63 or any other
48 provision to the contrary, a local substitute decision
49 maker shall not provide direct services to or have an
50 actual or the appearance of any conflict of interest

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1 relating to any individual for whom the local
2 substitute decision maker acts in a substitute
3 decision-making capacity unless such provision of
4 direct services or the appearance of a conflict of
5 interest is approved and monitored by the state office
6 in accordance with rules adopted by the department.
7 Sec. __. NEW SECTION. 231E.11 DUTY OF ATTORNEY
8 GENERAL, COUNTY ATTORNEY, OR OTHER COUNSEL.
9 1. The attorney general shall advise the state
10 office on legal matters and represent the state office
11 in legal proceedings.
12 2. Upon the request of the attorney general, a
13 county attorney may represent the state office or a
14 local office in connection with the filing of a
15 petition for appointment as guardian or conservator
16 and with routine, subsequent appearances.
17 3. A local attorney experienced in probate matters
18 may represent the personal representative for all
19 routine matters associated with probating an estate.
20 Sec. __. NEW SECTION. 231E.12 LIABILITY.
21 All employees and volunteers of the state office
22 and local offices operating under this chapter and
23 other applicable chapters and pursuant to rules
24 adopted under this and other applicable chapters are
25 considered employees of the state and state volunteers
26 for the purposes of chapter 669 and shall be afforded
27 protection under section 669.21 or 669.24, as
28 applicable. This section does not relieve a guardian
29 or conservator from performing duties prescribed under
30 chapter 633.
31 Sec. __. NEW SECTION. 231E.13 IMPLEMENTATION.
32 Implementation of this chapter is subject to
33 availability of funding as determined by the
34 department. The department shall notify the Code
35 editor upon implementation of this chapter.
36 Sec. __. Section 235B.6, subsection 2, paragraph
37 e, Code 2005, is amended by adding the following new
38 subparagraph:
39 NEW SUBPARAGRAPH. (11) The state office or a
40 local office of substitute decision maker as defined
41 in section 231E.3, appointed by the court as a
42 guardian or conservator of the adult named in a report
43 as the victim of abuse or the person designated to be
44 responsible for performing or obtaining protective
45 services on behalf of a dependent adult pursuant to
46 section 235B.18.
47 Sec. __. Section 633.63, subsection 3, Code 2005,
48 is amended to read as follows:
49 3. A private nonprofit corporation organized under
50 chapter 504, Code 1989, or current chapter 504 or 504A

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1 is qualified to act as a guardian, as defined in
2 section 633.3, ~~subsection 20~~, or a conservator, as
3 defined in section 633.3, ~~subsection 7~~, where the
4 ~~assets subject to the conservatorship at the time when~~
5 ~~such corporation is appointed conservator are less~~
6 ~~than or equal to seventy-five thousand dollars and if~~
7 the corporation does not possess a proprietary or
8 legal interest in an organization which provides
9 direct services to the individual.

10 Sec. __. Section 633.63, Code 2005, is amended by
11 adding the following new subsection:

12 NEW SUBSECTION. 4. The state or a local
13 substitute decision maker as defined in section 231E.3
14 is authorized to act in a fiduciary capacity in this
15 state in accordance with chapter 231E."

16 __. Page 86, by inserting before line 14, the
17 following:

18 "DIVISION

19 LONG-TERM LIVING SYSTEM

20 Sec. __. NEW SECTION. 231F.1 INTENT FOR IOWA'S
21 LONG-TERM LIVING SYSTEM.

22 1. The general assembly finds and declares that
23 the intent for Iowa's long-term living system is to
24 ensure all Iowans access to an extensive range of
25 high-quality, affordable, and cost-effective long-
26 term living options that maximize independence,
27 choice, and dignity for consumers.

28 2. The long-term living system should be
29 comprehensive, offering multiple services and support
30 in home, community-based, and facility-based settings;
31 should utilize a uniform assessment process to ensure
32 that such services and support are delivered in the
33 most integrated and life-enhancing setting; and should
34 ensure that such services and support are provided by
35 a well-trained, motivated workforce.

36 3. The long-term living system should exist in a
37 regulatory climate that appropriately ensures the
38 health, safety, and welfare of consumers, while not
39 being overly restrictive or inflexible.

40 4. The long-term living system should sustain
41 existing informal care systems including family,
42 friends, volunteers, and community resources; should
43 encourage innovation through the use of technology and
44 new delivery and financing models, including housing;
45 should provide incentives to consumers for private
46 financing of long-term living services and support;
47 and should allow Iowans to live independently as long
48 as they desire.

49 5. Information regarding all components of the
50 long-term living system should be effectively

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1 communicated to all persons potentially impacted by
 2 the need for long-term living services and support in
 3 order to empower consumers to plan, evaluate, and make
 4 decisions about how best to meet their own long-term
 5 living needs."
 6 _____. By striking page 86, line 14, through page
 7 88, line 12."
 8 2. By renumbering, relettering, or redesignating
 9 and correcting internal references as necessary.

Amendment [H-1704](#) was adopted.

On motion by Heaton of Henry the House concurred in the Senate amendment [H-1702](#), as amended.

Heaton of Henry moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 825](#))

The ayes were, 95:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Foege	Ford
Freeman	Gaskill	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Hogg	Horbach	Hunter	Huseman
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Mascher
May	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, R.
Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Reichert	Roberts	Sands
Schickel	Schueller	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler

MOTION TO RECONSIDER WITHDRAWN
([House File 875](#))

Gipp of Winneshiek asked and received unanimous consent to withdraw the motion to reconsider [House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions, filed by him on May 11, 2005.

MOTION TO RECONSIDER PREVAILED

Huseman of Cherokee asked and received unanimous consent to reconsider the vote by which the Senate amendment [H-1679](#) and [House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions, passed the House and was placed on its last reading on May 11, 2005 and found on pages 1867 through 1888 of the House Journal.

Huseman of Cherokee offered the following amendment [H-1705](#) to the Senate amendment [H-1679](#) filed by him from the floor and moved its adoption:

[H-1705](#)

- 1 Amend the Senate amendment, [H-1679](#), to House File
- 2 875, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 1, by striking lines 3 through 7, and
- 5 inserting the following:
- 6 "___ Page 1, by striking lines 8 through 21."
- 7 2. Page 1, by inserting after line 42, the
- 8 following:
- 9 "___ Page 3, by inserting after line 11, the
- 10 following:
- 11 "d. For maintenance costs of the department of
- 12 corrections and board of parole associated with the
- 13 department of administrative services, notwithstanding

14 section 8.57, subsection 6, paragraph "c":
 15 \$ 105,300
 16 e. For rent payments for the community-based
 17 corrections facility located in Davenport and the
 18 department of corrections training center,
 19 notwithstanding section 8.57, subsection 6, paragraph
 20 "c":
 21 \$ 122,000
 22 2A. DEPARTMENT OF CULTURAL AFFAIRS
 23 For continuation of the project recommended by the
 24 Iowa battle flag advisory committee to stabilize the
 25 condition of the battle flag collection,
 26 notwithstanding section 8.57, subsection 6, paragraph
 27 "c":
 28 \$ 220,000""
 29 3. Page 2, by inserting after line 9, the
 30 following:
 31 "___ Page 4, by inserting after line 2 the
 32 following:
 33 "d. For major renovation and major repair needs,
 34 including health, life, and fire safety needs, and for
 35 compliance with the federal Americans With
 36 Disabilities Act, for state buildings and facilities
 37 under the purview of the community colleges:
 38 \$ 2,000,000
 39 The moneys appropriated in this lettered paragraph
 40 shall be allocated to the community colleges based
 41 upon the distribution formula established in section
 42 260C.18C, if enacted by 2005 Iowa Acts, House File
 43 816.
 44 e. For implementation of the provisions of Code
 45 chapter 280A, as amended by 2005 Iowa Acts, House File
 46 739, if enacted, notwithstanding section 8.57,
 47 subsection 6, paragraph "c":
 48 \$ 500,000"
 49 ___ Page 4, by inserting after line 8 the
 50 following:

Page 2

1 "5A. IOWA FINANCE AUTHORITY
 2 For deposit into the transitional housing revolving
 3 loan program fund created in section 16.184, if
 4 enacted by 2005 Iowa Acts, [House File 825](#):
 5 \$ 1,400,00""
 6 4. Page 2, by striking lines 13 and 14.
 7 5. Page 2, line 44, by inserting after the word
 8 "fire" the following: "regional".
 9 6. Page 3, line 4, by inserting after the word
 10 "fire" the following: "regional".

11 7. Page 3, by striking lines 13 and 14, and
 12 inserting the following:
 13 "___ . Page 6, line 4, by striking the word "For"
 14 and inserting the following: "a. For major".
 15 ___ . Page 6, by inserting after line 6, the
 16 following:
 17 "b. For major renovation and major repair needs,
 18 including health, life, and fire safety needs, and for
 19 compliance with the federal Americans With
 20 Disabilities Act, for state buildings and facilities
 21 under the purview of the state board of regents
 22 institutions:
 23 \$ 6,250,000"
 24 8. Page 3, by inserting after line 17, the
 25 following:
 26 "___ . Page 6, line 13, by striking the figure
 27 "500,000" and inserting the following: "564,792".
 28 9. Page 3, by inserting after line 23, the
 29 following:
 30 "___ . Page 6, by inserting after line 27, the
 31 following:
 32 "d. For the rail assistance program and to provide
 33 economic development project funding:
 34 \$ 35,959"
 35 10. Page 3, by inserting after line 41, the
 36 following:
 37 "___ . Page 10, by inserting after line 4, the
 38 following:
 39 "Sec. ___ . 2005 Iowa Acts, [House File 466](#), section
 40 3, is repealed."
 41 11. Page 11, line 49, by inserting after the word
 42 "courses." the following: "The treasurer of state is
 43 authorized to establish separate and distinct accounts
 44 within the honey creek premier destination park bond
 45 fund in connection with the issuance of the
 46 authority's bonds in accordance with the trust
 47 indenture or resolution authorizing the bonds and the
 48 authority is authorized to determine which revenues
 49 and accounts shall be pledged as security for the
 50 bonds. Amounts deposited in the honey creek premier

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1 destination park bond fund shall be deposited in the
 2 separate and distinct accounts as set forth in the
 3 trust indenture or resolution authorizing the bonds.
 4 The authority is authorized to pledge and use the
 5 gross revenues from the honey creek premier
 6 destination park to and for payment of the bonds.
 7 Revenues may also be used for the payment of
 8 insurance, other credit enhancements, and other
 9 financing arrangements. Operating expenses of the

10 honey creek premier destination park may be paid from
 11 the revenues to the extent the revenues exceed the
 12 amount determined by the authority to be necessary for
 13 debt service on the bonds."

14 12. Page 15, line 49, by striking the word "July"
 15 and inserting the following: "January".

16 13. Page 16, line 6, by striking the word "may"
 17 and inserting the following: "shall".

18 14. Page 17, line 49, by inserting after the
 19 figure "12.30." the following: "However, the
 20 exemption from competitive bid laws in this section
 21 shall not be construed to apply to contracts for the
 22 development of the park or the development or
 23 construction of facilities in the park, including, but
 24 not limited to, lodges, campgrounds, cabins, and golf
 25 courses."

Amendment [H-1705](#) was adopted.

On motion by Huseman of Cherokee the House concurred in the Senate amendment [H-1679](#), as amended.

Huseman of Cherokee moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 875](#))

The ayes were, 94:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Foege	Ford
Freeman	Gaskill	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Hogg	Horbach	Hunter	Huseman
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.

Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Mr. Speaker		
	Rants		

The nays were, 1:

Fallon

Absent or not voting, 5:

Chambers	Frevort	Huser	Maddox
Shomshor			

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 875](#) be immediately messaged to the Senate.

HOUSE RECEDES

Horbach of Tama called up for consideration [House File 807](#), a bill for an act relating to and making appropriations to the judicial branch, and providing an effective date, amended by the House and moved that the House recede from its amendment [H-1637](#) to the Senate amendment [H-1629](#), found on page 1760 of the House Journal.

The motion prevailed and the House recesses.

Horbach of Tama moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 807](#))

The ayes were, 96:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt

De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Hutter	Jacobs	Jacoby
Jenkins	Jochum	Jones	Kaufmann
Kressig	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Mascher	May	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, R.	Olson, S.	Paulsen	Petersen
Pettengill	Quirk	Raecker	Rasmussen
Rayhons	Reasoner	Reichert	Roberts
Sands	Schickel	Schueller	Shoultz
Smith	Soderberg	Struyk	Swaim
Taylor, D.	Taylor, T.	Thomas	Tjepkes
Tomenga	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Watts	Wendt
Wessel-Kroeschell	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Zirkelbach	Mr. Speaker Rants

The nays were, none.

Absent or not voting, 4:

Chambers	Frevert	Huser	Shomshor
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 807](#) be immediately messaged to the Senate.

The House stood at ease at 1:15 p.m., until the fall of the gavel.

The House resumed session at 1:44 p.m., Speaker Rants in the chair.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: am directed to inform your honorable body that the Senate has on May 20, 2005, insisted on the Senate amendment to [House File 834](#), a bill for an act relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations, and the members of the conference committee on the part of the Senate are: the senator from Black Hawk, Senator Danielson, Co-chair; the senator from Polk, Senator Ward, Co-chair; the senator from Polk, Senator Dearden; the senator from Warren, Senator Shull; the senator from Scott, Senator Seng; and the senator from Allamakee, Senator Zieman.

Also: That the Senate has on May 20, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 858](#), a bill for an act establishing a statewide work-based learning intermediary network program and creating a fund.

Also: That the Senate has on May 20, 2005, insisted on the Senate amendment to the House amendment to [Senate File 200](#), a bill for an act relating to the administration of the department of agriculture and land stewardship, by providing for its powers and duties, and the members of the conference committee on the part of the Senate are: the senator from Sac, Senator Kettering, Co-chair; the senator from Jasper, Senator Black, Co-chair; the senator from Pottawattamie, Senator Houser; the senator from Fayette, Senator Schoenjahn; the senator from Osceola, Senator Johnson; and the senator from Cerro Gordo, Senator Ragan.

MICHAEL E. MARSHALL, Secretary

CONFERENCE COMMITTEE APPOINTED
([Senate File 200](#))

The Speaker announced the appointment of the conference committee to consider the differences between the House and Senate concerning [Senate File 200](#): Greiner of Washington, Chair; Kurtenbach of Story, Rasmussen of Buchanan, Mertz of Kossuth and Hogg of Linn.

CONFERENCE COMMITTEE APPOINTED
([House File 834](#))

The Speaker announced the appointment of the conference committee to consider the differences between the House and Senate concerning [House File 834](#): Struyk of Pottawattamie, Chair; Greiner of Washington, Tymeson of Madison, Shultz of Black Hawk and Huser of Polk.

SENATE AMENDMENT CONSIDERED

Horbach of Tama called up for consideration [House File 811](#), a bill for an act relating to and making appropriations to the justice system and providing an effective date, amended by the Senate amendment [H-1701](#) as follows:

[H-1701](#)

1 Amend [House File 811](#), as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "DIVISION I
6 FY 2005-2006 APPROPRIATIONS
7 JUSTICE SYSTEM

8 Section 1. DEPARTMENT OF JUSTICE.

9 1. There is appropriated from the general fund of
10 the state to the department of justice for the fiscal
11 year beginning July 1, 2005, and ending June 30, 2006,
12 the following amounts, or so much thereof as is
13 necessary, to be used for the purposes designated:

14 a. For the general office of attorney general for
15 salaries, support, maintenance, miscellaneous purposes
16 including the prosecuting attorneys training program,
17 victim assistance grants, office of drug control
18 policy (ODCP) prosecuting attorney program, legal
19 services for persons in poverty grants as provided in
20 section 13.34, odometer fraud enforcement, and for not
21 more than the following full-time equivalent
22 positions:

23 \$ 8,024,280
24 FTEs 214.50

25 It is the intent of the general assembly that as a
26 condition of receiving the appropriation provided in
27 this lettered paragraph, the department of justice
28 shall maintain a record of the estimated time incurred
29 representing each agency or department.

30 b. For victim assistance grants:
31 \$ 305,000

32 The funds appropriated in this lettered paragraph
33 shall be used to provide grants to care providers
34 providing services to crime victims of domestic abuse
35 or to crime victims of rape and sexual assault.

36 c. For legal services for persons in poverty
37 grants as provided in section 13.34:
38 \$ 750,000

39 2. In addition to the funds appropriated in
40 subsection 1, there is appropriated from the general

41 fund of the state to the department of justice for the
42 fiscal year beginning July 1, 2005, and ending June
43 30, 2006, an amount not exceeding \$200,000 to be used
44 for the enforcement of the Iowa competition law. The
45 funds appropriated in this subsection are contingent
46 upon receipt by the general fund of the state of an
47 amount at least equal to the expenditure amount from
48 either damages awarded to the state or a political
49 subdivision of the state by a civil judgment under
50 chapter 553, if the judgment authorizes the use of the

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1 award for enforcement purposes or costs or attorneys
2 fees awarded the state in state or federal antitrust
3 actions. However, if the amounts received as a result
4 of these judgments are in excess of \$200,000, the
5 excess amounts shall not be appropriated to the
6 department of justice pursuant to this subsection.
7 The department of justice shall report the
8 department's actual costs and an estimate of the time
9 incurred enforcing the competition law, to the co-
10 chairpersons and ranking members of the joint
11 appropriations subcommittee on the justice system, and
12 to the legislative services agency by November 15,
13 2005.

14 3. In addition to the funds appropriated in
15 subsection 1, there is appropriated from the general
16 fund of the state to the department of justice for the
17 fiscal year beginning July 1, 2005, and ending June
18 30, 2006, an amount not exceeding \$1,125,000 to be
19 used for public education relating to consumer fraud
20 and for enforcement of section 714.16, and an amount
21 not exceeding \$75,000 for investigation, prosecution,
22 and consumer education relating to consumer and
23 criminal fraud against older Iowans. The funds
24 appropriated in this subsection are contingent upon
25 receipt by the general fund of the state of an amount
26 at least equal to the expenditure amount from damages
27 awarded to the state or a political subdivision of the
28 state by a civil consumer fraud judgment or
29 settlement, if the judgment or settlement authorizes
30 the use of the award for public education on consumer
31 fraud. However, if the funds received as a result of
32 these judgments and settlements are in excess of
33 \$1,200,000, the excess funds shall not be appropriated
34 to the department of justice pursuant to this
35 subsection. The department of justice shall report to
36 the co-chairpersons and ranking members of the joint
37 appropriations subcommittee on the justice system, and
38 to the legislative services agency by November 15,
39 2005, the department's actual costs and an estimate of

40 the time incurred in providing education pursuant to
41 and enforcing this subsection.

42 4. The balance of the victim compensation fund
43 established in section 915.94 may be used to provide
44 salary and support of not more than 22 FTEs and to
45 provide maintenance for the victim compensation
46 functions of the department of justice.

47 5. a. The department of justice, in submitting
48 budget estimates for the fiscal year commencing July
49 1, 2006, pursuant to section 8.23, shall include a
50 report of funding from sources other than amounts

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1 appropriated directly from the general fund of the
2 state to the department of justice or to the office of
3 consumer advocate. These funding sources shall
4 include, but are not limited to, reimbursements from
5 other state agencies, commissions, boards, or similar
6 entities, and reimbursements from special funds or
7 internal accounts within the department of justice.
8 The department of justice shall report actual
9 reimbursements for the fiscal year commencing July 1,
10 2004, and actual and expected reimbursements for the
11 fiscal year commencing July 1, 2005.

12 b. The department of justice shall include the
13 report required under paragraph "a", as well as
14 information regarding any revisions occurring as a
15 result of reimbursements actually received or expected
16 at a later date, in a report to the co-chairpersons
17 and ranking members of the joint appropriations
18 subcommittee on the justice system and the legislative
19 services agency. The department of justice shall
20 submit the report on or before January 15, 2006.

21 6. In addition to the funds appropriated in
22 subsection 1, there is appropriated from the general
23 fund of the state to the department of justice for the
24 fiscal year beginning July 1, 2005, and ending June
25 30, 2006, an amount not exceeding \$150,000 to be used
26 for legal services for persons in poverty grants as
27 provided in section 13.34, and an amount not exceeding
28 \$95,000 for legal services related to the department
29 of elder affairs legal hotline. The funds
30 appropriated in this subsection are contingent upon
31 receipt by the general fund of the state of an amount
32 at least equal to the expenditure amount from costs or
33 attorney fees awarded the state in settlement of its
34 antitrust action against Microsoft brought under
35 chapter 553. However, if the amounts received as a
36 result of this settlement are in excess of \$245,000,
37 the excess amounts shall not be appropriated to the
38 department of justice pursuant to this paragraph.

39 Sec. 2. DEPARTMENT OF JUSTICE – ENVIRONMENTAL
 40 CRIMES INVESTIGATION AND PROSECUTION – FUNDING.
 41 There is appropriated from the environmental crime
 42 fund of the department of justice, consisting of
 43 court-ordered fines and penalties awarded to the
 44 department arising out of the prosecution of
 45 environmental crimes, to the department of justice for
 46 the fiscal year beginning July 1, 2005, and ending
 47 June 30, 2006, an amount not exceeding \$20,000 to be
 48 used by the department, at the discretion of the
 49 attorney general, for the investigation and
 50 prosecution of environmental crimes, including the

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1 reimbursement of expenses incurred by county,
 2 municipal, and other local governmental agencies
 3 cooperating with the department in the investigation
 4 and prosecution of environmental crimes.
 5 The funds appropriated in this section are
 6 contingent upon receipt by the environmental crime
 7 fund of the department of justice of an amount at
 8 least equal to the appropriations made in this section
 9 and received from contributions, court-ordered
 10 restitution as part of judgments in criminal cases,
 11 and consent decrees entered into as part of civil or
 12 regulatory enforcement actions. However, if the funds
 13 received during the fiscal year are in excess of
 14 \$20,000, the excess funds shall be deposited in the
 15 general fund of the state.

16 Notwithstanding section 8.33, moneys appropriated
 17 in this section that remain unencumbered or
 18 unobligated at the close of the fiscal year shall not
 19 revert but shall remain available for expenditure for
 20 the purpose designated until the close of the
 21 succeeding fiscal year.

22 Sec. 3. OFFICE OF CONSUMER ADVOCATE. There is
 23 appropriated from the general fund of the state to the
 24 office of consumer advocate of the department of
 25 justice for the fiscal year beginning July 1, 2005,
 26 and ending June 30, 2006, the following amount, or so
 27 much thereof as is necessary, to be used for the
 28 purposes designated:

29 For salaries, support, maintenance, miscellaneous
 30 purposes, and for not more than the following full-
 31 time equivalent positions:
 32 \$ 2,810,442
 33 FTEs 27.00

34 Sec. 4. DEPARTMENT OF CORRECTIONS -- FACILITIES.

35 1. There is appropriated from the general fund of
 36 the state to the department of corrections for the
 37 fiscal year beginning July 1, 2005, and ending June

38 30, 2006, the following amounts, or so much thereof as
 39 is necessary, to be used for the purposes designated:
 40 For the operation of adult correctional
 41 institutions, reimbursement of counties for certain
 42 confinement costs, and federal prison reimbursement,
 43 to be allocated as follows:
 44 a. For the operation of the Fort Madison
 45 correctional facility, including salaries, support,
 46 maintenance, and miscellaneous purposes:
 47 \$ 38,923,261
 48 b. For the operation of the Anamosa correctional
 49 facility, including salaries, support, maintenance,
 50 and miscellaneous purposes:

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1 \$ 27,257,452
 2 Moneys are provided within this appropriation for
 3 one full-time substance abuse counselor for the Luster
 4 Heights facility, for the purpose of certification of
 5 a substance abuse program at that facility.
 6 c. For the operation of the Oakdale correctional
 7 facility, including salaries, support, maintenance,
 8 and miscellaneous purposes:
 9 \$ 25,730,278
 10 d. For the operation of the Newton correctional
 11 facility, including salaries, support, maintenance,
 12 and miscellaneous purposes:
 13 \$ 25,073,632
 14 e. For the operation of the Mt. Pleasant
 15 correctional facility, including salaries, support,
 16 maintenance, and miscellaneous purposes:
 17 \$ 23,753,340
 18 f. For the operation of the Rockwell City
 19 correctional facility, including salaries, support,
 20 maintenance, and miscellaneous purposes:
 21 \$ 8,096,378
 22 g. For the operation of the Clarinda correctional
 23 facility, including salaries, support, maintenance,
 24 and miscellaneous purposes:
 25 \$ 22,904,497
 26 Moneys received by the department of corrections as
 27 reimbursement for services provided to the Clarinda
 28 youth corporation are appropriated to the department
 29 and shall be used for the purpose of operating the
 30 Clarinda correctional facility.
 31 h. For the operation of the Mitchellville
 32 correctional facility, including salaries, support,
 33 maintenance, and miscellaneous purposes:
 34 \$ 14,002,603
 35 i. For the operation of the Fort Dodge
 36 correctional facility, including salaries, support,

37 maintenance, and miscellaneous purposes:
 38 \$ 26,315,943
 39 j. For reimbursement of counties for temporary
 40 confinement of work release and parole violators, as
 41 provided in sections 901.7, 904.908, and 906.17 and
 42 for offenders confined pursuant to section 904.513:
 43 \$ 674,954
 44 k. For federal prison reimbursement,
 45 reimbursements for out-of-state placements, and
 46 miscellaneous contracts:
 47 \$ 241,293
 48 2. The department of corrections shall use funds
 49 appropriated in subsection 1 to continue to contract
 50 for the services of a Muslim imam.

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1 Sec. 5. DEPARTMENT OF CORRECTIONS –
 2 ADMINISTRATION.

3 1. There is appropriated from the general fund of
 4 the state to the department of corrections for the
 5 fiscal year beginning July 1, 2005, and ending June
 6 30, 2006, the following amounts, or so much thereof as
 7 is necessary, to be used for the purposes designated:

8 a. For general administration, including salaries,
 9 support, maintenance, employment of an education
 10 director to administer a centralized education program
 11 for the correctional system, and miscellaneous
 12 purposes:
 13 \$ 2,829,708

14 (1) It is the intent of the general assembly that
 15 as a condition of receiving the appropriation provided
 16 in this lettered paragraph, the department of
 17 corrections shall not, except as otherwise provided in
 18 subparagraph (3), enter into a new contract, unless
 19 the contract is a renewal of an existing contract, for
 20 the expenditure of moneys in excess of \$100,000 during
 21 the fiscal year beginning July 1, 2005, for the
 22 privatization of services performed by the department
 23 using state employees as of July 1, 2005, or for the
 24 privatization of new services by the department,
 25 without prior consultation with any applicable state
 26 employee organization affected by the proposed new
 27 contract and prior notification of the co-
 28 chairpersons and ranking members of the joint
 29 appropriations subcommittee on the justice system.

30 (2) It is the intent of the general assembly that
 31 each lease negotiated by the department of corrections
 32 with a private corporation for the purpose of
 33 providing private industry employment of inmates in a
 34 correctional institution shall prohibit the private
 35 corporation from utilizing inmate labor for partisan

36 political purposes for any person seeking election to
37 public office in this state and that a violation of
38 this requirement shall result in a termination of the
39 lease agreement.

40 (3) It is the intent of the general assembly that
41 as a condition of receiving the appropriation provided
42 in this lettered paragraph, the department of
43 corrections shall not enter into a lease or
44 contractual agreement pursuant to section 904.809 with
45 a private corporation for the use of building space
46 for the purpose of providing inmate employment without
47 providing that the terms of the lease or contract
48 establish safeguards to restrict, to the greatest
49 extent feasible, access by inmates working for the
50 private corporation to personal identifying

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1 information of citizens.

2 b. For educational programs for inmates at state
3 penal institutions:
4 \$ 1,008,358

5 It is the intent of the general assembly that
6 moneys appropriated in this lettered paragraph shall
7 be used solely for the purpose indicated and that the
8 moneys shall not be transferred for any other purpose.
9 In addition, it is the intent of the general assembly
10 that the department shall consult with the community
11 colleges in the areas in which the institutions are
12 located to utilize moneys appropriated in this
13 lettered paragraph to fund the high school completion,
14 high school equivalency diploma, adult literacy, and
15 adult basic education programs in a manner so as to
16 maintain these programs at the institutions.

17 To maximize the funding for educational programs,
18 the department shall establish guidelines and
19 procedures to prioritize the availability of
20 educational and vocational training for inmates based
21 upon the goal of facilitating an inmate's successful
22 release from the correctional institution.

23 The director of the department of corrections may
24 transfer moneys from Iowa prison industries for use in
25 educational programs for inmates.

26 Notwithstanding section 8.33, moneys appropriated
27 in this lettered paragraph that remain unobligated or
28 unexpended at the close of the fiscal year shall not
29 revert but shall remain available for expenditure only
30 for the purpose designated in this lettered paragraph
31 until the close of the succeeding fiscal year.

32 c. For the development of the Iowa corrections
33 offender network (ICON) data system:
34 \$ 427,700

35 2. It is the intent of the general assembly that
36 the department of corrections shall continue to
37 operate the correctional farms under the control of
38 the department at the same or greater level of
39 participation and involvement as existed as of January
40 1, 2005, shall not enter into any rental agreement or
41 contract concerning any farmland under the control of
42 the department that is not subject to a rental
43 agreement or contract as of January 1, 2005, without
44 prior legislative approval, and shall further attempt
45 to provide job opportunities at the farms for inmates.
46 The department shall attempt to provide job
47 opportunities at the farms for inmates by encouraging
48 labor-intensive farming or gardening where
49 appropriate, using inmates to grow produce and meat
50 for institutional consumption, researching the

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1 possibility of instituting food canning and cook-and-
2 chill operations, and exploring opportunities for
3 organic farming and gardening, livestock ventures,
4 horticulture, and specialized crops.
5 3. The department shall work to increase produce
6 gardening by inmates under the control of the
7 correctional institutions, and, if appropriate, may
8 use the central distribution network at the Woodward
9 state resource center. The department shall file a
10 report with the co-chairpersons and ranking members of
11 the joint appropriations subcommittee on the justice
12 system by December 1, 2005, regarding the feasibility
13 of expanding the number of acres devoted to organic
14 gardening and to the growing of organic produce for
15 sale.
16 4. The department of corrections shall submit a
17 report to the general assembly by January 1, 2006,
18 concerning moneys recouped from inmate earnings for
19 the reimbursement of operational expenses of the
20 applicable facility during the fiscal year beginning
21 July 1, 2004, for each correctional institution and
22 judicial district department of correctional services.
23 In addition, each correctional institution and
24 judicial district department of correctional services
25 shall continue to submit a report to the legislative
26 services agency on a monthly basis concerning moneys
27 recouped from inmate earnings pursuant to sections
28 904.702, 904.809, and 905.14.
29 5. It is the intent of the general assembly that
30 as a condition of receiving the appropriation provided
31 in this lettered paragraph, the department shall not
32 enter into any agreement with a private sector
33 nongovernmental entity for the purpose of housing

34 inmates committed to the custody of the director of
 35 the department, without express authorization of the
 36 general assembly to do so.
 37 Sec. 6. JUDICIAL DISTRICT DEPARTMENTS OF
 38 CORRECTIONAL SERVICES.
 39 1. There is appropriated from the general fund of
 40 the state to the department of corrections for the
 41 fiscal year beginning July 1, 2005, and ending June
 42 30, 2006, the following amounts, or so much thereof as
 43 is necessary, to be allocated as follows:
 44 a. For the first judicial district department of
 45 correctional services, including the treatment and
 46 supervision of probation and parole violators who have
 47 been released from the department of corrections
 48 violator program, the following amount, or so much
 49 thereof as is necessary:
 50 \$ 10,718,695

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1 b. For the second judicial district department of
 2 correctional services, including the treatment and
 3 supervision of probation and parole violators who have
 4 been released from the department of corrections
 5 violator program, the following amount, or so much
 6 thereof as is necessary:
 7 \$ 8,308,209
 8 c. For the third judicial district department of
 9 correctional services, including the treatment and
 10 supervision of probation and parole violators who have
 11 been released from the department of corrections
 12 violator program, the following amount, or so much
 13 thereof as is necessary:
 14 \$ 4,983,792
 15 d. For the fourth judicial district department of
 16 correctional services, including the treatment and
 17 supervision of probation and parole violators who have
 18 been released from the department of corrections
 19 violator program, the following amount, or so much
 20 thereof as is necessary:
 21 \$ 4,443,392
 22 e. For the fifth judicial district department of
 23 correctional services, including the treatment and
 24 supervision of probation and parole violators who have
 25 been released from the department of corrections
 26 violator program, the following amount, or so much
 27 thereof as is necessary:
 28 \$ 14,678,288
 29 f. For the sixth judicial district department of
 30 correctional services, including the treatment and
 31 supervision of probation and parole violators who have
 32 been released from the department of corrections

33 violator program, the following amount, or so much
 34 thereof as is necessary:
 35 \$ 10,598,160
 36 g. For the seventh judicial district department of
 37 correctional services, including the treatment and
 38 supervision of probation and parole violators who have
 39 been released from the department of corrections
 40 violator program, the following amount, or so much
 41 thereof as is necessary:
 42 \$ 6,010,963
 43 h. For the eighth judicial district department of
 44 correctional services, including the treatment and
 45 supervision of probation and parole violators who have
 46 been released from the department of corrections
 47 violator program, the following amount, or so much
 48 thereof as is necessary:
 49 \$ 6,164,249
 50 As a condition of the funds appropriated in this

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1 paragraph, the eighth judicial district department of
 2 correctional services shall establish a drug court
 3 that uses the community-panel model.
 4 2. Each judicial district department of
 5 correctional services, within the funding available,
 6 shall continue programs and plans established within
 7 that district to provide for intensive supervision,
 8 sex offender treatment, diversion of low-risk
 9 offenders to the least restrictive sanction available,
 10 job development, and expanded use of intermediate
 11 criminal sanctions.
 12 3. Each judicial district department of
 13 correctional services shall provide alternatives to
 14 prison consistent with chapter 901B. The alternatives
 15 to prison shall ensure public safety while providing
 16 maximum rehabilitation to the offender. A judicial
 17 district department may also establish a day program.
 18 4. The governor's office of drug control policy
 19 shall consider federal grants made to the department
 20 of corrections for the benefit of each of the eight
 21 judicial district departments of correctional services
 22 as local government grants, as defined pursuant to
 23 federal regulations.
 24 5. The department of corrections shall continue to
 25 contract with a judicial district department of
 26 correctional services to provide for the rental of
 27 electronic monitoring equipment which shall be
 28 available statewide.
 29 Sec. 7. INTENT – REPORTS.
 30 1. The department of corrections shall submit a
 31 report on inmate labor to the general assembly, to the

32 co-chairpersons and the ranking members of the joint
33 appropriations subcommittee on the justice system, and
34 to the legislative services agency by January 15,
35 2006. The report shall specifically address the
36 progress the department has made in implementing the
37 requirements of section 904.701, inmate labor on
38 capital improvement projects, community work crews,
39 inmate produce gardening, and private-sector
40 employment.

41 2. The department in cooperation with townships,
42 the Iowa cemetery associations, and other nonprofit or
43 governmental entities may use inmate labor to restore
44 or preserve rural cemeteries and historical landmarks.
45 The department in cooperation with the counties may
46 also use inmate labor to clean up roads, major water
47 sources, and other water sources around the state.

48 3. Each month the department shall provide a
49 status report regarding private-sector employment to
50 the legislative services agency beginning on July 1,

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1 2005. The report shall include the number of
2 offenders employed in the private sector, the combined
3 number of hours worked by the offenders, and the total
4 amount of allowances, and the distribution of
5 allowances pursuant to section 904.702, including any
6 moneys deposited in the general fund of the state.

7 Sec. 8. ELECTRONIC MONITORING REPORT. The
8 department of corrections shall submit a report on
9 electronic monitoring to the general assembly, to the
10 co-chairpersons and the ranking members of the joint
11 appropriations subcommittee on the justice system, and
12 to the legislative services agency by January 15,
13 2006. The report shall specifically address the
14 number of persons being electronically monitored and
15 break down the number of persons being electronically
16 monitored by offense committed. The report shall also
17 include a comparison of any data from the prior fiscal
18 year with the current year.

19 Sec. 9. STATE AGENCY PURCHASES FROM PRISON
20 INDUSTRIES.

21 1. As used in this section, unless the context
22 otherwise requires, "state agency" means the
23 government of the state of Iowa, including but not
24 limited to all executive branch departments, agencies,
25 boards, bureaus, and commissions, the judicial branch,
26 the general assembly and all legislative agencies,
27 institutions within the purview of the state board of
28 regents, and any corporation whose primary function is
29 to act as an instrumentality of the state.

30 2. State agencies are hereby encouraged to

31 purchase products from Iowa state industries, as
 32 defined in section 904.802, when purchases are
 33 required and the products are available from Iowa
 34 state industries. State agencies shall obtain bids
 35 from Iowa state industries for purchases of office
 36 furniture exceeding \$5,000 or in accordance with
 37 applicable administrative rules related to purchases
 38 for the agency.

39 Sec. 10. STATE PUBLIC DEFENDER. There is
 40 appropriated from the general fund of the state to the
 41 office of the state public defender of the department
 42 of inspections and appeals for the fiscal year
 43 beginning July 1, 2005, and ending June 30, 2006, the
 44 following amounts, or so much thereof as is necessary,
 45 to be allocated as follows for the purposes
 46 designated:

- 47 1. For salaries, support, maintenance, and
- 48 miscellaneous purposes, and for not more than the
- 49 following full-time equivalent positions:
- 50 \$ 18,444,964

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- 1 FTEs 202.00
- 2 2. For the fees of court-appointed attorneys for
- 3 indigent adults and juveniles, in accordance with
- 4 section 232.141 and chapter 815:
- 5 \$ 21,163,082

6 Sec. 11. IOWA LAW ENFORCEMENT ACADEMY.

7 1. There is appropriated from the general fund of
 8 the state to the Iowa law enforcement academy for the
 9 fiscal year beginning July 1, 2005, and ending June
 10 30, 2006, the following amount, or so much thereof as
 11 is necessary, to be used for the purposes designated:

- 12 For salaries, support, maintenance, miscellaneous
- 13 purposes, including jailer training and technical
- 14 assistance, and for not more than the following full-
- 15 time equivalent positions:
- 16 \$ 1,075,138
- 17 FTEs 30.05

18 It is the intent of the general assembly that the
 19 Iowa law enforcement academy may provide training of
 20 state and local law enforcement personnel concerning
 21 the recognition of and response to persons with
 22 Alzheimer's disease.

23 The Iowa law enforcement academy may temporarily
 24 exceed and draw more than the amount appropriated and
 25 incur a negative cash balance as long as there are
 26 receivables equal to or greater than the negative
 27 balance and the amount appropriated in this subsection
 28 is not exceeded at the close of the fiscal year.

29 2. The Iowa law enforcement academy may select at

30 least five automobiles of the department of public
 31 safety, division of the Iowa state patrol, prior to
 32 turning over the automobiles to the department of
 33 administrative services to be disposed of by public
 34 auction and the Iowa law enforcement academy may
 35 exchange any automobile owned by the academy for each
 36 automobile selected if the selected automobile is used
 37 in training law enforcement officers at the academy.
 38 However, any automobile exchanged by the academy shall
 39 be substituted for the selected vehicle of the
 40 department of public safety and sold by public auction
 41 with the receipts being deposited in the depreciation
 42 fund to the credit of the department of public safety,
 43 division of the Iowa state patrol.

44 Sec. 12. BOARD OF PAROLE. There is appropriated
 45 from the general fund of the state to the board of
 46 parole for the fiscal year beginning July 1, 2005, and
 47 ending June 30, 2006, the following amount, or so much
 48 thereof as is necessary, to be used for the purposes
 49 designated:

50 For salaries, support, maintenance, miscellaneous

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1 purposes, and for not more than the following full-
 2 time equivalent positions:
 3 \$ 1,121,044
 4 FTEs 17.50

5 Sec. 13. DEPARTMENT OF PUBLIC DEFENSE. There is
 6 appropriated from the general fund of the state to the
 7 department of public defense for the fiscal year
 8 beginning July 1, 2005, and ending June 30, 2006, the
 9 following amounts, or so much thereof as is necessary,
 10 to be used for the purposes designated:

11 1. MILITARY DIVISION

12 For salaries, support, maintenance, miscellaneous
 13 purposes, and for not more than the following full-
 14 time equivalent positions:
 15 \$ 5,130,040
 16 FTEs 312.55

17 The military division may temporarily exceed and
 18 draw more than the amount appropriated and incur a
 19 negative cash balance as long as there are receivables
 20 of federal funds equal to or greater than the negative
 21 balance and the amount appropriated in this subsection
 22 is not exceeded at the close of the fiscal year.

23 2. HOMELAND SECURITY AND EMERGENCY MANAGEMENT
 24 DIVISION

25 For salaries, support, maintenance, miscellaneous
 26 purposes, and for not more than the following full-
 27 time equivalent positions:
 28 \$ 1,172,230

29 FTEs 24.75
 30 Sec. 14. DEPARTMENT OF PUBLIC SAFETY. There is
 31 appropriated from the general fund of the state to the
 32 department of public safety for the fiscal year
 33 beginning July 1, 2005, and ending June 30, 2006, the
 34 following amounts, or so much thereof as is necessary,
 35 to be used for the purposes designated:
 36 1. For the department's administrative functions,
 37 including the criminal justice information system, and
 38 for not more than the following full-time equivalent
 39 positions:
 40 \$ 3,370,033
 41 FTEs 38.00
 42 2. For the division of criminal investigation and
 43 bureau of identification, including the state's
 44 contribution to the peace officers' retirement,
 45 accident, and disability system provided in chapter
 46 97A in the amount of 17 percent of the salaries for
 47 which the funds are appropriated, to meet federal fund
 48 matching requirements, and for not more than the
 49 following full-time equivalent positions:
 50 \$ 15,682,052

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1 FTEs 225.50
 2 In addition to the funds appropriated in this
 3 subsection, there is appropriated from the general
 4 fund of the state to the department of public safety,
 5 division of criminal investigation and bureau of
 6 identification for the fiscal year beginning July 1,
 7 2005, and ending June 30, 2006, an amount not
 8 exceeding \$304,206 to be used for the purchase of DNA
 9 profiling equipment. The funds appropriated in this
 10 paragraph are contingent upon receipt by the general
 11 fund of the state of an amount at least equal to the
 12 expenditure amount from costs or attorney fees awarded
 13 the state in settlement of its antitrust action
 14 against Microsoft brought under chapter 553. However,
 15 if the amounts received as a result of this settlement
 16 are in excess of \$304,206, the excess amounts shall
 17 not be appropriated to the department pursuant to this
 18 paragraph.
 19 3. For the criminalistics laboratory fund, if
 20 created in section 602.8108:
 21 \$ 342,000
 22 In addition to the funds appropriated in this
 23 subsection, there is appropriated from the general
 24 fund of the state to the department of public safety
 25 for the fiscal year beginning July 1, 2005, and ending
 26 June 30, 2006, an amount not exceeding \$390,000 to be
 27 used for the purchase of crime laboratory equipment.

28 The funds appropriated in this paragraph are
 29 contingent upon receipt by the general fund of the
 30 state of an amount at least equal to the expenditure
 31 amount from costs or attorney fees awarded the state
 32 in settlement of its antitrust action against
 33 Microsoft brought under chapter 553. However, if the
 34 amounts received as a result of this settlement are in
 35 excess of \$390,000, the excess amounts shall not be
 36 appropriated to the department pursuant to this
 37 paragraph.

38 The department of public safety, with the approval
 39 of the department of management, may employ no more
 40 than two special agents and four gaming enforcement
 41 officers for each additional riverboat regulated after
 42 July 1, 2005, and one special agent for each racing
 43 facility which becomes operational during the fiscal
 44 year which begins July 1, 2005. One additional gaming
 45 enforcement officer, up to a total of four per
 46 riverboat, may be employed for each riverboat that has
 47 extended operations to 24 hours and has not previously
 48 operated with a 24-hour schedule. Positions
 49 authorized in this paragraph are in addition to the
 50 full-time equivalent positions otherwise authorized in

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1 this subsection.

2 4. a. For the division of narcotics enforcement,
 3 including the state's contribution to the peace
 4 officers' retirement, accident, and disability system
 5 provided in chapter 97A in the amount of 17 percent of
 6 the salaries for which the funds are appropriated, to
 7 meet federal fund matching requirements, and for not
 8 more than the following full-time equivalent
 9 positions:

10 \$ 4,701,141
 11 FTEs 75.00

12 b. For the division of narcotics enforcement for
 13 undercover purchases:

14 \$ 123,343

15 5. a. For the state fire marshal's office,
 16 including the state's contribution to the peace
 17 officers' retirement, accident, and disability system
 18 provided in chapter 97A in the amount of 17 percent of
 19 the salaries for which the funds are appropriated, and
 20 for not more than the following full-time equivalent
 21 positions:

22 \$ 2,181,998
 23 FTEs 39.00

24 b. For the state fire marshal's office, for fire
 25 protection services as provided through the state fire
 26 service and emergency response council as created in

27 the department, and for not more than the following
 28 full-time equivalent positions:
 29 \$ 638,021
 30 FTEs 10.00
 31 Of the amount appropriated in this paragraph, the
 32 state fire marshal shall allocate \$200 for the mailing
 33 of a notice to all affected agencies or emergency
 34 services providers informing the agencies or providers
 35 about the requirement of an autopsy under section
 36 144.56A.
 37 6. For the division of the Iowa state patrol of
 38 the department of public safety, for salaries,
 39 support, maintenance, workers' compensation costs, and
 40 miscellaneous purposes, including the state's
 41 contribution to the peace officers' retirement,
 42 accident, and disability system provided in chapter
 43 97A in the amount of 17 percent of the salaries for
 44 which the funds are appropriated, and for not more
 45 than the following full-time equivalent positions:
 46 \$ 43,747,973
 47 FTEs 531.00
 48 In addition to the funds appropriated in this
 49 subsection, there is appropriated from the general
 50 fund of the state to the division of the Iowa state

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1 patrol for the fiscal year beginning July 1, 2005, and
 2 ending June 30, 2006, an amount not exceeding \$700,000
 3 to be used for motor vehicle depreciation, and an
 4 amount not exceeding \$75,000 for the purchase of
 5 weapons. The funds appropriated in this paragraph are
 6 contingent upon receipt by the general fund of the
 7 state of an amount at least equal to the expenditure
 8 amount from costs or attorney fees awarded the state
 9 in settlement of its antitrust action against
 10 Microsoft brought under chapter 553. However, if the
 11 amounts received as a result of this settlement are in
 12 excess of \$775,000, the excess amounts shall not be
 13 appropriated to the division of the Iowa state patrol
 14 pursuant to this paragraph.
 15 It is the intent of the general assembly that
 16 members of the Iowa state patrol be assigned to patrol
 17 the highways and roads in lieu of assignments for
 18 inspecting school buses for the school districts.
 19 7. For deposit in the public safety law
 20 enforcement sick leave benefits fund established under
 21 section 80.42, for all departmental employees eligible
 22 to receive benefits for accrued sick leave under the
 23 collective bargaining agreement:
 24 \$ 316,179
 25 An employee of the department of public safety who

26 retires after July 1, 2005, but prior to June 30,
 27 2006, is eligible for payment of life or health
 28 insurance premiums as provided for in the collective
 29 bargaining agreement covering the public safety
 30 bargaining unit at the time of retirement if that
 31 employee previously served in a position which would
 32 have been covered by the agreement. The employee
 33 shall be given credit for the service in that prior
 34 position as though it were covered by that agreement.
 35 The provisions of this subsection shall not operate to
 36 reduce any retirement benefits an employee may have
 37 earned under other collective bargaining agreements or
 38 retirement programs.

39 8. For costs associated with the training and
 40 equipment needs of volunteer fire fighters and for not
 41 more than the following full-time equivalent position:
 42 \$ 699,587
 43 FTEs 1.00

44 Notwithstanding section 8.33, moneys appropriated
 45 in this subsection that remain unobligated or
 46 unexpended at the close of the fiscal year shall not
 47 revert but shall remain available for expenditure only
 48 for the purpose designated in this subsection until
 49 the close of the succeeding fiscal year.

50 Sec. 15. CIVIL RIGHTS COMMISSION. There is

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1 appropriated from the general fund of the state to the
 2 Iowa state civil rights commission for the fiscal year
 3 beginning July 1, 2005, and ending June 30, 2006, the
 4 following amount, or so much thereof as is necessary,
 5 to be used for the purposes designated:

6 For salaries, support, maintenance, miscellaneous
 7 purposes, and for not more than the following full-
 8 time equivalent positions:
 9 \$ 1,000,788
 10 FTEs 27.50

11 The Iowa state civil rights commission may enter
 12 into a contract with a nonprofit organization to
 13 provide legal assistance to resolve civil rights
 14 complaints.

15 Sec. 16. DIVISION OF CRIMINAL AND JUVENILE JUSTICE
 16 PLANNING. In addition to any other funds appropriated
 17 to the division of criminal and juvenile justice
 18 planning of the department of human rights, there is
 19 appropriated from the general fund of the state to the
 20 division of criminal and juvenile justice planning for
 21 the fiscal year beginning July 1, 2005, and ending
 22 June 30, 2006, the following amount, or so much
 23 thereof as is necessary, to be used for the purposes
 24 designated:

25 For the establishment and administration of the sex
 26 offender treatment and supervision task force:
 27 \$ 75,000
 28 Sec. 17. HOMELAND SECURITY AND EMERGENCY
 29 MANAGEMENT DIVISION. There is appropriated from the
 30 wireless E911 emergency communications fund to the
 31 administrator of the homeland security and emergency
 32 management division of the department of public
 33 defense for the fiscal year beginning July 1, 2005,
 34 and ending June 30, 2006, an amount not exceeding two
 35 hundred thousand dollars to be used for
 36 implementation, support, and maintenance of the
 37 functions of the administrator and program manager
 38 under chapter 34A and to employ the auditor of the
 39 state to perform an annual audit of the wireless E911
 40 emergency communications fund.
 41 Sec. 18. IOWA LAW ENFORCEMENT ACADEMY – FEES.
 42 Notwithstanding section 80B.11B, the Iowa law
 43 enforcement academy may charge more than one-half the
 44 cost of providing the basic training course if a
 45 majority of the Iowa law enforcement academy council
 46 authorizes charging more than one-half of the cost of
 47 providing basic training. This section is repealed on
 48 June 30, 2006.
 49 Sec. 19. NEW SECTION. 144.56A PUBLIC SAFETY
 50 OFFICER DEATH – REQUIRED NOTICE – AUTOPSY.

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1 A person who is authorized to pronounce individuals
 2 dead is required to inform one of the persons
 3 authorized to request an autopsy, as provided in
 4 section 144.56, that an autopsy will be required if
 5 the individual who died was a public safety officer
 6 who may have died in the line of duty and an eligible
 7 beneficiary of the deceased seeks to claim a federal
 8 public safety officer death benefit.

9 Sec. 20. Section 158.2, Code 2005, is amended by
 10 adding the following new subsection:

11 NEW SUBSECTION. 7. Offenders committed to the
 12 custody of the director of the department of
 13 corrections who cut the hair, or trim or shave the
 14 beard of any other offender within a correctional
 15 facility, without receiving direct compensation from
 16 the person receiving the service.

17 DIVISION II

18 SUPPLEMENTAL APPROPRIATIONS

19 DEPARTMENT OF CORRECTIONS – FACILITIES

20 Sec. 21. Section 804.21, subsection 1, Code 2005,
 21 as amended by 2005 Iowa Acts, [Senate File 169](#), section
 22 7, is amended to read as follows:

23 1. A person arrested in obedience to a warrant

24 shall be taken without unnecessary delay before the
25 nearest or most accessible magistrate. The officer
26 shall at the same time deliver to the magistrate the
27 warrant with the officer's return endorsed on it and
28 subscribed by the officer with the officer's official
29 title. However, this section, and sections 804.22 and
30 804.23, do not preclude the release of an arrested
31 person within the period of time the person would
32 otherwise remain incarcerated while waiting to be
33 taken before a magistrate if the release is pursuant
34 to pretrial release guidelines or a bond schedule
35 promulgated by the judicial council, unless the person
36 is charged with manufacture, ~~delivery, or possession~~
37 with intent to ~~deliver, or distribution of~~ manufacture
38 methamphetamine. If, however, a person is released
39 pursuant to pretrial release guidelines, a magistrate
40 must, within twenty-four hours of the release, or as
41 soon as practicable on the next subsequent working day
42 of the court, either approve in writing of the
43 release, or disapprove of the release and issue a
44 warrant for the person's arrest.

45 Sec. 22. Section 804.22, unnumbered paragraph 2,
46 Code 2005, as amended by 2005 Iowa Acts, Senate File
47 169, section 8, is amended to read as follows:

48 This section and the rules of criminal procedure do
49 not affect the provisions of chapter 805 authorizing
50 the release of a person on citation or bail prior to

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1 initial appearance, unless the person is charged with
2 manufacture, ~~delivery, or possession~~ with intent to
3 ~~deliver, or distribution of~~ manufacture
4 methamphetamine. The initial appearance of a person
5 so released shall be scheduled for a time not more
6 than thirty days after the date of release.

7 Sec. 23. Section 811.2, subsection 1, unnumbered
8 paragraph 2, Code 2005, as amended by 2005 Iowa Acts,
9 [Senate File 169](#), section 10, is amended to read as
10 follows:

11 Any bailable defendant who is charged with unlawful
12 possession, manufacture, delivery, or distribution of
13 a controlled substance or other drug under chapter 124
14 and is ordered released shall be required, as a
15 condition of that release, to submit to a substance
16 abuse evaluation and follow any recommendations
17 proposed in the evaluation for appropriate substance
18 abuse treatment. However, if a bailable defendant is
19 charged with manufacture, ~~delivery, or possession~~ with
20 the intent to ~~deliver, or distribution of~~ manufacture
21 methamphetamine, its salts, optical isomers, and salts
22 of its optical isomers, the defendant shall, in

23 addition to a substance abuse evaluation, remain under
24 supervision and be required to undergo random drug
25 tests as a condition of release.

26 Sec. 24. Section 811.2, subsection 3, Code 2005,
27 as amended by 2005 Iowa Acts, [Senate File 169](#), section
28 11, is amended to read as follows:

29 3. RELEASE AT INITIAL APPEARANCE. This chapter
30 does not preclude the release of an arrested person as
31 authorized by section 804.21, unless the arrested
32 person is charged with manufacture, ~~delivery, or~~
33 possession with the intent to ~~deliver, or distribution~~
34 ~~of manufacture~~ methamphetamine.

35 Sec. 25. 2004 Iowa Acts, chapter 1175, section
36 183, subsection 1, paragraph c, is amended to read as
37 follows:

38 c. For the operation of the Oakdale correctional
39 facility, including salaries, support, maintenance,
40 and miscellaneous purposes:

41 \$ ~~23,536,936~~
42 23,636,936

43 Of the funds allocated in this paragraph "c",
44 \$100,000 is allocated for the costs of remodeling and
45 construction to establish a specialized 24-bed mental
46 health unit for offenders who are not ordered to
47 inpatient mental health treatment. The unit shall
48 operate as an adjunct to the licensed hospital program
49 within the Oakdale correctional facility.

50 DEPARTMENT OF CORRECTIONS – ADMINISTRATION

Page 20

1 Sec. 26. 2004 Iowa Acts, chapter 1175, section
2 184, subsection 1, paragraph a, unnumbered paragraph
3 1, is amended to read as follows:

4 For general administration, including salaries,
5 support, maintenance, employment of an education
6 director to administer a centralized education program
7 for the correctional system, and miscellaneous
8 purposes:

9 \$ ~~2,784,809~~
10 3,198,809

11 JUDICIAL DISTRICT DEPARTMENTS OF CORRECTIONAL
12 SERVICES

13 Sec. 27. 2004 Iowa Acts, chapter 1175, section
14 185, subsection 1, is amended to read as follows:

15 1. There is appropriated from the general fund of
16 the state to the department of corrections for the
17 fiscal year beginning July 1, 2004, and ending June
18 30, 2005, the following amounts, or so much thereof as
19 is necessary, to be allocated as follows:

20 a. For the first judicial district department of
21 correctional services, including the treatment and

22 supervision of probation and parole violators who have
 23 been released from the department of corrections
 24 violator program, the following amount, or so much
 25 thereof as is necessary:

26 \$ ~~10,000,207~~
 27 10,142,332

28 b. For the second judicial district department of
 29 correctional services, including the treatment and
 30 supervision of probation and parole violators who have
 31 been released from the department of corrections
 32 violator program, the following amount, or so much
 33 thereof as is necessary:

34 \$ ~~7,755,402~~
 35 7,803,027

36 c. For the third judicial district department of
 37 correctional services, including the treatment and
 38 supervision of probation and parole violators who have
 39 been released from the department of corrections
 40 violator program, the following amount, or so much
 41 thereof as is necessary:

42 \$ ~~4,631,423~~
 43 4,668,548

44 d. For the fourth judicial district department of
 45 correctional services, including the treatment and
 46 supervision of probation and parole violators who have
 47 been released from the department of corrections
 48 violator program, the following amount, or so much
 49 thereof as is necessary:

50 \$ ~~4,248,965~~

Page 21

1 4,268,465
 2 e. For the fifth judicial district department of
 3 correctional services, including the treatment and
 4 supervision of probation and parole violators who have
 5 been released from the department of corrections
 6 violator program, the following amount, or so much
 7 thereof as is necessary:

8 \$ ~~12,982,837~~
 9 13,105,462

10 f. For the sixth judicial district department of
 11 correctional services, including the treatment and
 12 supervision of probation and parole violators who have
 13 been released from the department of corrections
 14 violator program, the following amount, or so much
 15 thereof as is necessary:

16 \$ ~~10,064,717~~
 17 10,105,217

18 g. For the seventh judicial district department of
 19 correctional services, including the treatment and
 20 supervision of probation and parole violators who have

21 been released from the department of corrections
 22 violator program, the following amount, or so much
 23 thereof as is necessary:
 24 \$ ~~5,677,314~~
 25 5,700,939

26 h. For the eighth judicial district department of
 27 correctional services, including the treatment and
 28 supervision of probation and parole violators who have
 29 been released from the department of corrections
 30 violator program, the following amount, or so much
 31 thereof as is necessary:
 32 \$ ~~5,574,865~~
 33 5,606,740

34 The appropriations made in this subsection include
 35 additional funding for costs to address additional
 36 methamphetamine drug offenders under supervision.

37 MILITARY DIVISION

38 Sec. 28. 2004 Iowa Acts, chapter 1175, section
 39 191, subsection 1, unnumbered paragraph 1, is amended
 40 to read as follows:

41 For salaries, support, maintenance, miscellaneous
 42 purposes, and for not more than the following full-
 43 time equivalent positions:
 44 \$ ~~5,084,143~~
 45 10,837,143
 46 FTEs 310.80

47 Of the amount appropriated in this section
 48 \$5,753,000 is allocated for repayment of grant funding
 49 and accrued interest to the federal government.

50 Sec. 29. 2004 Iowa Acts, chapter 1175, section

Page 22

1 188, is amended to read as follows:
 2 SEC. 188. STATE PUBLIC DEFENDER. There is
 3 appropriated from the general fund of the state to the
 4 office of the state public defender of the department
 5 of inspections and appeals for the fiscal year
 6 beginning July 1, 2004, and ending June 30, 2005, the
 7 following amounts, or so much thereof as is necessary,
 8 to be allocated as follows for the purposes
 9 designated:

10 1. For salaries, support, maintenance, and
 11 miscellaneous purposes, and for not more than the
 12 following full-time equivalent positions:
 13 \$ ~~16,663,446~~
 14 18,247,561
 15 FTEs 202.00

16 2. For the fees of court-appointed attorneys for
 17 indigent adults and juveniles, in accordance with
 18 section 232.141 and chapter 815:
 19 \$ ~~19,355,297~~

20 25,251,339

21 Sec. 30. 2004 Iowa Acts, chapter 1175, section
22 192, subsection 2, unnumbered paragraph 1, is amended
23 to read as follows:

24 For the division of criminal investigation and
 25 bureau of identification, including the state's
 26 contribution to the peace officers' retirement,
 27 accident, and disability system provided in chapter
 28 97A in the amount of 17 percent of the salaries for
 29 which the funds are appropriated, to meet federal fund
 30 matching requirements, and for not more than the
 31 following full-time equivalent positions:

32	\$ 14,058,510
33	<u>14,208,510</u>
34	FTEs 221.50

35 Sec. 31. 2004 Iowa Acts, chapter 1175, section
36 193, is amended to read as follows:

37 SEC. 193. CIVIL RIGHTS COMMISSION. There is
 38 appropriated from the general fund of the state to the
 39 Iowa state civil rights commission for the fiscal year
 40 beginning July 1, 2004, and ending June 30, 2005, the
 41 following amount, or so much thereof as is necessary,
 42 to be used for the purposes designated:

43 For salaries, support, maintenance, miscellaneous	
44 purposes, and for not more than the following full-	
45 time equivalent positions:	
46	\$ 825,752
47	<u>911,752</u>
48	FTEs 28.00

49 The Iowa state civil rights commission may enter
50 into a contract with a nonprofit organization to

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1 provide legal assistance to resolve civil rights
 2 complaints.
 3 Sec. 32. EFFECTIVE DATE. This division of this
 4 Act, being deemed of immediate importance, takes
 5 effect upon enactment."
 6 2. Title page, line 2, by inserting after the
 7 word "system" the following: ", revising pretrial
 8 release requirements for certain criminal offenses,".

Horbach of Tama offered the following amendment [H-1706](#), to the Senate amendment [H-1701](#), filed by him from the floor and moved its adoption:

[H-1706](#)

1 Amend the Senate amendment, [H-1701](#), to House File
2 811, as amended, passed, and reprinted by the House,

3 as follows:

4 1. Page 1, line 31, by striking the figure
5 "305,000" and inserting the following: "5,000".

6 2. Page 1, line 38, by striking the figure
7 "750,000" and inserting the following: "900,000".

8 3. Page 2, by inserting after line 46 the
9 following:
10 "4A. As a condition of receiving the appropriation
11 in subsection 1, the department of justice shall
12 transfer at least \$2,450,000 from the victim
13 compensation fund established in section 915.94 to the
14 victim assistance grant program."

15 4. Page 3, by striking lines 21 through 38.

16 5. Page 4, line 47, by striking the figure
17 "38,923,261" and inserting the following:
18 "38,840,761".

19 6. Page 5, line 1, by striking the figure
20 "27,257,452" and inserting the following:
21 "27,199,702".

22 7. Page 5, line 9, by striking the figure
23 "25,730,278" and inserting the following:
24 "25,650,778".

25 8. Page 5, line 13, by striking the figure
26 "25,073,632" and inserting the following:
27 "24,916,132".

28 9. Page 5, line 17, by striking the figure
29 "23,753,340" and inserting the following:
30 "23,694,840".

31 10. Page 5, line 21, by striking the figure
32 "8,096,378" and inserting the following: "8,039,378".

33 11. Page 5, line 25, by striking the figure
34 "22,904,497" and inserting the following:
35 "22,853,497".

36 12. Page 5, line 34, by striking the figure
37 "14,002,603" and inserting the following:
38 "13,867,603".

39 13. Page 5, line 38, by striking the figure
40 "26,315,943" and inserting the following:
41 "26,244,693".

42 14. Page 7, line 4, by striking the figure
43 "1,008,358" and inserting the following: "1,058,358".

44 15. Page 7, by inserting after line 34 the
45 following:
46 "d. For offender mental health and substance abuse
47 treatment:
48 \$ 125,000"

49 16. Page 8, line 50, by striking the figure
50 "10,718,695" and inserting the following:

Page 2

1 "10,501,186".

2 17. Page 9, line 7, by striking the figure
3 "8,308,209" and inserting the following: "8,230,603".
4 18. Page 9, line 14, by striking the figure
5 "4,983,792" and inserting the following: "4,805,458".
6 19. Page 9, line 21, by striking the figure
7 "4,443,392" and inserting the following: "4,427,796".
8 20. Page 9, line 26, by inserting after the word
9 "program," the following: "and funding for electronic
10 monitoring devices for use on a statewide basis,".
11 21. Page 9, line 28, by striking the figure
12 "14,678,288" and inserting the following:
13 "14,167,169".
14 22. Page 9, line 35, by striking the figure
15 "10,598,160" and inserting the following:
16 "10,378,668".
17 23. Page 9, line 42, by striking the figure
18 "6,010,963" and inserting the following: "5,870,653".
19 24. Page 9, line 49, by striking the figure
20 "6,164,249" and inserting the following: "5,970,648".
21 25. Page 13, line 40, by striking the figure
22 "3,370,033" and inserting the following: "3,073,274".
23 26. Page 13, line 50, by striking the figure
24 "15,682,052" and inserting the following:
25 "14,760,898".
26 27. Page 14, line 1, by striking the figure
27 "225.50" and inserting the following: "228.50".
28 28. Page 14, by striking lines 2 through 18.
29 29. Page 14, by striking lines 22 through 37.
30 30. Page 15, line 22, by striking the figure
31 "2,181,998" and inserting the following: "2,256,998".
32 31. Page 15, line 23, by striking the figure "39.00" and
33 inserting the following: "42.00".
34 32. Page 15, line 46, by striking the figure
35 "43,747,973" and inserting the following:
36 "43,076,973".
37 33. By striking page 15, line 48, through page
38 16, line 14.
39 34. Page 17, line 9, by striking the figure
40 "1,000,788" and inserting the following: "950,788".
41 35. By striking page 18, line 18 through page 19,
42 line 34 and inserting the following:
43 "METHAMPHETAMINE BAIL
44 PROVISIONS
45 Sec. ___. Section 804.21, subsection 1, Code 2005,
46 as amended by 2005 Iowa Acts, [Senate File 169](#), section
47 7, is amended to read as follows:
48 1. A person arrested in obedience to a warrant
49 shall be taken without unnecessary delay before the
50 nearest or most accessible magistrate. The officer

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1 shall at the same time deliver to the magistrate the
2 warrant with the officer's return endorsed on it and
3 subscribed by the officer with the officer's official
4 title. However, this section, and sections 804.22 and
5 804.23, do not preclude the release of an arrested
6 person within the period of time the person would
7 otherwise remain incarcerated while waiting to be
8 taken before a magistrate if the release is pursuant
9 to pretrial release guidelines or a bond schedule
10 promulgated by the judicial council, unless the person
11 is charged with manufacture, delivery, possession with
12 intent to manufacture or deliver, or distribution of
13 methamphetamine. If, however, a person is released
14 pursuant to pretrial release guidelines, a magistrate
15 must, within twenty-four hours of the release, or as
16 soon as practicable on the next subsequent working day
17 of the court, either approve in writing of the
18 release, or disapprove of the release and issue a
19 warrant for the person's arrest.

20 Sec. __. Section 804.22, unnumbered paragraph 2,
21 Code 2005, as amended by 2005 Iowa Acts, Senate File
22 169, section 8, is amended to read as follows:

23 This section and the rules of criminal procedure do
24 not affect the provisions of chapter 805 authorizing
25 the release of a person on citation or bail prior to
26 initial appearance, unless the person is charged with
27 manufacture, delivery, possession with intent to
28 manufacture or deliver, or distribution of
29 methamphetamine. The initial appearance of a person
30 so released shall be scheduled for a time not more
31 than thirty days after the date of release.

32 Sec. __. Section 811.2, subsection 1, unnumbered
33 paragraph 2, Code 2005, as amended by 2005 Iowa Acts,
34 [Senate File 169](#), section 10, is amended to read as
35 follows:

36 Any bailable defendant who is charged with unlawful
37 possession, manufacture, delivery, or distribution of
38 a controlled substance or other drug under chapter 124
39 and is ordered released shall be required, as a
40 condition of that release, to submit to a substance
41 abuse evaluation and follow any recommendations
42 proposed in the evaluation for appropriate substance
43 abuse treatment. However, if a bailable defendant is
44 charged with manufacture, delivery, possession with
45 the intent to manufacture or deliver, or distribution
46 of methamphetamine, its salts, optical isomers, and
47 salts of its optical isomers, the defendant shall, in
48 addition to a substance abuse evaluation, remain under
49 supervision and be required to undergo random drug
50 tests as a condition of release.

Page 4

1 Sec. ___. Section 811.2, subsection 3, Code 2005,
 2 as amended by 2005 Iowa Acts, [Senate File 169](#), section
 3 11, is amended to read as follows:
 4 3. RELEASE AT INITIAL APPEARANCE. This chapter
 5 does not preclude the release of an arrested person as
 6 authorized by section 804.21, unless the arrested
 7 person is charged with manufacture, delivery,
 8 possession with the intent to manufacture or deliver,
 9 or distribution of methamphetamine.

10 Sec. ___. EFFECTIVE DATE. This division of this
 11 Act, being deemed of immediate importance, takes
 12 effect upon enactment."

13 36. Page 19, by inserting before line 35 the
 14 following:

15 "DIVISION III
 16 SUPPLEMENTAL APPROPRIATIONS".

17 37. Page 21, by striking lines 37 through 49.

18 38. Page 22, line 20, by striking the figure
 19 "25,251,339" and inserting the following:
 20 "22,251,339".

21 39. Page 22, by inserting after line 34 the
 22 following:

23 "Sec. ___. 2004 Iowa Acts, chapter 1175, section
 24 192, subsection 4, paragraph a, is amended to read as
 25 follows:

26 a. For the state fire marshal's office, including
 27 the state's contribution to the peace officers'
 28 retirement, accident, and disability system provided
 29 in chapter 97A in the amount of 17 percent of the
 30 salaries for which the funds are appropriated, and for
 31 not more than the following full-time equivalent
 32 positions:

33	\$ 2,181,998
34	<u>2,281,998</u>
35	FTEs 39.00

36 Notwithstanding section 8.33, moneys appropriated
 37 in this lettered paragraph that remain unencumbered or
 38 unobligated at the close of the fiscal year shall not
 39 revert but shall remain available for expenditure for
 40 the purposes designated until the close of the
 41 succeeding fiscal year."

42 40. Page 23, by inserting after line 5 the
 43 following:

44 "DIVISION IV
 45 APPROPRIATIONS FROM HEALTHY IOWANS TOBACCO TRUST"

46 Sec. ___. In addition to any other funds
 47 appropriated from the healthy Iowans tobacco trust
 48 created in section 12.65 to the department of
 49 corrections for the fiscal year beginning July 1,
 50 2005, and ending June 30, 2006, there is appropriated

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1 from the healthy Iowans tobacco trust to the
 2 department of corrections for the fiscal year
 3 beginning July 1, 2005, and ending June 30, 2006, the
 4 following amount, or so much thereof as is necessary,
 5 to be used for the purpose designated:
 6 For the judicial district departments of
 7 correctional services:
 8 \$ 800,000

9 Of the funds appropriated in this division,
 10 \$100,000 shall be allocated to each judicial district
 11 department of correctional services.

12 DIVISION V
 13 CONTINGENT APPROPRIATIONS FROM
 14 MICROSOFT SETTLEMENT

15 Sec. __. DIVISION OF THE IOWA STATE PATROL. In
 16 addition to any other funds appropriated from the
 17 general fund of the state to the division of the Iowa
 18 state patrol, there is appropriated from the general
 19 fund of the state to the division of the Iowa state
 20 patrol for the fiscal year beginning July 1, 2005, and
 21 ending June 30, 2006, an amount not exceeding \$785,000
 22 to be used for motor vehicle depreciation. The funds
 23 appropriated in this section are contingent upon
 24 receipt by the general fund of the state of an amount
 25 at least equal to the expenditure amount from costs or
 26 attorney fees awarded the state in settlement of its
 27 antitrust action against Microsoft brought under
 28 chapter 553. However, if the amounts received as a
 29 result of this settlement are in excess of \$785,000,
 30 the excess amounts shall not be appropriated to the
 31 division of the Iowa state patrol pursuant to this
 32 section.

33 Sec. __. DIVISION OF CRIMINAL INVESTIGATION AND
 34 BUREAU OF IDENTIFICATION. In addition to any other
 35 funds appropriated from the general fund of the state
 36 to the division of criminal investigation and bureau
 37 of identification, there is appropriated from the
 38 general fund of the state to the division of criminal
 39 investigation and bureau of identification for the
 40 fiscal year beginning July 1, 2005, and ending June
 41 30, 2006, an amount not exceeding \$929,206. The funds
 42 appropriated in this section are contingent upon
 43 receipt by the general fund of the state of an amount
 44 at least equal to the expenditure amount from costs or
 45 attorney fees awarded the state in settlement of its
 46 antitrust action against Microsoft brought under
 47 chapter 553. However, if the amounts received as a
 48 result of this settlement are in excess of \$929,206,
 49 the excess amounts shall not be appropriated to the
 50 division of criminal investigation and bureau of

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- 1 identification pursuant to this section."
 2 41. By renumbering as necessary.

Amendment [H-1706](#) was adopted.

On motion by Horbach of Tama the House concurred in the Senate amendment [H-1701](#), as amended.

Horbach of Tama moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 811](#))

The ayes were, 95:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Hutter	Jacobs	Jacoby
Jenkins	Jochum	Jones	Kaufmann
Kressig	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Mascher	May	McCarthy	Mertz
Miller	Murphy	Oldson	Olson, D.
Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Reichert	Roberts	Sands
Schickel	Schueller	Shoultz	Smith
Soderberg	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tomenga
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Van Fossen, J.R.	Watts	Wendt	Wessel-Kroeschell
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Zirkelbach	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 5:

Chambers Frevert Huser Olson, R.
Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 811](#) be immediately messaged to the Senate.

The House stood at ease at 1:53 p.m., until the fall of the gavel.

The House resumed session at 5:00 p.m., Speaker Rants in the chair.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 619](#), a bill for an act relating to persons convicted of criminal offenses requiring registration on the sex offender registry or requiring an additional indeterminate sentence, establishing a sex offender registry database task force, and providing penalties.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 811](#), a bill for an act relating to and making appropriations to the justice system.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 825](#), a bill for an act relating to and making appropriations to the department of human services, the department of elder affairs, the Iowa department of public health, the commission of veterans affairs and the Iowa veterans home, and the department of inspections and appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates.

Also: That the Senate has on May 20, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 831](#), a bill for an act relating to tax credits for equity investments in qualifying businesses or community-based seed capital funds.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 875](#), a bill for an act relating to and making appropriations to state departments and agencies from the rebuild Iowa infrastructure fund, environment first fund, tobacco settlement trust fund, vertical infrastructure fund, general fund of the state, and related matters, and including effective and retroactive applicability date provisions.

MICHAEL E. MARSHALL, Secretary

SENATE AMENDMENT CONSIDERED

Hoffman of Crawford called up for consideration [House File 868](#), a bill for an act relating to economic development, business, workforce, and regulatory assistance and tax credits, and to state developmental, research, and regulatory oversight, and including effective date and retroactive applicability provisions, amended by the Senate amendment [H-1633](#):

[H-1633](#)

1 Amend [House File 868](#), as amended, passed, and
 2 reprinted by the House, as follows:
 3 1. Page 1, line 4, by striking the words "A grow"
 4 and inserting the following: "1. A grow".
 5 2. Page 1, by inserting after line 16 the
 6 following:
 7 "2. In awarding financial assistance in a fiscal
 8 year from moneys appropriated to the grow Iowa values
 9 fund, the department shall commit, obligate, or
 10 promise not more than fifty percent of the moneys
 11 appropriated from the grow Iowa values fund pursuant
 12 to section 15G.111, subsection 1, if enacted, for use
 13 during the first fiscal year following the fiscal year
 14 in which the financial assistance is awarded and not
 15 more than twenty-five percent of the moneys
 16 appropriated from the grow Iowa values fund pursuant
 17 to section 15G.111, subsection 1, if enacted, for use
 18 during the second fiscal year following the fiscal
 19 year in which the financial assistance is awarded.
 20 Sec. __. Section 15G.111, subsection 2, if
 21 enacted by 2005 Iowa Acts, [House File 809](#), is amended
 22 by adding the following new unnumbered paragraph after
 23 unnumbered paragraph 2:
 24 NEW UNNUMBERED PARAGRAPH. The department may

25 expend additional moneys that may become available for
26 purposes of financial assistance to a single
27 bioscience development organization determined by the
28 department to possess expertise in the promotion and
29 commercialization of biotechnology entrepreneurship as
30 described in and for the purposes set forth in
31 unnumbered paragraph 2."

32 3. Page 2, line 3, by striking the word "eleven"
33 and inserting the following: "eleven fifteen".

34 4. Page 2, line 22, by striking the word "six"
35 and inserting the following: "six eight".

36 5. Page 2, line 23, by inserting after the word
37 "party." the following: "Beginning with the first
38 appointment to the board made after the effective date
39 of this Act, at least one voting member shall have
40 been less than thirty years of age at the time of
41 appointment."

42 6. Page 3, line 19, by striking the word "six"
43 and inserting the following: "six eight".

44 7. Page 4, by striking line 33, and inserting the
45 following:

46 "a. The number of net new jobs created as of the
47 time of reporting. For purposes of this paragraph,
48 "net new jobs" means the number of jobs that have been
49 created pursuant to the new or retained positions
50 identified in the contract."

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1 8. Page 5, by inserting after line 8 the
2 following:

3 "g. The number of jobs retained as of the time of
4 reporting."

5 9. Page 5, line 17, by inserting after the word
6 "businesses." the following: "This subsection is
7 repealed June 30, 2007."

8 10. Page 5, line 26, by inserting after the word
9 "businesses." the following: "This subsection is
10 repealed June 30, 2007."

11 11. Page 12, line 12, by striking the word "two"
12 and inserting the following: "three".

13 12. Page 18, by striking lines 29 through 31 and
14 inserting the following: "for a fiscal year under
15 this chapter shall not exceed two million four hundred
16 thousand".

17 13. Page 19, by striking lines 2 through 9 and
18 inserting the following: "section 303.3B. Any of the
19 additional".

20 14. Page 19, by striking lines 12 and 13 and
21 inserting the following: "during a fiscal year ~~may be~~
22 ~~carried over to the succeeding fiscal year~~ shall be
23 applied to reserved tax credits issued in accordance

24 with section 404A.3 in order of original reservation.

25 The department of cultural affairs shall".

26 15. Page 19, line 20, by inserting after the word
27 "available." the following: "With the exception of
28 tax credits issued pursuant to contracts entered into
29 prior to July 1, 2005, tax credits shall not be
30 reserved for more than five years."

31 16. Page 21, line 19, by inserting after the word
32 "energy." the following: "At least one member of the
33 technology commercialization committee shall be a
34 member of the economic development board."

35 17. Page 24, by inserting after line 18, the
36 following:

37 "3. Each January 15, the state board of regents
38 shall submit a written report to the general assembly
39 detailing the patents and licenses held by each
40 institution of higher learning under the control of
41 the state board of regents and by nonprofit
42 foundations acting solely for the support of
43 institutions governed by the state board of regents."

44 18. Page 49, by striking line 1.

45 19. Page 51, line 33, by inserting after the word
46 "section." the following: "Preference in issuing
47 these tax credit certificates shall be given to
48 businesses applying for the credit for retained
49 qualified new jobs."

50 20. Page 52, line 34, by inserting after the word

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1 and figure "part 13" the following: "or moneys from
2 the grow Iowa values fund".

3 21. Page 59, by inserting after line 35 the
4 following:

5 "Sec. ___. Section 452A.3, Code 2005, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 1B. An excise tax of seventeen
8 cents is imposed on each gallon of E-85 gasoline,
9 which contains at least eighty-five percent denatured
10 alcohol by volume from the first day of April until
11 the last day of October or seventy percent denatured
12 alcohol from the first day of November until the last
13 day of March, used for the privilege of operating
14 motor vehicles in this state."

15 22. Page 59, by inserting after line 35 the
16 following:

17 "DIVISION
18 IOWA GREAT PLACES
19 Sec. ___. NEW SECTION. 303.3C IOWA GREAT PLACES
20 PROGRAM.

21 1. a. The department of cultural affairs shall
22 establish and administer an Iowa great places program

23 for purposes of combining resources of state
24 government in an effort to showcase the unique and
25 authentic qualities of communities, regions,
26 neighborhoods, and districts that make such places
27 exceptional places to work and live. The department
28 of cultural affairs shall provide administrative
29 assistance to the Iowa great places board. The
30 department of cultural affairs shall coordinate the
31 efforts of the Iowa great places board with the
32 efforts of state agencies participating in the program
33 which shall include, but not be limited to, the
34 department of economic development, the Iowa finance
35 authority, the department of human rights, the
36 department of natural resources, the department of
37 transportation, and the department of workforce
38 development.

39 b. The program shall combine resources from state
40 government to capitalize on all of the following
41 aspects of the chosen Iowa great places:

- 42 (1) Arts and culture.
- 43 (2) Historic fabric.
- 44 (3) Architecture.
- 45 (4) Natural environment.
- 46 (5) Housing options.
- 47 (6) Amenities.
- 48 (7) Entrepreneurial incentive for business
49 development.
- 50 (8) Diversity.

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1 c. Initially, three Iowa great places projects
2 shall be identified by the Iowa great places board.
3 Two years after the third project is identified by the
4 board, the board may identify additional Iowa great
5 places for participation under the program.

6 2. a. The Iowa great places board is established
7 consisting of twelve members. The board shall be
8 located for administrative purposes within the
9 department of cultural affairs and the director shall
10 provide office space, staff assistance, and necessary
11 supplies and equipment for the board. The director
12 shall budget moneys to pay the compensation and
13 expenses of the board. In performing its functions,
14 the board is performing a public function on behalf of
15 the state and is a public instrumentality of the
16 state.

17 b. The members of the board shall be appointed by
18 the governor, subject to confirmation by the senate.
19 At least one member shall be less than thirty years
20 old on the date the member is appointed by the
21 governor. The board shall include representatives of

22 cities and counties, local government officials,
 23 cultural leaders, housing developers, business owners,
 24 and parks officials.

25 c. The chairperson and vice chairperson shall be
 26 elected by the board members from the membership of
 27 the board. In the case of the absence or disability
 28 of the chairperson and vice chairperson, the members
 29 of the board shall elect a temporary chairperson by a
 30 majority vote of those members who are present and
 31 voting, provided a quorum is present.

32 d. Members of the board shall be appointed to
 33 three-year staggered terms and the terms shall
 34 commence and end as provided in section 69.19. If a
 35 vacancy occurs, a successor shall be appointed in the
 36 same manner and subject to the same qualifications as
 37 the original appointment to serve the unexpired term.

38 e. A majority of the members of the board
 39 constitutes a quorum.

40 f. A member of the board shall abstain from voting
 41 on the provision of financial assistance to a project
 42 which is located in the county in which the member of
 43 the board resides.

44 g. The members of the board are entitled to
 45 receive reimbursement for actual expenses incurred
 46 while engaged in the performance of official duties. A
 47 board member may also be eligible to receive
 48 compensation as provided in section 7E.6.

49 3. The board shall do all of the following:

50 a. Organize.

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1 b. Identify three Iowa great places for purposes
 2 of receiving a package of resources under the program.

3 c. Identify a combination of state resources which
 4 can be provided to Iowa great places."

5 23. Title page, line 2, by inserting after the
 6 word "credits," the following: "to excise taxes on E-
 7 85 gasoline,".

8 24. By renumbering, relettering, or redesignating
 9 and correcting internal references as necessary.

Hoffman of Crawford asked and received unanimous consent to
 withdraw amendment [H-1707](#) to the Senate amendment [H-1633](#)
 filed by him from the floor.

Hoffman of Crawford offered the following amendment [H-1710](#), to
 the Senate amendment [H-1633](#), filed by him from the floor and
 moved its adoption:

[H-1710](#)

1 Amend the Senate amendment, [H-1633](#), to House File
2 868, as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 2, by inserting after line 43, the
5 following:
6 "___ Page 25, by inserting after line 18, the
7 following:
8 "Sec. ___. OPERATIONAL EXPENSES. Moneys that are
9 appropriated to the department of economic development
10 pursuant to section 15G.111, if enacted, for deposit
11 in workforce training and economic development funds
12 of community colleges may be used by community
13 colleges for operational expenses associated with
14 vocational technical training."
15 2. Page 3, by inserting after line 2 the
16 following:
17 "___ Page 57, by inserting after line 16 the
18 following:
19 "Sec. ___. Section 15E.305, subsection 2, Code
20 2005, is amended to read as follows:
21 2. The aggregate amount of tax credits authorized
22 pursuant to this section shall not exceed a total of
23 two million dollars annually. The maximum amount of
24 tax credits granted to a taxpayer shall not exceed
25 five percent of the aggregate amount of tax credits
26 authorized."
27 ___ Page 59, line 14, by inserting after the
28 word "issued" the following: "each calendar year."
29 3. Page 3, line 14, by striking the word
30 "state." and inserting the following: "state."
31 4. Page 3, by inserting after line 14 the
32 following:
33 "Sec. ___. Section 452A.3, Code 2005, is amended
34 by adding the following new subsection:
35 NEW SUBSECTION. 1C. The rate of the excise tax on
36 E-85 gasoline imposed in subsection 1B shall be
37 determined based on the number of gallons of E-85
38 gasoline that is distributed in this state during the
39 previous calendar year. The department shall
40 determine the actual tax paid for E-85 gasoline for
41 each period beginning January 1 and ending December
42 31. The amount of the tax paid on E-85 gasoline
43 during the past calendar year shall be compared to the
44 amount of tax on E-85 gasoline that would have been
45 paid using the tax rate for gasoline imposed in
46 subsection 1 or 1A and a difference shall be
47 established. If this difference is equal to or
48 greater than twenty-five thousand dollars, the tax
49 rate for E-85 gasoline for the period beginning July 1
50 following the end of the determination period shall be

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1 the rate in effect as stated in subsection 1 or 1A.
2 Sec. __. STUDY. The state department of
3 transportation shall review the current revenue levels
4 of the road use tax fund and its sufficiency for the
5 projected construction and maintenance needs of city,
6 county, and state governments in the future. The
7 department shall submit a written report to the
8 general assembly regarding its findings on or before
9 December 31, 2006. The report may include
10 recommendations concerning funding levels needed to
11 support the future mobility and accessibility for
12 users of Iowa's public road system.

13 Sec. __. EFFECTIVE DATE. The sections of this
14 division of this Act amending chapter 452A take effect
15 January 1, 2006."

16 5. Page 5, by inserting after line 4, the
17 following:

18 " __. Page 59, by inserting after line 35, the
19 following:

20 "DIVISION
21 PORT AUTHORITIES

22 Sec. __. Section 12.30, subsection 1, paragraph
23 a, Code 2005, is amended to read as follows:

24 a. "Authority" means a department, or public or
25 quasi-public instrumentality of the state including,
26 but not limited to, the authority created under
27 chapter 12E, 16, 16A, 175, 257C, 261A, or 327I, which
28 has the power to issue obligations, except that
29 "authority" does not include the state board of
30 regents or the Iowa finance authority to the extent it
31 acts pursuant to chapter 260C. "Authority" also
32 includes a port authority created under chapter 28J.

33 Sec. __. NEW SECTION. 28J.1 DEFINITIONS.

34 As used in this chapter, unless the context
35 otherwise requires:

- 36 1. "Authorized purposes" means an activity that
37 enhances, fosters, aids, provides, or promotes
38 transportation, economic development, housing,
39 recreation, education, governmental operations,
40 culture, or research within the jurisdiction of a port
41 authority.
- 42 2. "Board" means the board of directors of a port
43 authority established pursuant to section 28J.2.
- 44 3. "City" means the same as defined in section
45 362.2.
- 46 4. "Construction" means alteration, creation,
47 development, enlargement, erection, improvement,
48 installation, reconstruction, remodeling, and
49 renovation.
- 50 5. "Contracting governmental agency" means any

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1 governmental agency or taxing district of the state
2 that, by action of its legislative authority, enters
3 into an agreement with a port authority pursuant to
4 section 28J.17.

5 6. "Cost" as applied to a port authority facility
6 means any of the following:

7 a. The cost of construction contracts, land,
8 rights-of-way, property rights, easements, franchise
9 rights, and interests required for acquisition or
10 construction.

11 b. The cost of demolishing or removing any
12 buildings or structures on land, including the cost of
13 acquiring any lands to which those buildings or
14 structures may be moved.

15 c. The cost of diverting a highway, interchange of
16 a highway, and access roads to private property,
17 including the cost of land or easements, and
18 relocation of a facility of a utility company or
19 common carrier.

20 d. The cost of machinery, furnishings, equipment,
21 financing charges, interest prior to and during
22 construction and for no more than twelve months after
23 completion of construction, engineering, and expenses
24 of research and development with respect to a
25 facility.

26 e. Legal and administrative expenses, plans,
27 specifications, surveys, studies, estimates of cost
28 and revenues, engineering services, and other expenses
29 necessary or incident to determining the feasibility
30 or practicability of acquiring or constructing a
31 facility.

32 f. The interest upon the revenue bonds and pledge
33 orders during the period or estimated period of
34 construction and for twelve months thereafter, or for
35 twelve months after the acquisition date, reserve
36 funds as the port authority deems advisable in
37 connection with a facility and the issuance of port
38 authority revenue bonds and pledge orders.

39 g. The costs of issuance of port authority revenue
40 bonds and pledge orders.

41 h. The cost of diverting a rail line, rail spur
42 track, or rail spur track switch, including the cost
43 of land or easements, and relocation of a facility of
44 a utility company or common carrier.

45 i. The cost of relocating an airport's runways,
46 terminals, and related facilities including the cost
47 of land or easements, and relocation of a facility of
48 a utility company or common carrier.

49 7. "Facility" or "port authority facility" means
50 real or personal property owned, leased, or otherwise

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1 controlled or financed by a port authority and related
2 to or in furtherance of one or more authorized
3 purposes.

4 8. "Governmental agency" means a department,
5 division, or other unit of state government of this
6 state or any other state, city, county, township, or
7 other governmental subdivision, or any other public
8 corporation or agency created under the laws of this
9 state, any other state, the United States, or any
10 department or agency thereof, or any agency,
11 commission, or authority established pursuant to an
12 interstate compact or agreement or combination
13 thereof.

14 9. "Person" means the same as defined in section
15 4.1.

16 10. "Pledge order" means a promise to pay out of
17 the net revenues of a port authority, which is
18 delivered to a contractor or other person in payment
19 of all or part of the cost of a facility.

20 11. "Political subdivision" means a city, county,
21 city-county consolidation, or multicounty
22 consolidation, or combination thereof.

23 12. "Political subdivisions comprising the port
24 authority" means the political subdivisions which
25 created or participated in the creation of the port
26 authority under section 28J.2, or which joined an
27 existing port authority under section 28J.4.

28 13. "Port authority" means an entity created
29 pursuant to section 28J.2.

30 14. "Port authority revenue bonds" means revenue
31 bonds and revenue refunding bonds issued pursuant to
32 section 28J.21.

33 15. "Public roads" means all public highways,
34 roads, and streets in this state, whether maintained
35 by the state or by a county or city.

36 16. "Revenues" means rental fees and other charges
37 received by a port authority for the use or services
38 of a facility, a gift or grant received with respect
39 to a facility, moneys received with respect to the
40 lease, sublease, sale, including installment sale or
41 conditional sale, or other disposition of a facility,
42 moneys received in repayment of and for interest on
43 any loans made by the port authority to a person or
44 governmental agency, proceeds of port authority
45 revenue bonds for payment of principal, premium, or
46 interest on the bonds authorized by the port
47 authority, proceeds from any insurance, condemnation,
48 or guarantee pertaining to the financing of the
49 facility, and income and profit from the investment of
50 the proceeds of port authority revenue bonds or of any

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1 revenues.

2 Sec. __. NEW SECTION. 28J.2 CREATION AND POWERS
3 OF PORT AUTHORITY.

4 1. Two or more political subdivisions may create a
5 port authority under this chapter by resolution. If a
6 proposal to create a port authority receives a
7 favorable majority of the members of the elected
8 legislative body of the political subdivision, the
9 port authority is created at the time provided in the
10 resolution. The jurisdiction of a port authority
11 includes the territory described in section 28J.8.

12 2. A port authority created pursuant to this
13 section may sue and be sued, complain, and defend in
14 its name and has the powers and jurisdiction
15 enumerated in this chapter.

16 3. At the time a port authority is created
17 pursuant to this section, the political subdivisions
18 comprising the port authority may restrict the powers
19 granted the port authority pursuant to this chapter by
20 specifically adopting such restrictions in the
21 resolution creating the port authority.

22 4. The political subdivisions comprising the port
23 authority whose powers have been restricted pursuant
24 to subsection 3 may at any time adopt a resolution to
25 grant additional powers to the port authority, so long
26 as the additional powers do not exceed the powers
27 permitted under this chapter.

28 Sec. __. NEW SECTION. 28J.3 APPROPRIATION AND
29 EXPENDITURE OF PUBLIC FUNDS – DISSOLUTION.

30 1. The political subdivisions comprising a port
31 authority may appropriate and expend public funds to
32 finance or subsidize the operation and authorized
33 purposes of the port authority. A port authority
34 shall control tax revenues allocated to the facilities
35 the port authority administers and all revenues
36 derived from the operation of the port authority, the
37 sale of its property, interest on investments, or from
38 any other source related to the port authority.

39 2. All revenues received by the port authority
40 shall be held in a separate fund in a manner agreed to
41 by the political subdivisions comprising the port
42 authority. Revenues may be paid out only at the
43 direction of the board of directors of the port
44 authority.

45 3. A port authority shall comply with section
46 331.341, subsections 1, 2, 4, and 5, and section
47 331.342, when contracting for public improvements.

48 4. Subject to making due provisions for payment
49 and performance of any outstanding obligations, the
50 political subdivisions comprising the port authority

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1 may dissolve the port authority, and transfer the
2 property of the port authority to the political
3 subdivisions comprising the port authority in a manner
4 agreed upon between the political subdivisions
5 comprising the port authority prior to the dissolution
6 of the port authority.
7 Sec. __. NEW SECTION. 28J.4 JOINING AN EXISTING
8 PORT AUTHORITY.
9 1. A political subdivision which is contiguous to
10 either a political subdivision which participated in
11 the creation of the port authority or a political
12 subdivision which proposes to join the port authority
13 at the same time which is contiguous to a political
14 subdivision which participated in the creation of the
15 port authority may join the port authority by
16 resolution.
17 2. If more than one such political subdivision
18 proposes to join the port authority at the same time,
19 the resolution of each such political subdivision
20 shall designate the political subdivisions which are
21 to be so joined.
22 3. Any territory or city not included in a port
23 authority which is annexed to a city included within
24 the jurisdiction of a port authority shall, on such
25 annexation and without further proceedings, be annexed
26 to and be included in the jurisdiction of the port
27 authority.
28 4. Before a political subdivision is joined to a
29 port authority, other than by annexation to a city,
30 the political subdivisions comprising the port
31 authority shall agree upon the terms and conditions
32 pursuant to which such political subdivision is to be
33 joined.
34 5. For the purpose of this chapter, such political
35 subdivision shall be considered to have participated
36 in the creation of the port authority, except that the
37 initial term of any director of the port authority
38 appointed by a joining political subdivision shall be
39 four years.
40 6. After each resolution proposing a political
41 subdivision to join a port authority has become
42 effective and the terms and conditions of joining the
43 port authority have been agreed to, the board of
44 directors of the port authority shall by resolution
45 either accept or reject the proposal. Such proposal
46 to join a port authority shall be effective upon
47 adoption of the resolution by the board of directors
48 of the port authority and thereupon the jurisdiction
49 of the port authority includes the joining political
50 subdivision.

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1 Sec. __. NEW SECTION. 28J.5 MEMBERSHIP OF BOARD
2 OF DIRECTORS.

3 1. A port authority created pursuant to section
4 28J.2 shall be governed by a board of directors.
5 Members of a board of directors of a port authority
6 shall be divided among the political subdivisions
7 comprising the port authority in such proportions as
8 the political subdivisions may agree and shall be
9 appointed by the respective political subdivision's
10 elected legislative body.

11 2. The number of directors comprising the board
12 shall be determined by agreement between the political
13 subdivisions comprising the port authority, and which
14 number may be changed by resolution of the political
15 subdivisions comprising the port authority.

16 3. A majority of the directors shall have been
17 qualified electors of, or owned a business or been
18 employed in, one or more political subdivisions within
19 the area of the jurisdiction of the port authority for
20 a period of at least three years preceding
21 appointment.

22 4. The directors of a port authority first
23 appointed shall serve staggered terms. Thereafter
24 each successor director shall serve for a term of four
25 years, except that any person appointed to fill a
26 vacancy shall be appointed to only the unexpired term.
27 A director is eligible for reappointment.

28 5. The board may provide procedures for the
29 removal of a director who fails to attend three
30 consecutive regular meetings of the board. If a
31 director is so removed, a successor shall be appointed
32 for the remaining term of the removed director in the
33 same manner provided for the original appointment.
34 The appointing body may at any time remove a director
35 appointed by it for misfeasance, nonfeasance, or
36 malfeasance in office.

37 6. The board may adopt bylaws and shall elect one
38 director as chairperson and one director as vice
39 chairperson, designate terms of office, and appoint a
40 secretary who need not be a director.

41 7. A majority of the board of directors shall
42 constitute a quorum for the purpose of holding a
43 meeting of the board. The affirmative vote of a
44 majority of a quorum shall be necessary for any action
45 taken by the port authority unless the board
46 determines that a greater number of affirmative votes
47 is necessary for particular actions to be taken by the
48 port authority. A vacancy in the membership of the
49 board shall not impair the rights of a quorum to
50 exercise all the rights and perform all the duties of

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1 the port authority.

2 8. Each director shall be entitled to receive from
3 the port authority such sum of money as the board may
4 determine as compensation for services as a director
5 and reimbursement for reasonable expenses in the
6 performance of official duties.

7 Sec. __. NEW SECTION. 28J.6 CIVIL IMMUNITY OF
8 DIRECTORS.

9 A director of a port authority shall not be
10 personally liable for any monetary damages that arise
11 from actions taken in the performance of the
12 director's official duties, except for acts or
13 omissions that are not in good faith or that involve
14 intentional misconduct, a knowing violation of law, or
15 any transaction from which the director derived an
16 improper personal benefit.

17 Sec. __. NEW SECTION. 28J.7 EMPLOYEES, ADVISORY
18 BOARD, PEACE OFFICERS.

19 1. A port authority shall employ and fix the
20 qualifications, duties, and compensation of any
21 employees and enter into contracts for any services
22 that may be required to conduct the business of the
23 port authority, and may appoint an advisory board,
24 which shall serve without compensation.

25 2. An employee of a port authority is a public
26 employee for the purposes of collective bargaining
27 under chapter 20.

28 3. a. A port authority may provide for the
29 administration and enforcement of the laws of the
30 state by employing peace officers who shall have all
31 the powers conferred by law on peace officers of this
32 state with regard to the apprehension of violators
33 upon all property under its control within and without
34 the port authority. The peace officers may seek the
35 assistance of other appropriate law enforcement
36 officers to enforce its rules and maintain order.

37 b. Peace officers employed by a port authority
38 shall meet all requirements as police officers
39 appointed under the civil service law of chapter 400
40 and shall participate in the retirement system
41 established by chapter 411.

42 c. Peace officers employed by a port authority
43 shall serve as a peace officer force with respect to
44 the property, grounds, buildings, equipment, and
45 facilities under the control of the port authority, to
46 prevent hijacking of aircraft or watercraft, protect
47 the property of the authority and the property of
48 others located thereon, suppress nuisances and
49 disturbances and breaches of the peace, and enforce
50 laws and the rules of the port authority for the

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1 preservation of good order. Peace officers are vested
2 with the same powers of arrest as peace officers under
3 section 804.7.

4 4. If an employee of a political subdivision
5 comprising the port authority is transferred to a
6 comparable position with the port authority, the
7 employee is entitled to suffer no loss in pay,
8 pension, fringe benefits, or other benefits and shall
9 be entitled to a comparable rank and grade as the
10 employee's prior position. Sick leave, longevity, and
11 vacation time accrued to such employees shall be
12 credited to them as employees of the port authority.
13 All rights and accruals of such employees as members
14 of the Iowa public employees' retirement system
15 pursuant to chapter 97B and the retirement system for
16 police officers pursuant to chapter 411 shall remain
17 in force and shall be automatically transferred to the
18 port authority.

19 Sec. __. NEW SECTION. 28J.8 AREA OF
20 JURISDICTION.

21 1. The area of jurisdiction of a port authority
22 shall include all of the territory of the political
23 subdivisions comprising the port authority and, if the
24 port authority owns or leases a railroad line or
25 airport, the territory on which the railroad's line,
26 terminals, and related facilities or the airport's
27 runways, terminals, and related facilities are
28 located, regardless of whether the territory is
29 located in the political subdivisions comprising the
30 port authority.

31 2. A political subdivision that has created a port
32 authority or joined an existing port authority shall
33 not be included in any other port authority.

34 Sec. __. NEW SECTION. 28J.9 POWERS OF PORT
35 AUTHORITY.

36 A port authority may exercise all of the following
37 powers:

38 1. Adopt bylaws for the regulation of the port
39 authority's affairs and the conduct of the port
40 authority's business.

41 2. Adopt an official seal.

42 3. Maintain a principal office and branch offices
43 within the port authority's jurisdiction.

44 4. Acquire, construct, furnish, equip, maintain,
45 repair, sell, exchange, lease, lease with an option to
46 purchase, convey interests in real or personal
47 property, and operate any property of the port
48 authority in connection with transportation,
49 recreational, governmental operations, or cultural
50 activities in furtherance of an authorized purpose.

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1 5. Straighten, deepen, and improve any channel,
2 river, stream, or other watercourse or way which may
3 be necessary or proper in the development of the
4 facilities of the port authority.

5 6. Make available the use or services of any
6 facility of the port authority to any person or
7 governmental agency.

8 7. Issue bonds or pledge orders pursuant to the
9 requirements and limitations in section 28J.21.

10 8. Issue port authority revenue bonds beyond the
11 limit of bonded indebtedness provided by law, payable
12 solely from revenues as provided in section 28J.21,
13 for the purpose of providing funds to pay the costs of
14 any facility or facilities of the port authority or
15 parts thereof.

16 9. Apply to the proper authorities of the United
17 States for the right to establish, operate, and
18 maintain foreign trade zones and establish, operate,
19 and maintain foreign trade zones and to acquire,
20 exchange, sell, lease to or from, lease with an option
21 to purchase, or operate facilities, land, or property
22 in accordance with the federal Foreign Trade Zones
23 Act, 19 U.S.C. § 81a-81u.

24 10. Enjoy and possess the same legislative and
25 executive rights, privileges, and powers granted
26 cities under chapter 364 and counties under chapter
27 331, including the exercise of police power but
28 excluding the power to levy taxes.

29 11. Maintain such funds as it considers necessary
30 and adhere to the public funds investment standards of
31 chapter 12B, as applicable.

32 12. Direct port authority agents or employees,
33 after at least five days' written notice, to enter
34 upon lands within the port authority's jurisdiction to
35 make surveys and examinations preliminary to location
36 and construction of works for the port authority,
37 without liability of the port authority or its agents
38 or employees except for actual damages.

39 13. Promote, advertise, and publicize the port
40 authority and its facilities, and provide information
41 to shippers and other commercial interests.

42 14. Adopt bylaws, not in conflict with state or
43 federal law, necessary or incidental to the
44 performance of the duties of and the execution of the
45 powers of the port authority under this chapter.

46 15. Do any of the following in regard to interests
47 in real or personal property, including machinery,
48 equipment, plants, factories, offices, and other
49 structures and facilities related to or in furtherance
50 of any authorized purpose as the board in its sole

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1 discretion may determine:

2 a. Loan money to any person or governmental agency
3 for the acquisition, construction, furnishing, or
4 equipping of the property.

5 b. Acquire, construct, maintain, repair, furnish,
6 or equip the property.

7 c. Sell to, exchange with, lease, convey other
8 interests in, or lease with an option to purchase the
9 same or any lesser interest in the property to the
10 same or any other person or governmental agency.

11 d. Guarantee the obligations of any person or
12 governmental agency.

13 e. Accept and hold as consideration for the
14 conveyance of property or any interest therein such
15 property or interests therein as the board may
16 determine, notwithstanding any restrictions that apply
17 to the investment of funds by a port authority.

18 16. Sell, lease, or convey other interests in real
19 and personal property, and grant easements or rights-
20 of-way over property of the port authority. The board
21 shall specify the consideration and terms for the
22 sale, lease, or conveyance of other interests in real
23 and personal property. A determination made by the
24 board under this subsection shall be conclusive. The
25 sale, lease, or conveyance may be made without
26 advertising and the receipt of bids.

27 17. Enter into an agreement with a political
28 subdivision comprising the port authority for the
29 political subdivision to exercise its right of eminent
30 domain pursuant to chapters 6A and 6B on behalf of the
31 port authority. However, a condemnation exercised on
32 behalf of a port authority pursuant to this subsection
33 shall not take or disturb property or a facility
34 belonging to a governmental agency, utility company,
35 or common carrier, which property or facility is
36 necessary and convenient in the operation of the
37 governmental agency, utility company, or common
38 carrier, unless provision is made for the restoration,
39 relocation, or duplication of such property or
40 facility, or upon the election of the governmental
41 agency, utility company, or common carrier, for the
42 payment of compensation, if any, at the sole cost of
43 the port authority, provided that both of the
44 following apply:

45 a. If a restoration or duplication proposed to be
46 made under this subsection involves a relocation of
47 the property or facility, the new facility and
48 location shall be of at least comparable utilitarian
49 value and effectiveness and shall not impair the
50 ability of the utility company or common carrier to

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1 compete in its original area of operation.
2 b. If a restoration or duplication made under this
3 subsection involves a relocation of the property or
4 facility, the port authority shall acquire no interest
5 or right in or to the appropriated property or
6 facility, until the relocated property or facility is
7 available for use and until marketable title thereto
8 has been transferred to the utility company or common
9 carrier.

10 18. a. Make and enter into all contracts and
11 agreements and execute all instruments necessary or
12 incidental to the performance of the duties of and the
13 execution of powers of the port authority under this
14 chapter.

15 b. Except as provided in paragraph "c", when the
16 cost of a contract for the construction of a building,
17 structure, or other improvement undertaken by a port
18 authority involves an expenditure exceeding twenty-
19 five thousand dollars, and the port authority is the
20 contracting entity, the port authority shall make a
21 written contract after notice calling for bids for the
22 award of the contract has been given by publication
23 twice, with at least seven days between publications,
24 in a newspaper of general circulation in the area of
25 the port authority. Each such contract shall be let
26 to the lowest responsive and responsible bidder.
27 Every contract shall be accompanied by or shall refer
28 to plans and specifications for the work to be done,
29 prepared for and approved by the port authority, and
30 signed by an authorized officer of the port authority
31 and by the contractor.

32 c. The board of directors may provide criteria for
33 the negotiation and award without competitive bidding
34 of any contract as to which the port authority is the
35 contracting entity for the construction of any
36 building or structure or other improvement under any
37 of the following circumstances:

38 (1) A real and present emergency exists that
39 threatens damage or injury to persons or property of
40 the port authority or other persons, provided that a
41 statement specifying the nature of the emergency that
42 is the basis for the negotiation and award of a
43 contract without competitive bidding shall be signed
44 by the officer of the port authority that executes
45 that contract at the time of the contract's execution
46 and shall be attached to the contract.

47 (2) A commonly recognized industry or other
48 standard or specification does not exist and cannot
49 objectively be articulated for the improvement.

50 (3) The contract is for any energy conservation

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1 measure as defined in section 7D.34.

2 (4) With respect to material to be incorporated
3 into the improvement, only a single source or supplier
4 exists for the material.

5 (5) A single bid is received by the port authority
6 after complying with the provisions of paragraph "b".

7 d. (1) If a contract is to be negotiated and
8 awarded without competitive bidding for the reason set
9 forth in paragraph "c", subparagraph (2), the port
10 authority shall publish a notice calling for technical
11 proposals at least twice, with at least seven days
12 between publications, in a newspaper of general
13 circulation in the area of the port authority. After
14 receipt of the technical proposals, the port authority
15 may negotiate with and award a contract for the
16 improvement to the person making the proposal
17 considered to be the most advantageous to the port
18 authority.

19 (2) If a contract is to be negotiated and awarded
20 without competitive bidding for the reason set forth
21 in paragraph "c", subparagraph (4), construction
22 activities related to the incorporation of the
23 material into the improvement also may be provided
24 without competitive bidding by the source or supplier
25 of that material.

26 e. A purchase, exchange, sale, lease, lease with
27 an option to purchase, conveyance of other interests
28 in, or other contract with a person or governmental
29 agency that pertains to the acquisition, construction,
30 maintenance, repair, furnishing, equipping, or
31 operation of any real or personal property, related to
32 or in furtherance of economic development and the
33 provision of adequate housing, shall be made in such
34 manner and subject to such terms and conditions as may
35 be determined in the board's discretion. This
36 paragraph applies to all contracts that are subject to
37 this section, notwithstanding any other provision of
38 law that might otherwise apply, including a
39 requirement of notice, competitive bidding or
40 selection, or for the provision of security. However,
41 this paragraph shall not apply to a contract secured
42 exclusively by or to be paid exclusively from the
43 general revenues of the port authority. For the
44 purposes of this paragraph, any revenues derived by
45 the port authority under a lease or other agreement
46 that, by its terms, contemplates the use of amounts
47 payable under the agreement either to pay the costs of
48 the improvement that is the subject of the contract or
49 to secure obligations of the port authority issued to
50 finance costs of such improvement, are excluded from

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1 general revenues.

2 19. Employ managers, superintendents, and other
3 employees and retain or contract with consulting
4 engineers, financial consultants, accounting experts,
5 architects, attorneys, and any other consultants and
6 independent contractors as are necessary in the port
7 authority's judgment to carry out this chapter, and
8 fix the compensation thereof. All expenses thereof
9 shall be payable from any available funds of the port
10 authority or from funds appropriated for that purpose
11 by the political subdivisions comprising the port
12 authority.

13 20. Receive and accept from a governmental agency
14 grants and loans for the construction of a port
15 authority facility, for research and development with
16 respect to a port authority facility, or any other
17 authorized purpose, and receive and accept aid or
18 contributions from any source of moneys, property,
19 labor, or other things of value, to be held, used, and
20 applied only for the purposes for which the grants,
21 loans, aid, or contributions are made.

22 21. Engage in research and development with
23 respect to a port authority facility.

24 22. Purchase fire and extended coverage and
25 liability insurance for a port authority facility and
26 for the principal office and branch offices of the
27 port authority, insurance protecting the port
28 authority and its officers and employees against
29 liability for damage to property or injury to or death
30 of persons arising from its operations, and any other
31 insurance the port authority may agree to provide
32 under a resolution authorizing port authority revenue
33 bonds, pledge orders, or in any trust agreement
34 securing the same.

35 23. Charge, alter, and collect rental fees and
36 other charges for the use or services of a port
37 authority facility as provided in section 28J.16.

38 24. Perform all acts necessary or proper to carry
39 out the powers expressly granted in this chapter.

40 Sec. __. NEW SECTION. 28J.10 PARTICIPATION OF
41 PRIVATE ENTERPRISE.

42 The port authority shall foster and encourage the
43 participation of private enterprise in the development
44 of the port authority facilities to the fullest extent
45 practicable in the interest of limiting the necessity
46 of construction and operation of the facilities by the
47 port authority.

48 Sec. __. NEW SECTION. 28J.11 PROVISIONS DO NOT
49 AFFECT OTHER LAWS OR POWERS.

50 This chapter shall not do any of the following:

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1 1. Impair a provision of law directing the payment
2 of revenues derived from public property into sinking
3 funds or dedicating those revenues to specific
4 purposes.

5 2. Impair the powers of a political subdivision to
6 develop or improve a port and terminal facility except
7 as restricted by section 28J.15.

8 3. Enlarge, alter, diminish, or affect in any way,
9 a lease or conveyance made, or action taken prior to
10 the creation of a port authority under section 28J.2
11 by a city or a county.

12 4. Impair or interfere with the exercise of a
13 permit for the removal of sand or gravel, or other
14 similar permits issued by a governmental agency.

15 5. Impair or contravene applicable federal
16 regulations.

17 Sec. __. NEW SECTION. 28J.12 CONVEYANCE, LEASE,
18 OR EXCHANGE OF PUBLIC PROPERTY.

19 A port authority may convey or lease, lease with an
20 option to purchase, or exchange with any governmental
21 agency or other port authority without competitive
22 bidding and on mutually agreeable terms, any personal
23 or real property, or any interest therein.

24 Sec. __. NEW SECTION. 28J.13 ANNUAL BUDGET –
25 USE OF RENTS AND CHARGES.

26 The board shall annually prepare a budget for the
27 port authority. Revenues received by the port
28 authority shall be used for the general expenses of
29 the port authority and to pay interest, amortization,
30 and retirement charges on money borrowed. Except as
31 provided in section 28J.26, if there remains, at the
32 end of any fiscal year, a surplus of such funds after
33 providing for the above uses, the board shall pay such
34 surplus into the general funds of the political
35 subdivisions comprising the port authority as agreed
36 to by the subdivisions.

37 Sec. __. NEW SECTION. 28J.14 SECRETARY TO
38 FURNISH BOND – DEPOSIT AND DISBURSEMENT OF FUNDS.

39 Before receiving any revenues, the secretary of a
40 port authority shall furnish a bond in such amount as
41 shall be determined by the port authority with
42 sureties satisfactory to the port authority, and all
43 funds coming into the hands of the secretary shall be
44 deposited by the secretary to the account of the port
45 authority in one or more such depositories as shall be
46 qualified to receive deposits of county funds, which
47 deposits shall be secured in the same manner as county
48 funds are required to be secured. A disbursement
49 shall not be made from such funds except in accordance
50 with policies and procedures adopted by the port

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1 authority.

2 Sec. __. NEW SECTION. 28J.15 LIMITATION ON
3 CERTAIN POWERS OF POLITICAL SUBDIVISIONS.

4 A political subdivision creating or participating
5 in the creation of a port authority in accordance with
6 section 28J.2 shall not, during the time the port
7 authority is in existence, exercise the rights and
8 powers provided in chapters 28A, 28K, and 384 relating
9 to the political subdivision's authority over a port,
10 wharf, dock, harbor or other facility substantially
11 similar to that political subdivision's authority
12 under a port authority granted under this chapter.

13 Sec. __. NEW SECTION. 28J.16 RENTALS OR CHARGES
14 FOR USE OR SERVICES OF FACILITIES – AGREEMENTS WITH
15 GOVERNMENTAL AGENCIES.

16 1. a. A port authority may charge, alter, and
17 collect rental fees or other charges for the use or
18 services of any port authority facility and contract
19 for the use or services of a facility, and fix the
20 terms, conditions, rental fees, or other charges for
21 the use or services.

22 b. If the services are furnished in the
23 jurisdiction of the port authority by a utility
24 company or a common carrier, the port authority's
25 charges for the services shall not be less than the
26 charges established for the same services furnished by
27 a utility company or common carrier in the port
28 authority jurisdiction.

29 c. The rental fees or other charges shall not be
30 subject to supervision or regulation by any other
31 authority, commission, board, bureau, or governmental
32 agency of the state and the contract may provide for
33 acquisition of all or any part of the port authority
34 facility for such consideration payable over the
35 period of the contract or otherwise as the port
36 authority determines to be appropriate, but subject to
37 the provisions of any resolution authorizing the
38 issuance of port authority revenue bonds or any trust
39 agreement securing the bonds.

40 d. A governmental agency that has power to
41 construct, operate, and maintain a port authority
42 facility may enter into a contract or lease with a
43 port authority for the use or services of a port
44 authority facility as may be agreed to by the port
45 authority and the governmental agency.

46 2. a. A governmental agency may cooperate with
47 the port authority in the acquisition or construction
48 of a port authority facility and shall enter into such
49 agreements with the port authority as may be
50 appropriate, which shall provide for contributions by

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1 the parties in a proportion as may be agreed upon and
2 other terms as may be mutually satisfactory to the
3 parties including the authorization of the
4 construction of the facility by one of the parties
5 acting as agent for all of the parties and the
6 ownership and control of the facility by the port
7 authority to the extent necessary or appropriate.

8 b. A governmental agency may provide funds for the
9 payment of any contribution required under such
10 agreements by the levy of taxes or assessments if
11 otherwise authorized by the laws governing the
12 governmental agency in the construction of the type of
13 port authority facility provided for in the
14 agreements, and may pay the proceeds from the
15 collection of the taxes or assessments; or the
16 governmental agency may issue bonds or notes, if
17 authorized by law, in anticipation of the collection
18 of the taxes or assessments, and may pay the proceeds
19 of the bonds or notes to the port authority pursuant
20 to such agreements.

21 c. A governmental agency may provide the funds for
22 the payment of a contribution by the appropriation of
23 moneys or, if otherwise authorized by law, by the
24 issuance of bonds or notes and may pay the
25 appropriated moneys or the proceeds of the bonds or
26 notes to the port authority pursuant to such
27 agreements.

28 3. When the contribution of any governmental
29 agency is to be made over a period of time from the
30 proceeds of the collection of special assessments, the
31 interest accrued and to accrue before the first
32 installment of the assessments is collected, which is
33 payable by the governmental agency on the contribution
34 under the terms and provisions of the agreements,
35 shall be treated as part of the cost of the
36 improvement for which the assessments are levied, and
37 that portion of the assessments that is collected in
38 installments shall bear interest at the same rate as
39 the governmental agency is obligated to pay on the
40 contribution under the terms and provisions of the
41 agreements and for the same period of time as the
42 contribution is to be made under the agreements. If
43 the assessment or any installment thereof is not paid
44 when due, it shall bear interest until the payment
45 thereof at the same rate as the contribution and the
46 county auditor shall annually place on the tax list
47 and duplicate the interest applicable to the
48 assessment and the penalty thereon as otherwise
49 authorized by law.

50 4. A governmental agency, pursuant to a favorable

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1 vote in an election regarding issuing bonds to provide
2 funds to acquire, construct, or equip, or provide real
3 estate and interests in real estate for a port
4 authority facility, whether or not the governmental
5 agency at the time of the election had the authority
6 to pay the proceeds from the bonds or notes issued in
7 anticipation of the bonds to the port authority as
8 provided in this section, may issue such bonds or
9 notes in anticipation of the issuance of the bonds and
10 pay the proceeds of the bonds or notes to the port
11 authority in accordance with an agreement with the
12 port authority; provided, that the legislative
13 authority of the governmental agency finds and
14 determines that the port authority facility to be
15 acquired or constructed in cooperation with the
16 governmental agency will serve the same public purpose
17 and meet substantially the same public need as the
18 facility otherwise proposed to be acquired or
19 constructed by the governmental agency with the
20 proceeds of the bonds and notes.

21 Sec. . NEW SECTION. 28J.17 CONTRACTS,
22 ARRANGEMENTS, AND AGREEMENTS.

23 1. a. A port authority may enter into a contract
24 or other arrangement with a person, railroad, utility
25 company, corporation, governmental agency including
26 sewerage, drainage, conservation, conservancy, or
27 other improvement districts in this or other states,
28 or the governments or agencies of foreign countries as
29 may be necessary or convenient for the exercise of the
30 powers granted by this chapter. The port authority
31 may purchase, lease, or acquire land or other property
32 in any county of this state and in adjoining states
33 for the accomplishment of authorized purposes of the
34 port authority, or for the improvement of the harbor
35 and port facilities over which the port authority may
36 have jurisdiction including development of port
37 facilities in adjoining states. The authority granted
38 in this section to enter into contracts or other
39 arrangements with the federal government includes the
40 power to enter into any contracts, arrangements, or
41 agreements that may be necessary to hold and save
42 harmless the United States from damages due to the
43 construction and maintenance by the United States of
44 work the United States undertakes.

45 b. A political subdivision that has participated
46 in the creation of a port authority, or is within, or
47 adjacent to a political subdivision that is within the
48 jurisdiction of a port authority, may enter into an
49 agreement with the port authority to accomplish any of
50 the authorized purposes of the port authority. The

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1 agreement may set forth the extent to which the port
2 authority shall act as the agent of the political
3 subdivision.

4 2. A port authority may enter into an agreement
5 with a contracting governmental agency, whereby the
6 port authority or the contracting governmental agency
7 undertakes, and is authorized by the port authority or
8 a contracting governmental agency, to exercise any
9 power, perform any function, or render any service, on
10 behalf of the port authority or a contracting
11 governmental agency, which the port authority or the
12 contracting governmental agency is authorized to
13 exercise, perform, or render.

14 Sec. __. NEW SECTION. 28J.18 REVENUE BONDS ARE
15 LAWFUL INVESTMENTS.

16 Port authority revenue bonds issued pursuant to
17 this chapter are lawful investments of banks, credit
18 unions, trust companies, savings and loan
19 associations, deposit guaranty associations, insurance
20 companies, trustees, fiduciaries, trustees or other
21 officers having charge of the bond retirement funds or
22 sinking funds of port authorities and governmental
23 agencies, and taxing districts of this state, the
24 pension and annuity retirement system, the Iowa public
25 employees' retirement system, the police and fire
26 retirement systems under chapters 410 and 411, a
27 revolving fund of a governmental agency of this state,
28 and are acceptable as security for the deposit of
29 public funds under chapter 12C.

30 Sec. __. NEW SECTION. 28J.19 PROPERTY TAX
31 EXEMPTION.

32 A port authority shall be exempt from and shall not
33 be required to pay taxes on real property belonging to
34 a port authority that is used exclusively for an
35 authorized purpose as provided in section 427.1,
36 subsection 34.

37 Sec. __. NEW SECTION. 28J.20 LOANS FOR
38 ACQUISITION OR CONSTRUCTION OF FACILITY – SALE OF
39 FACILITY – POWER TO ENCUMBER PROPERTY.

40 1. With respect to the financing of a facility for
41 an authorized purpose, under an agreement whereby the
42 person to whom the facility is to be leased,
43 subleased, or sold, or to whom a loan is to be made
44 for the facility, is to make payments sufficient to
45 pay all of the principal of, premium, and interest on
46 the port authority revenue bonds issued for the
47 facility, the port authority, in addition to other
48 powers under this chapter, may do any of the
49 following:

50 a. Make loans for the acquisition or construction

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1 of the facility to such person upon such terms as the
2 port authority may determine or authorize including
3 secured or unsecured loans, and enter into loan
4 agreements and other agreements, accept notes and
5 other forms of obligation to evidence such
6 indebtedness and mortgages, liens, pledges,
7 assignments, or other security interests to secure
8 such indebtedness, which may be prior or subordinate
9 to or on a parity with other indebtedness,
10 obligations, mortgages, pledges, assignments, other
11 security interests, or liens or encumbrances, and take
12 actions considered appropriate to protect such
13 security and safeguard against losses, including,
14 without limitation, foreclosure and the bidding upon
15 and purchase of property upon foreclosure or other
16 sale.

17 b. Sell the facility under terms as the port
18 authority may determine, including sale by conditional
19 sale or installment sale, under which title may pass
20 prior to or after completion of the facility or
21 payment or provisions for payment of all principal of,
22 premium, and interest on the revenue bonds, or at any
23 other time provided in the agreement pertaining to the
24 sale, and including sale under an option to purchase
25 at a price which may be a nominal amount or less than
26 true value at the time of purchase.

27 c. Grant a mortgage, lien, or other encumbrance
28 on, or pledge or assignment of, or other security
29 interest with respect to, all or any part of the
30 facility, revenues, reserve funds, or other funds
31 established in connection with the bonds or with
32 respect to a lease, sublease, sale, conditional sale
33 or installment sale agreement, loan agreement, or
34 other agreement pertaining to the lease, sublease,
35 sale, or other disposition of a facility or pertaining
36 to a loan made for a facility, or a guaranty or
37 insurance agreement made with respect thereto, or an
38 interest of the port authority therein, or any other
39 interest granted, assigned, or released to secure
40 payments of the principal of, premium, or interest on
41 the bonds or to secure any other payments to be made
42 by the port authority, which mortgage, lien,
43 encumbrance, pledge, assignment, or other security
44 interest may be prior or subordinate to or on a parity
45 with any other mortgage, assignment, or other security
46 interest, or lien or encumbrance.

47 d. Contract for the acquisition or construction of
48 the facility or any part thereof and for the leasing,
49 subleasing, sale, or other disposition of the facility
50 in a manner determined by the port authority in its

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1 sole discretion, without necessity for competitive
2 bidding or performance bonds.

3 e. Make appropriate provision for adequate
4 maintenance of the facility.

5 2. With respect to a facility referred to in this
6 section, the authority granted by this section is
7 cumulative and supplementary to all other authority
8 granted in this chapter. The authority granted by
9 this section does not alter or impair a similar
10 authority granted elsewhere in this chapter for or
11 with respect to other facilities.

12 Sec. __. NEW SECTION. 28J.21 ISSUANCE OF
13 REVENUE AND REFUNDING BONDS.

14 1. A port authority may issue revenue bonds and
15 pledge orders payable solely from the net revenues of
16 the port authority including the revenues generated
17 from a facility pursuant to section 28J.20. The
18 revenue bonds may be issued in such principal amounts
19 as, in the opinion of the port authority, are
20 necessary for the purpose of paying the cost of one or
21 more port authority facilities or parts thereof.

22 2. a. The resolution to issue the bonds must be
23 adopted at a regular or special meeting of the board
24 called for that purpose by a majority of the total
25 number of members of the board. The board shall fix a
26 date, time, and place of meeting at which it proposes
27 to take action, and give notice by publication in the
28 manner directed in section 331.305. The notice must
29 include a statement of the date, time, and place of
30 the meeting, the maximum amount of the proposed
31 revenue bonds, the purpose for which the revenue bonds
32 will be issued, and the net revenues to be used to pay
33 the principal and interest on the revenue bonds.

34 b. At the meeting the board shall receive oral or
35 written objections from any resident or property owner
36 within the jurisdiction of the port authority. After
37 all objections have been received and considered, the
38 board, at the meeting or a date to which it is
39 adjourned, may take additional action for the issuance
40 of the bonds or abandon the proposal to issue bonds.
41 Any resident or property owner within the jurisdiction
42 of the port authority may appeal a decision of the
43 board to take additional action in district court
44 within fifteen days after the additional action is
45 taken, but the additional action of the board is final
46 and conclusive unless the court finds that the board
47 exceeded its authority.

48 3. The board may sell revenue bonds or pledge
49 orders at public or private sale and may deliver
50 revenue bonds and pledge orders to the contractors,

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1 sellers, and other persons furnishing materials and
2 services constituting a part of the cost of the port
3 authority facility in payment therefor. The pledge of
4 any net revenues of a port authority is valid and
5 effective as to all persons including but not limited
6 to other governmental bodies when it becomes valid and
7 effective between the port authority and the holders
8 of the revenue bonds or pledge orders.

9 4. A revenue bond is valid and binding for all
10 purposes if it bears the signatures or a facsimile of
11 the signature of the officer designated by the port
12 authority. Port authority revenue bonds may bear
13 dates, bear interest at rates not exceeding those
14 permitted by chapter 74A, bear interest at a variable
15 rate or rates changing from time to time in accordance
16 with a base or formula, mature in one or more
17 installments, be in registered form, carry
18 registration and conversion privileges, be payable as
19 to principal and interest at times and places, be
20 subject to terms of redemption prior to maturity with
21 or without premium, and be in one or more
22 denominations, all as provided by the resolution of
23 the board authorizing their issuance. The resolution
24 may also prescribe additional provisions, terms,
25 conditions, and covenants which the port authority
26 deems advisable, consistent with this chapter,
27 including provisions for creating and maintaining
28 reserve funds, the issuance of additional revenue
29 bonds ranking on a parity with such revenue bonds and
30 additional revenue bonds junior and subordinate to
31 such revenue bonds, and that such revenue bonds shall
32 rank on a parity with or be junior and subordinate to
33 any revenue bonds which may be then outstanding. Port
34 authority revenue bonds are a contract between the
35 port authority and holders and the resolution is a
36 part of the contract.

37 5. The port authority may issue revenue bonds to
38 refund revenue bonds, pledge orders, and other
39 obligations which are by their terms payable from the
40 net revenues of the same port authority, at lower, the
41 same, or higher rates of interest. A port authority
42 may sell refunding revenue bonds at public or private
43 sale and apply the proceeds to the payment of the
44 obligations being refunded, and may exchange refunding
45 revenue bonds in payment and discharge of the
46 obligations being refunded. The principal amount of
47 refunding revenue bonds may exceed the principal
48 amount of the obligations being refunded to the extent
49 necessary to pay any premium due on the call of the
50 obligations being refunded and to fund interest

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1 accrued and to accrue on the obligations being
2 refunded.

3 6. The final maturity of any original issue of
4 port authority revenue bonds shall not exceed forty
5 years from the date of issue, and the final maturity
6 of port authority revenue bonds that refund
7 outstanding port authority revenue bonds shall not be
8 later than the later of forty years from the date of
9 issue of the original issue of bonds or the date by
10 which it is expected, at the time of issuance of the
11 refunding bonds, that the useful life of all of the
12 property refinanced with the proceeds of the bonds,
13 other than interests in land, will have expired. Such
14 bonds or notes shall be executed in a manner as the
15 resolution may provide.

16 7. The port authority may contract to pay an
17 amount not to exceed ninety-five percent of the
18 engineer's estimated value of the acceptable work
19 completed during the month to the contractor at the
20 end of each month for work, material, or services.
21 Payment may be made in warrants drawn on any fund from
22 which payment for the work may be made. If such funds
23 are depleted, anticipatory warrants may be issued
24 bearing a rate of interest not exceeding that
25 permitted by chapter 74A even if income from the sale
26 of bonds which have been authorized and are applicable
27 to the public improvement takes place after the fiscal
28 year in which the warrants are issued. If the port
29 authority arranges for the private sale of
30 anticipatory warrants, the warrants may be sold and
31 the proceeds used to pay the contractor. The warrants
32 may also be used to pay other persons furnishing
33 services constituting a part of the cost of the public
34 improvement.

35 8. Port authority revenue bonds, pledge orders,
36 and warrants issued under this section are negotiable
37 instruments.

38 9. The board may issue pledge orders pursuant to a
39 resolution adopted by a majority of the total number
40 of supervisors, at a regular or special meeting,
41 ordering their issuance and delivery in payment for
42 all or part of the cost of a project. Pledge orders
43 may bear interest at rates not exceeding those
44 permitted by chapter 74A.

45 10. Except as provided in section 28J.20, the
46 physical properties of the port authority shall not be
47 pledged or mortgaged to secure the payment of revenue
48 bonds, pledge orders, or refunding bonds, or the
49 interest thereon.

50 11. The members of the board of the port authority

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1 and any person executing the bonds or pledge orders
2 shall not be personally liable on the bonds or pledge
3 orders or be subject to any personal liability or
4 accountability by reason of the issuance thereof.

5 Sec. __. NEW SECTION. 28J.22 BONDS MAY BE
6 SECURED BY TRUST AGREEMENT.

7 1. In the discretion of the port authority, a port
8 authority revenue bond issued under this chapter may
9 be secured by a trust agreement between the port
10 authority and a corporate trustee that may be any
11 trust company or bank having the powers of a trust
12 company within this or any other state.

13 2. The trust agreement may pledge or assign
14 revenues of the port authority to be received for
15 payment of the revenue bonds. The trust agreement or
16 any resolution providing for the issuance of revenue
17 bonds may contain provisions for protecting and
18 enforcing the rights and remedies of the bondholders
19 as are reasonable and proper and not in violation of
20 law, including covenants setting forth the duties of
21 the port authority in relation to the acquisition of
22 property, the construction, improvement, maintenance,
23 repair, operation, and insurance of the port authority
24 facility in connection with which the bonds are
25 authorized, the rentals or other charges to be imposed
26 for the use or services of any port authority
27 facility, the custody, safeguarding, and application
28 of all moneys, and provisions for the employment of
29 consulting engineers in connection with the
30 construction or operation of any port authority
31 facility.

32 3. A bank or trust company incorporated under the
33 laws of this state, that may act as the depository of
34 the proceeds of bonds or of revenues, shall furnish
35 any indemnifying bonds or may pledge any securities
36 that are required by the port authority. The trust
37 agreement may set forth the rights and remedies of the
38 bondholders and of the trustee, and may restrict the
39 individual right of action by bondholders as is
40 customary in trust agreements or trust indentures
41 securing similar bonds. The trust agreement may
42 contain any other provisions that the port authority
43 determines reasonable and proper for the security of
44 the bondholders. All expenses incurred in carrying
45 out the provisions of the trust agreement may be
46 treated as a part of the cost of the operation of the
47 port authority facility.

48 Sec. __. NEW SECTION. 28J.23 REMEDY OF HOLDER
49 OF BOND OR COUPON – STATUTE OF LIMITATIONS.

50 1. The sole remedy for a breach or default of a

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1 term of a port authority revenue bond or pledge order
2 is a proceeding in law or in equity by suit, action,
3 or mandamus to enforce and compel performance of the
4 duties required by this chapter and of the terms of
5 the resolution authorizing the issuance of the revenue
6 bonds or pledge orders, or to obtain the appointment
7 of a receiver to take possession of and operate the
8 port authority, and to perform the duties required by
9 this chapter and the terms of the resolution
10 authorizing the issuance of the port authority revenue
11 bonds or pledge orders.

12 2. An action shall not be brought which questions
13 the legality of port authority revenue bonds or pledge
14 orders, the power of a port authority to issue revenue
15 bonds or pledge orders, or the effectiveness of any
16 proceedings relating to the authorization and issuance
17 of revenue bonds or pledge orders, from and after
18 fifteen days from the time the bonds or pledge orders
19 are ordered issued by the port authority.

20 Sec. __. NEW SECTION. 28J.24 BONDS ARE PAYABLE
21 SOLELY FROM REVENUES AND FUNDS PLEDGED FOR PAYMENT.

22 Port authority revenue bonds and pledge orders
23 issued under this chapter do not constitute a debt, or
24 a pledge of the faith and credit, of the state or a
25 political subdivision of the state, and the holders or
26 owners of the bonds or pledge orders shall not have
27 taxes levied by the state or by a taxing authority of
28 a governmental agency of the state for the payment of
29 the principal of or interest on the bonds or pledge
30 orders, but the bonds and pledge orders are payable
31 solely from the revenues and funds pledged for their
32 payment as authorized by this chapter, unless the
33 notes are issued in anticipation of the issuance of
34 bonds or pledge orders or the bonds and pledge orders
35 are refunded by refunding bonds issued under this
36 chapter, which bonds, pledge orders, or refunding
37 bonds shall be payable solely from revenues and funds
38 pledged for their payment as authorized by those
39 sections. All of the bonds or pledge orders shall
40 contain a statement to the effect that the bonds or
41 pledge orders, as to both principal and interest, are
42 not debts of the state or a political subdivision of
43 the state, but are payable solely from revenues and
44 funds pledged for their payment.

45 Sec. __. NEW SECTION. 28J.25 FUNDS AND PROPERTY
46 HELD IN TRUST – USE AND DEPOSIT OF FUNDS.

47 All revenues, funds, properties, and assets
48 acquired by the port authority under this chapter,
49 whether as proceeds from the sale of port authority
50 revenue bonds, pledge orders, or as revenues, shall be

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1 held in trust for the purposes of carrying out the
2 port authority's powers and duties, shall be used and
3 reused as provided in this chapter, and shall at no
4 time be part of other public funds. Such funds,
5 except as otherwise provided in a resolution
6 authorizing port authority revenue bonds or in a trust
7 agreement securing the same, or except when invested
8 pursuant to section 28J.26, shall be kept in
9 depositories selected by the port authority in the
10 manner provided in chapter 12C, and the deposits shall
11 be secured as provided in that chapter. The
12 resolution authorizing the issuance of revenue bonds
13 or pledge orders, or the trust agreement securing such
14 bonds or pledge orders shall provide that any officer
15 to whom, or any bank or trust company to which, such
16 moneys are paid shall act as trustee of such moneys
17 and hold and apply them for the purposes hereof,
18 subject to such conditions as this chapter and such
19 resolution or trust agreement provide.

20 Sec. __. NEW SECTION. 28J.26 INVESTMENT OF
21 EXCESS FUNDS.

22 1. If a port authority has surplus funds after
23 making all deposits into all funds required by the
24 terms, covenants, conditions, and provisions of
25 outstanding revenue bonds, pledge orders, and
26 refunding bonds which are payable from the revenues of
27 the port authority and after complying with all of the
28 requirements, terms, covenants, conditions, and
29 provisions of the proceedings and resolutions pursuant
30 to which revenue bonds, pledge orders, and refunding
31 bonds are issued, the board may transfer the surplus
32 funds to any other fund of the port authority in
33 accordance with this chapter and chapter 12C, provided
34 that a transfer shall not be made if it conflicts with
35 any of the requirements, terms, covenants, conditions,
36 or provisions of a resolution authorizing the issuance
37 of revenue bonds, pledge orders, or other obligations
38 which are payable from the revenues of the port
39 authority which are then outstanding.

40 2. This section does not prohibit or prevent the
41 board from using funds derived from any other source
42 which may be properly used for such purpose, to pay a
43 part of the cost of a facility.

44 Sec. __. NEW SECTION. 28J.27 CHANGE IN LOCATION
45 OF PUBLIC WAY, RAILROAD, OR UTILITY FACILITY –
46 VACATION OF HIGHWAY.

47 1. When a port authority changes the location of
48 any portion of any public road, railroad, or utility
49 facility in connection with the construction of a port
50 authority facility, the port authority shall

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1 reconstruct at such location as the governmental
2 agency having jurisdiction over such road, railroad,
3 or utility facility finds most favorable. The
4 construction of such road, railroad, or utility
5 facility shall be of substantially the same type and
6 in as good condition as the original road, railroad,
7 or utility facility. The cost of such reconstruction,
8 relocation, or removal and any damage incurred in
9 changing the location of any such road, railroad, or
10 utility facility shall be paid by the port authority
11 as a part of the cost of the port authority facility.

12 2. When the port authority finds it necessary that
13 a public highway or portion of a public highway be
14 vacated by reason of the acquisition or construction
15 of a port authority facility, the port authority may
16 request the director of the department of
17 transportation to vacate such highway or portion in
18 accordance with chapter 306 if the highway or portion
19 to be vacated is on the state highway system, or, if
20 the highway or portion to be vacated is under the
21 jurisdiction of a county, the port authority shall
22 petition the board of supervisors of that county, in
23 the manner provided in chapter 306, to vacate such
24 highway or portion. The port authority shall pay to
25 the county, as a part of the cost of such port
26 authority facility, any amounts required to be
27 deposited with a court in connection with proceedings
28 for the determination of compensation and damages and
29 all amounts of compensation and damages finally
30 determined to be payable as a result of such vacation.

31 3. The port authority may adopt bylaws for the
32 installation, construction, maintenance, repair,
33 renewal, relocation, and removal of railroad or
34 utility facilities in, on, over, or under any port
35 authority facility. Whenever the port authority
36 determines that it is necessary that any such facility
37 installed or constructed in, on, over, or under
38 property of the port authority pursuant to such bylaws
39 be relocated, the utility company owning or operating
40 such facility shall relocate or remove them in
41 accordance with the order of the port authority. The
42 cost and expenses of such relocation or removal,
43 including the cost of installing such facility in a
44 new location, the cost of any lands, or any rights or
45 interests in lands, and any other rights, acquired to
46 accomplish such relocation or removal, shall be paid
47 by the port authority as a part of the cost of the
48 port authority facility. In case of any such
49 relocation or removal of such facilities, the railroad
50 or utility company owning or operating them, its

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1 successors, or assigns may maintain and operate such
2 facilities, with the necessary appurtenances, in the
3 new location in, on, over, or under the property of
4 the port authority for as long a period and upon the
5 same terms as the railroad or utility company had the
6 right to maintain and operate such facilities in their
7 former location.

8 Sec. __. NEW SECTION. 28J.28 FINAL ACTIONS TO
9 BE RECORDED – ANNUAL REPORT – CONFIDENTIALITY OF
10 INFORMATION.

11 1. All final actions of the port authority shall
12 be recorded and the records of the port authority
13 shall be open to public examination and copying
14 pursuant to chapter 22. Not later than the first day
15 of April every year, a port authority shall submit a
16 report to the director of the department of economic
17 development detailing the projects and activities of
18 the port authority during the previous calendar year.
19 The report shall include, but not be limited to, all
20 aspects of those projects and activities, including
21 the progress and status of the projects and their
22 costs, and any other information the director
23 determines should be included in the report.

24 2. Financial and proprietary information,
25 including trade secrets, submitted to a port authority
26 or the agents of a port authority, in connection with
27 the relocation, location, expansion, improvement, or
28 preservation of a business or nonprofit corporation is
29 not a public record subject to chapter 22. Any other
30 information submitted under those circumstances is not
31 a public record subject to chapter 22 until there is a
32 commitment in writing to proceed with the relocation,
33 location, expansion, improvement, or preservation.

34 3. Notwithstanding chapter 21, the board of
35 directors of a port authority, when considering
36 information that is not a public record under this
37 section, may close a meeting during the consideration
38 of that information pursuant to a vote of the majority
39 of the directors present on a motion stating that such
40 information is to be considered. Other matters shall
41 not be considered during the closed session.

42 Sec. __. NEW SECTION. 28J.29 PROVISIONS TO BE
43 LIBERALLY CONSTRUED.

44 This chapter shall be liberally construed to effect
45 the chapter's purposes.

46 Sec. __. Section 427.1, Code 2005, is amended by
47 adding the following new subsection:

48 NEW SUBSECTION. 34. PORT AUTHORITY PROPERTY. The
49 property of a port authority created pursuant to
50 section 28J.2, when devoted to public use and not held

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1 for pecuniary profit.

2 DIVISION

3 PROPERTY ASSESSMENT

4 Sec. ____. Section 7E.6, subsection 5, Code 2005,
5 is amended to read as follows:

6 5. Any position of membership on the board of
7 parole, the public employment relations board, the
8 utilities board, ~~and~~ the employment appeal board, and
9 the property assessment appeal board shall be
10 compensated as otherwise provided in law.

11 Sec. ____. Section 13.7, Code 2005, is amended to
12 read as follows:

13 13.7 SPECIAL COUNSEL.

14 Compensation shall not be allowed to any person for
15 services as an attorney or counselor to an executive
16 department of the state government, or the head
17 thereof, or to a state board or commission. However,
18 the executive council may employ legal assistance, at
19 a reasonable compensation, in a pending action or
20 proceeding to protect the interests of the state, but
21 only upon a sufficient showing, in writing, made by
22 the attorney general, that the department of justice
23 cannot for reasons stated by the attorney general
24 perform the service, which reasons and action of the
25 council shall be entered upon its records. When the
26 attorney general determines that the department of
27 justice cannot perform legal service in an action or
28 proceeding, the executive council shall request the
29 department involved in the action or proceeding to
30 recommend legal counsel to represent the department.
31 If the attorney general concurs with the department
32 that the person recommended is qualified and suitable
33 to represent the department, the person recommended
34 shall be employed. If the attorney general does not
35 concur in the recommendation, the department shall
36 submit a new recommendation. This section does not
37 affect the general counsel for the utilities board of
38 the department of commerce, ~~or~~ the legal counsel of
39 the department of workforce development, or the
40 general counsel for the property assessment appeal
41 board.

42 Sec. ____. NEW SECTION. 421.1A PROPERTY
43 ASSESSMENT APPEAL BOARD.

44 1. A statewide property assessment appeal board is
45 created for the purpose of establishing a consistent,
46 fair, and equitable property assessment appeal
47 process. The statewide property assessment appeal
48 board is established within the department of revenue
49 for administrative and budgetary purposes. The
50 board's principal office shall be in the office of the

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1 department of revenue in the capital of the state.
2 2. a. The property assessment appeal board shall
3 consist of three members appointed to staggered six-
4 year terms, beginning and ending as provided in
5 section 69.19, by the governor and subject to
6 confirmation by the senate. Subject to confirmation
7 by the senate, the governor shall appoint from the
8 members a chairperson of the board to a two-year term.
9 Vacancies on the board shall be filled for the
10 unexpired portion of the term in the same manner as
11 regular appointments are made. The term of office for
12 the initial board shall begin January 1, 2007.
13 b. Each member of the property assessment appeal
14 board shall be qualified by virtue of at least two
15 years' experience in the area of government,
16 corporate, or private practice relating to property
17 appraisal and property tax administration. One member
18 of the board shall be a certified real estate
19 appraiser or hold a professional appraisal
20 designation, one member shall be an attorney
21 practicing in the area of state and local taxation or
22 property tax appraisals, and one member shall be a
23 professional with experience in the field of
24 accounting or finance and with experience in state and
25 local taxation matters. No more than two members of
26 the board may be from the same political party as that
27 term is defined in section 43.2.
28 c. The property assessment appeal board shall
29 organize by appointing a secretary who shall take the
30 same oath of office as the members of the board. The
31 board may employ additional personnel as it finds
32 necessary. All personnel employed by the board shall
33 be considered state employees and are subject to the
34 merit system provisions of chapter 8A, subchapter IV.
35 3. At the election of a property owner or
36 aggrieved taxpayer or an appellant described in
37 section 441.42, the property assessment appeal board
38 shall review any final decision, finding, ruling,
39 determination, or order of a local board of review
40 relating to protests of an assessment, valuation, or
41 application of an equalization order.
42 4. The property assessment appeal board may do all
43 of the following:
44 a. Affirm, reverse, or modify a final decision,
45 finding, ruling, determination, or order of a local
46 board of review.
47 b. Order the payment or refund of property taxes
48 in a matter over which the board has jurisdiction.
49 c. Grant other relief or issue writs, orders, or
50 directives that the board deems necessary or

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1 appropriate in the process of disposing of a matter
2 over which the board has jurisdiction.

3 d. Subpoena documents and witnesses and administer
4 oaths.

5 e. Adopt administrative rules pursuant to chapter
6 17A for the administration and implementation of its
7 powers, including rules for practice and procedure for
8 protests filed with the board, the manner in which
9 hearings on appeals of assessments shall be conducted,
10 filing fees to be imposed by the board, and for the
11 determination of the correct assessment of property
12 which is the subject of an appeal.

13 f. Adopt administrative rules pursuant to chapter
14 17A necessary for the preservation of order and the
15 regulation of proceedings before the board, including
16 forms or notice and the service thereof, which rules
17 shall conform as nearly as possible to those in use in
18 the courts of this state.

19 5. The property assessment appeal board shall
20 employ a competent attorney to serve as its general
21 counsel, and assistants to the general counsel as it
22 finds necessary for the full and efficient discharge
23 of its duties. The general counsel is the attorney
24 for, and legal advisor of, the board. The general
25 counsel or an assistant to the general counsel shall
26 provide the necessary legal advice to the board in all
27 matters and shall represent the board in all actions
28 instituted in a court challenging the validity of a
29 rule or order of the board. The general counsel shall
30 devote full time to the duties of the office. During
31 employment as general counsel to the board, the
32 counsel shall not be a member of a political
33 committee, contribute to a political campaign,
34 participate in a political campaign, or be a candidate
35 for partisan political office. The general counsel
36 and assistants to the general counsel shall be
37 considered state employees and are subject to the
38 merit system provisions of chapter 8A, subchapter IV.

39 6. The members of the property assessment appeal
40 board shall receive compensation from the state
41 commensurate with the salary of a district judge. The
42 members of the board shall not be considered state
43 employees for purposes of salary and benefits. The
44 members of the board and any employees of the board,
45 when required to travel in the discharge of official
46 duties, shall be paid their actual and necessary
47 expenses incurred in the performance of duties.

48 7. a. Effective January 1, 2012, a property
49 assessment appeal board review committee is
50 established. Staffing assistance to the committee

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1 shall be provided by the department of revenue. The
2 committee shall consist of six members of the general
3 assembly, two appointed by the majority leader of the
4 senate, one appointed by the minority leader of the
5 senate, two appointed by the speaker of the house of
6 representatives, and one appointed by the minority
7 leader of the house of representatives; the director
8 of revenue or the director's designee; a county
9 assessor appointed by the Iowa state association of
10 counties; and a city assessor appointed by the Iowa
11 league of cities.

12 b. The property assessment appeal board review
13 committee shall review the activities of the property
14 assessment appeal board since its inception. The
15 review committee may recommend the revision of any
16 rules, regulations, directives, or forms relating to
17 the activities of the property assessment appeal
18 board.

19 c. The review committee shall report to the
20 general assembly by January 15, 2013. The report
21 shall include any recommended changes in laws relating
22 to the property assessment appeal board, the reasons
23 for the committee's recommendations, and any other
24 information the committee deems advisable.

25 Sec. ___. Section 428.4, unnumbered paragraph 1,
26 Code 2005, is amended to read as follows:

27 Property shall be assessed for taxation each year.
28 Real estate shall be listed and assessed in 1981 and
29 every two years thereafter. The assessment of real
30 estate shall be the value of the real estate as of
31 January 1 of the year of the assessment. The year
32 1981 and each odd-numbered year thereafter shall be a
33 reassessment year. In any year, after the year in
34 which an assessment has been made of all the real
35 estate in an assessing jurisdiction, the assessor
36 shall value and assess or revalue and reassess, as the
37 case may require, any real estate that the assessor
38 finds was incorrectly valued or assessed, or was not
39 listed, valued, and assessed, in the assessment year
40 immediately preceding, also any real estate the
41 assessor finds has changed in value subsequent to
42 January 1 of the preceding real estate assessment
43 year. However, a percentage increase on a class of
44 property shall not be made in a year not subject to an
45 equalization order unless ordered by the department of
46 revenue. The assessor shall determine the actual
47 value and compute the taxable value thereof as of
48 January 1 of the year of the revaluation and
49 reassessment. The assessment shall be completed as
50 specified in section 441.28, but no reduction or

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1 increase in actual value shall be made for prior
2 years. If an assessor makes a change in the valuation
3 of the real estate as provided for, sections 441.23,
4 441.37, 441.37A, 441.38 and 441.39 apply.

5 Sec. __. Section 441.19, subsection 4, Code 2005,
6 is amended to read as follows:

7 4. The supplemental returns ~~herein~~ provided for in
8 this section shall be preserved in the same manner as
9 assessment rolls, but shall be confidential to the
10 assessor, board of review, property assessment appeal
11 board, or director of revenue, and shall not be open
12 to public inspection, but any final assessment roll as
13 made out by the assessor shall be a public record,
14 provided that such supplemental return shall be
15 available to counsel of either the person making the
16 return or of the public, in case any appeal is taken
17 to the board of review, to the property assessment
18 appeal board, or to the court.

19 Sec. __. Section 441.21, subsection 1, Code 2005,
20 is amended by adding the following new paragraphs:

21 NEW PARAGRAPH. h. The assessor shall determine
22 the value of real property in accordance with rules
23 adopted by the department of revenue and in accordance
24 with forms and guidelines contained in the real
25 property appraisal manual prepared by the department
26 as updated from time to time. Such rules, forms, and
27 guidelines shall not be inconsistent with or change
28 the means, as provided in this section, of determining
29 the actual, market, taxable, and assessed values.

30 NEW PARAGRAPH. i. If the department finds that a
31 city or county assessor is not in compliance with the
32 rules of the department relating to valuation of
33 property or has disregarded the forms and guidelines
34 contained in the real property appraisal manual, the
35 department shall notify the assessor and each member
36 of the conference board for the appropriate assessing
37 jurisdiction. The notice shall be mailed by
38 restricted certified mail. The notice shall specify
39 the areas of noncompliance and the steps necessary to
40 achieve compliance. The notice shall also inform the
41 assessor and conference board that if compliance is
42 not achieved, a penalty may be imposed.

43 The conference board shall respond to the
44 department within thirty days of receipt of the notice
45 of noncompliance. The conference board may respond to
46 the notice by asserting that the assessor is in
47 compliance with the rules, guidelines, and forms of
48 the department or by informing the department that the
49 conference board intends to submit a plan of action to
50 achieve compliance. If the conference board responds

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1 to the notification by asserting that the assessor is
2 in compliance, a hearing before the director of
3 revenue shall be scheduled on the matter.

4 A plan of action shall be submitted within sixty
5 days of receipt of the notice of noncompliance. The
6 plan shall contain a time frame under which compliance
7 shall be achieved which shall be no later than January
8 1 of the following assessment year. The plan of
9 action shall contain the signature of the assessor and
10 of the chairperson of the conference board. The
11 department shall review the plan to determine whether
12 the plan is sufficient to achieve compliance. Within
13 thirty days of receipt of the plan, the department
14 shall notify the assessor and the chairperson of the
15 conference board that it has accepted the plan or that
16 it is necessary to submit an amended plan of action.

17 By January 1 of the assessment year following the
18 calendar year in which the plan was submitted to the
19 department, the conference board shall submit a report
20 to the department indicating that the plan of action
21 was followed and compliance has been achieved. The
22 department may conduct a field inspection to ensure
23 that the assessor is in compliance. By January 31,
24 the department shall notify the assessor and the
25 conference board, by restricted certified mail, either
26 that compliance has been achieved or that the assessor
27 remains in noncompliance. If the department
28 determines that the assessor remains in noncompliance,
29 the department shall take steps to withhold up to five
30 percent of the reimbursement payment authorized in
31 section 425.1 until the director of revenue determines
32 that the assessor is in compliance.

33 If the conference board disputes the determination
34 of the department, the chairperson of the conference
35 board may appeal the determination to the state board
36 of tax review.

37 The department shall adopt rules relating to the
38 administration of this paragraph "1".

39 Sec. ___. Section 441.21, subsection 2, Code 2005,
40 is amended to read as follows:

41 2. In the event market value of the property being
42 assessed cannot be readily established in the
43 foregoing manner, then the assessor may determine the
44 value of the property using the other uniform and
45 recognized appraisal methods including its productive
46 and earning capacity, if any, industrial conditions,
47 its cost, physical and functional depreciation and
48 obsolescence and replacement cost, and all other
49 factors which would assist in determining the fair and
50 reasonable market value of the property but the actual

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1 value shall not be determined by use of only one such
2 factor. The following shall not be taken into
3 consideration: Special value or use value of the
4 property to its present owner, and the good will or
5 value of a business which uses the property as
6 distinguished from the value of the property as
7 property. However, in assessing property that is
8 rented or leased to low-income individuals and
9 families as authorized by section 42 of the Internal
10 Revenue Code, as amended, and which section limits the
11 amount that the individual or family pays for the
12 rental or lease of units in the property, the assessor
13 shall use the productive and earning capacity from the
14 actual rents received as a method of appraisal and
15 shall take into account the extent to which that use
16 and limitation reduces the market value of the
17 property. The assessor shall not consider any tax
18 credit equity or other subsidized financing as income
19 provided to the property in determining the assessed
20 value. The property owner shall notify the assessor
21 when property is withdrawn from section 42 eligibility
22 under the Internal Revenue Code. The property shall
23 not be subject to section 42 assessment procedures for
24 the assessment year for which section 42 eligibility
25 is withdrawn. This notification must be provided to
26 the assessor no later than March 1 of the assessment
27 year or the owner will be subject to a penalty of five
28 hundred dollars for that assessment year. The penalty
29 shall be collected at the same time and in the same
30 manner as regular property taxes. Upon adoption of
31 uniform rules by the ~~revenue~~ department of revenue or
32 succeeding authority covering assessments and
33 valuations of such properties, ~~said~~ the valuation on
34 such properties shall be determined in accordance
35 ~~therewith~~ with such rules and in accordance with forms
36 and guidelines contained in the real property
37 appraisal manual prepared by the department as updated
38 from time to time for assessment purposes to assure
39 uniformity, but such rules, forms, and guidelines
40 shall not be inconsistent with or change the foregoing
41 means of determining the actual, market, taxable and
42 assessed values.

43 Sec. . Section 441.28, Code 2005, is amended to
44 read as follows:

45 441.28 ASSESSMENT ROLLS – CHANGE – NOTICE TO
46 TAXPAYER.

47 The assessment shall be completed not later than
48 April 15 each year. If the assessor makes any change
49 in an assessment after it has been entered on the
50 assessor's rolls, the assessor shall note on ~~said~~ the

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1 roll, together with the original assessment, the new
2 assessment and the reason for the change, together
3 with the assessor's signature and the date of the
4 change. Provided, however, in the event the assessor
5 increases any assessment the assessor shall give
6 notice of the increase in writing ~~thereof~~ to the
7 taxpayer by mail ~~prior to the meeting of the board of~~
8 ~~review postmarked no later than April 15.~~ No changes
9 shall be made on the assessment rolls after April 15
10 except by order of the board of review or of the
11 property assessment appeal board, or by decree of
12 court.

13 Sec. __. Section 441.35, unnumbered paragraph 2,
14 Code 2005, is amended to read as follows:

15 In any year after the year in which an assessment
16 has been made of all of the real estate in any taxing
17 district, ~~it shall be the duty of~~ the board of review
18 ~~to shall~~ meet as provided in section 441.33, and where
19 ~~the board~~ finds the same has changed in value, ~~to~~
20 the board shall revalue and reassess any part or all
21 of the real estate contained in such taxing district,
22 and in such case, ~~the board~~ shall determine the
23 actual value as of January 1 of the year of the
24 revaluation and reassessment and compute the taxable
25 value thereof, ~~and any.~~ Any aggrieved taxpayer may
26 petition for a revaluation of the taxpayer's property,
27 but no reduction or increase shall be made for prior
28 years. If the assessment of any such property is
29 raised, or any property is added to the tax list by
30 the board, the clerk shall give notice in the manner
31 provided in section 441.36, ~~provided, however, that~~
32 However, if the assessment of all property in any
33 taxing district is raised, the board may instruct the
34 clerk to give immediate notice by one publication in
35 one of the official newspapers located in the taxing
36 district, and such published notice shall take the
37 place of the mailed notice provided for in section
38 441.36, but all other provisions of ~~said that~~ section
39 shall apply. The decision of the board as to the
40 foregoing matters shall be subject to appeal to the
41 property assessment appeal board within the same time
42 and in the same manner as provided in section 441.37A
43 and to the district court within the same time and in
44 the same manner as provided in section 441.38.

45 Sec. __. NEW SECTION. 441.37A APPEAL OF PROTEST
46 TO PROPERTY ASSESSMENT APPEAL BOARD.

47 1. For the assessment year beginning January 1,
48 2007, and all subsequent assessment years, appeals may
49 be taken from the action of the board of review with
50 reference to protests of assessment, valuation, or

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1 application of an equalization order to the property
2 assessment appeal board created in section 421.1A.
3 However, a property owner or aggrieved taxpayer or an
4 appellant described in section 441.42 may bypass the
5 property assessment appeal board and appeal the
6 decision of the local board of review to the district
7 court pursuant to section 441.38. For an appeal to
8 the property assessment appeal board to be valid,
9 written notice must be filed by the party appealing
10 the decision with the secretary of the property
11 assessment appeal board within twenty days after the
12 date the board of review's letter of disposition of
13 the appeal is postmarked to the party making the
14 protest. The written notice of appeal shall include a
15 petition setting forth the basis of the appeal and the
16 relief sought. No new grounds in addition to those
17 set out in the protest to the local board of review as
18 provided in section 441.37 can be pleaded, but
19 additional evidence to sustain those grounds may be
20 introduced. The assessor shall have the same right to
21 appeal to the assessment appeal board as an individual
22 taxpayer, public body, or other public officer as
23 provided in section 441.42.

24 Filing of the written notice of appeal and petition
25 with the secretary of the property assessment appeal
26 board shall preserve all rights of appeal of the
27 appellant, except as otherwise provided in subsection
28 2. A copy of the appellant's written notice of appeal
29 and petition shall be mailed by the secretary of the
30 property assessment appeal board to the local board of
31 review whose decision is being appealed. In all cases
32 where a change in assessed valuation of one hundred
33 thousand dollars or more is petitioned for, the local
34 board of review shall mail a copy of the written
35 notice of appeal and petition to all affected taxing
36 districts as shown on the last available tax list.
37 2. A party to the appeal may request a hearing or
38 the appeal may proceed without a hearing. If a
39 hearing is requested, the appellant and the local
40 board of review from which the appeal is taken shall
41 be given at least thirty days' written notice by the
42 property assessment appeal board of the date the
43 appeal shall be heard and the local board of review
44 may be present and participate at such hearing.
45 Notice to all affected taxing districts shall be
46 deemed to have been given when written notice is
47 provided to the local board of review. Failure by the
48 appellant to appear at the property assessment appeal
49 board hearing shall be grounds for dismissal of the
50 appeal unless a continuance is granted to the

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1 appellant. If an appeal is dismissed for failure to
2 appear, the property assessment appeal board shall
3 have no jurisdiction to consider any subsequent appeal
4 on the appellant's protest.

5 An appeal may be considered by less than a majority
6 of the members of the board, and the chairperson of
7 the board may assign members to consider appeals. If
8 a hearing is requested, it shall be open to the public
9 and shall be conducted in accordance with the rules of
10 practice and procedure adopted by the board. However,
11 any deliberation of a board member considering the
12 appeal in reaching a decision on any appeal shall be
13 confidential. The property assessment appeal board or
14 any member of the board may require the production of
15 any books, records, papers, or documents as evidence
16 in any matter pending before the board that may be
17 material, relevant, or necessary for the making of a
18 just decision. Any books, records, papers, or
19 documents produced as evidence shall become part of
20 the record of the appeal. Any testimony given
21 relating to the appeal shall be transcribed and made a
22 part of the record of the appeal.

23 3. a. The board member considering the appeal
24 shall determine anew all questions arising before the
25 local board of review which relate to the liability of
26 the property to assessment or the amount thereof. All
27 of the evidence shall be considered and there shall be
28 no presumption as to the correctness of the valuation
29 of assessment appealed from. The property assessment
30 appeal board shall make a decision in each appeal
31 filed with the board. If the appeal is considered by
32 less than a majority of the board, the determination
33 made by that member shall be forwarded to the full
34 board for approval, rejection, or modification. If
35 the initial determination is rejected by the board, it
36 shall be returned for reconsideration to the board
37 member making the initial determination. Any
38 deliberation of the board regarding an initial
39 determination shall be confidential.

40 b. The decision of the board shall be considered
41 the final agency action for purposes of further
42 appeal, except as otherwise provided in section
43 441.49. The decision shall be final unless appealed
44 to district court as provided in section 441.38. The
45 levy of taxes on any assessment appealed to the board
46 shall not be delayed by any proceeding before the
47 board, and if the assessment appealed from is reduced
48 by the decision of the board, any taxes levied upon
49 that portion of the assessment reduced shall be abated
50 or, if already paid, shall be refunded. If the

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1 subject of an appeal is the application of an
2 equalization order, the property assessment appeal
3 board shall not order a reduction in assessment
4 greater than the amount that the assessment was
5 increased due to application of the equalization
6 order. Each party to the appeal shall be responsible
7 for the costs of the appeal incurred by that party.

8 Sec. __. Section 441.38, Code 2005, is amended to
9 read as follows:

10 441.38 APPEAL TO DISTRICT COURT.

11 1. Appeals may be taken from the action of the
12 local board of review with reference to protests of
13 assessment, to the district court of the county in
14 which the board holds its sessions within twenty days
15 after its adjournment or May 31, whichever date is
16 later. Appeals may be taken from the action of the
17 property assessment appeal board to the district court
18 of the county where the property which is the subject
19 of the appeal is located within twenty days after the
20 letter of disposition of the appeal by the property
21 assessment appeal board is postmarked to the
22 appellant. No new grounds in addition to those set
23 out in the protest to the local board of review as
24 provided in section 441.37, or in addition to those
25 set out in the appeal to the property assessment
26 appeal board, if applicable, can be pleaded, but
27 additional evidence to sustain those grounds may be
28 introduced. The assessor shall have the same right to
29 appeal and in the same manner as an individual
30 taxpayer, public body or other public officer as
31 provided in section 441.42. Appeals shall be taken by
32 filing a written notice of appeal with the clerk of
33 district court. Filing of the written notice of
34 appeal shall preserve all rights of appeal of the
35 appellant.

36 2. Notice of appeal shall be served as an original
37 notice on the chairperson, presiding officer, or clerk
38 of the board of review, and on the secretary of the
39 property assessment appeal board, if applicable, after
40 the filing of notice under subsection 1 with the clerk
41 of district court.

42 Sec. __. Section 441.39, Code 2005, is amended to
43 read as follows:

44 441.39 TRIAL ON APPEAL.

45 ~~The~~ If the appeal is from a decision of the local
46 board of review, the court shall hear the appeal in
47 equity and determine anew all questions arising before
48 the board which relate to the liability of the
49 property to assessment or the amount thereof. The
50 court shall consider all of the evidence and there

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1 shall be no presumption as to the correctness of the
2 valuation of assessment appealed from. If the appeal
3 is from a decision of the property assessment appeal
4 board, the court's review shall be limited to the
5 correction of errors at law. Its decision shall be
6 certified by the clerk of the court to the county
7 auditor, and the assessor, who shall correct the
8 assessment books accordingly.

9 Sec. ___. Section 441.43, Code 2005, is amended to
10 read as follows:

11 441.43 POWER OF COURT.

12 Upon trial of any appeal from the action of the
13 board of review or of the property assessment appeal
14 board fixing the amount of assessment upon any
15 property concerning which complaint is made, the court
16 may increase, decrease, or affirm the amount of the
17 assessment appealed from.

18 Sec. ___. Section 441.49, unnumbered paragraph 5,
19 Code 2005, is amended to read as follows:

20 The local board of review shall reconvene in
21 special session from October 15 to November 15 for the
22 purpose of hearing the protests of affected property
23 owners or taxpayers within the jurisdiction of the
24 board whose valuation of property if adjusted pursuant
25 to the equalization order issued by the director of
26 revenue will result in a greater value than permitted
27 under section 441.21. The board of review shall
28 accept protests only during the first ten days
29 following the date the local board of review
30 reconvenes. The board of review shall limit its
31 review to only the timely filed protests. The board
32 of review may adjust all or a part of the percentage
33 increase ordered by the director of revenue by
34 adjusting the actual value of the property under
35 protest to one hundred percent of actual value. Any
36 adjustment so determined by the board of review shall
37 not exceed the percentage increase provided for in the
38 director's equalization order. The determination of
39 the board of review on filed protests is final,
40 subject to appeal to the property assessment appeal
41 board. A final decision by the local board of review,
42 or the property assessment appeal board, if the local
43 board's decision is appealed, is subject to review by
44 the director of revenue for the purpose of determining
45 whether the board's actions substantially altered the
46 equalization order. In making the review, the
47 director has all the powers provided in chapter 421,
48 and in exercising the powers the director is not
49 subject to chapter 17A. Not later than fifteen days
50 following the adjournment of the board, the board of

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1 review shall submit to the director of revenue, on
2 forms prescribed by the director, a report of all
3 actions taken by the board of review during this
4 session.
5 Sec. __. Section 445.60, Code 2005, is amended to
6 read as follows:
7 445.60 REFUNDING ERRONEOUS TAX.
8 The board of supervisors shall direct the county
9 treasurer to refund to the taxpayer any tax or portion
10 of a tax found to have been erroneously or illegally
11 paid, with all interest, fees, and costs actually
12 paid. A refund shall not be ordered or made unless a
13 claim for refund is presented to the board within two
14 years of the date the tax was due, or if appealed to
15 the board of review, the property assessment appeal
16 board, the state board of tax review, or district
17 court, within two years of the final decision.
18 Sec. __. FUTURE REPEAL.
19 1. The sections of this division of this Act
20 amending sections 7E.6, 13.7, 428.4, 441.19, 441.35,
21 441.38, 441.39, 441.43, 441.49, and 445.60, and
22 enacting sections 421.1A and 441.37A, are repealed
23 effective July 1, 2013.
24 2. The portion of the section of this division of
25 this Act amending section 441.28 relating only to the
26 property assessment appeal board is repealed effective
27 July 1, 2013."
28 6. Page 5, line 6, by striking the word "to" and
29 inserting the following: "property tax assessment,
30 to".
31 7. Page 5, line 7, by inserting after the word
32 "gasoline," the following: "to issuance of revenue
33 bonds,".
34 8. By renumbering as necessary.

Amendment [H-1710](#) was adopted.

On motion by Hoffman of Crawford the House concurred in the Senate amendment [H-1633](#), as amended.

Hoffman of Crawford moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 868](#))

The ayes were, 89:

Alons	Anderson	Arnold	Bell
Boal	Bukta	Carroll	Cohoon
Dandekar	Davitt	Dix	Dolecheck
Drake	Elgin	Foege	Freeman
Gaskill	Gipp	Granzow	Greiner
Heaton	Heddens	Hoffman	Hogg
Horbach	Hunter	Huseman	Huser
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Mascher
May	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, R.
Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rasmussen	Rayhons
Reasoner	Reichert	Roberts	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Wessel-Kroeschell	Whitaker	Whitead
Wilderdyke	Winckler	Wise	Zirkelbach
Mr. Speaker			
Rants			

The nays were, 6:

Baudler	De Boef	Eichhorn	Fallon
Sands	Van Engelenhoven		

Absent or not voting, 5:

Berry	Chambers	Ford	Frevert
Shomshor			

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 868](#) be immediately messaged to the Senate.

The House stood at ease at 5:12 p.m., until the fall of the gavel.

The House resumed session at 7:00 p.m., Speaker pro tempore Carroll in the chair.

QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed seventy-eight members present, twenty-two absent.

SENATE AMENDMENT CONSIDERED

Dix of Butler called up for consideration [House File 882](#), a bill for an act making, reducing, and transferring appropriations, providing for fees, and providing for properly related matters and including effective and retroactive applicability date provisions, amended by the Senate amendment [H-1703](#) as follows:

[H-1703](#)

1 Amend [House File 882](#), as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 4, by inserting after line 22, the
4 following:
5 "Sec. ___. Section 8.8, Code 2005, is amended to
6 read as follows:
7 8.8 SPECIAL OLYMPICS FUND – APPROPRIATION.
8 A special olympics fund is created in the office of
9 the treasurer of state under the control of the
10 department of management. There is appropriated
11 annually from the general fund of the state to the
12 special olympics fund ~~thirty~~ fifty thousand dollars
13 for distribution to one or more organizations which
14 administer special olympics programs benefiting the
15 citizens of Iowa with disabilities."
16 2. Page 5, by inserting after line 11 the
17 following:
18 "Sec. ___. DEPARTMENT OF CULTURAL AFFAIRS –
19 NONPROFIT MUSIC ENTITIES. There is appropriated from
20 the general fund of the state to the department of
21 cultural affairs for the fiscal year beginning July 1,
22 2005, and ending June 30, 2006, fifty thousand dollars
23 for purposes of providing two twenty-five thousand
24 dollar grants to nonprofit music entities. A
25 recipient of a grant shall be a nonprofit entity that
26 is formed with members including local musicians,
27 music promoters, representatives of music venues and
28 businesses, community leaders, and live music
29 enthusiasts who discuss, assess, and expedite the
30 implementation of a unified music agenda for a local
31 community and aggressively advocates, sponsors, and
32 develops an independent, progressive live music

33 economy in a local community."
 34 3. Page 5, line 20, by striking the figure
 35 "100,000" and inserting the following: "160,000".
 36 4. Page 5, by striking lines 21 through 29.
 37 5. Page 5, lines 31 and 32, by striking the words
 38 "state department of transportation" and inserting the
 39 following: "homeland security and emergency
 40 management division of the department of public
 41 safety".
 42 6. Page 6, by striking lines 2 through 19.
 43 7. Page 6, by inserting before line 20, the
 44 following:
 45 "Sec.____. TRANSITIONAL HOUSING REVOLVING LOAN
 46 PROGRAM FUND – TRANSFER. Of the amount appropriated
 47 from the general fund of the state to the department
 48 of human services for the fiscal year beginning July
 49 1, 2005, and ending June 30, 2006, for purposes of
 50 child and family services in 2005 Iowa Acts, House

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1 File 825, if enacted, \$1,400,000 is transferred to the
 2 transitional housing revolving loan program fund
 3 created in section 16.184, if enacted by 2005 Iowa
 4 Acts, [House File 825](#), to be used for purposes of that
 5 fund. The transfer shall be completed on or before
 6 August 1, 2005.
 7 Sec.____. HEALTHY IOWANS TOBACCO TRUST – AIDS
 8 DRUG ASSISTANCE PROGRAM. There is appropriated from
 9 the healthy Iowans tobacco trust created in section
 10 12.65 to the Iowa department of public health for the
 11 fiscal year beginning July 1, 2005, and ending June
 12 30, 2006, the following amount, or so much thereof as
 13 is necessary, to be used for the purpose designated:
 14 For additional funding to leverage federal funding
 15 through the federal Ryan White Care Act, Title II,
 16 AIDS drug assistance program supplemental drug
 17 treatment grants:
 18 \$ 275,000
 19 Sec.____. GREAT PLACES. There is appropriated
 20 from the general fund of the state to the department
 21 of cultural affairs for the fiscal year beginning July
 22 1, 2004, and ending June 30, 2005, the following
 23 amount, or so much thereof as is necessary, to be used
 24 for the purposes designated:
 25 GREAT PLACES. For salaries, support, maintenance,
 26 and miscellaneous purposes:
 27 \$ 100,000
 28 Notwithstanding section 8.33, any moneys
 29 appropriated in this section that remain unencumbered
 30 or unobligated at the close of the fiscal year shall
 31 not revert but shall remain available for expenditure

32 for the purposes designated until the close of the
 33 succeeding fiscal year.
 34 Sec. ___. IOWA LEARNING TECHNOLOGY. There is
 35 appropriated from the general fund of the state to the
 36 department of education for the fiscal year beginning
 37 July 1, 2005, and ending June 30, 2006, the following
 38 amount, or so much thereof as is necessary, to be used
 39 for the purpose designated:
 40 For implementation of the provisions of Code
 41 chapter 280A, as amended by 2005 Iowa Acts, House File
 42 739, if enacted:
 43 \$ 500,000
 44 Sec. ___. UNDERGROUND STORAGE TANK FUND – GENERAL
 45 FUND. Notwithstanding section 455G.3, subsection 1,
 46 there is transferred from the Iowa comprehensive
 47 petroleum underground storage tank fund created in
 48 section 455G.3, subsection 1, to the general fund of
 49 the state during the fiscal year beginning July 1,
 50 2005, and ending June 30, 2006, the following amount:

Page 3

1 \$ 500,000
 2 Sec. ___. UNDERGROUND STORAGE TANK FUND –
 3 WATERSHED IMPROVEMENT FUND – FY 2005-2006.
 4 Notwithstanding section 455G.3, subsection 1, there is
 5 appropriated from the Iowa comprehensive petroleum
 6 underground storage tank fund created in section
 7 455G.3, subsection 1, to the Iowa finance authority
 8 during the fiscal year beginning July 1, 2005, and
 9 ending June 30, 2006, the following amount, or so much
 10 thereof as is necessary, to be used for the purpose
 11 designated:
 12 For deposit in the watershed improvement fund
 13 created in 2005 Iowa Acts, [Senate File 200](#), if
 14 enacted:
 15 \$ 4,500,000
 16 The moneys deposited in the watershed improvement
 17 fund pursuant to this section are appropriated to the
 18 Iowa finance authority for the fiscal year beginning
 19 July 1, 2005, and ending June 30, 2006, to be used as
 20 provided in section 16.185, if enacted by 2005 Iowa
 21 Acts, [Senate File 200](#). The appropriations made in this
 22 section are contingent upon the enactment of 2005 Iowa
 23 Acts, [Senate File 200](#), and the creation of the
 24 watershed improvement fund in accordance with section
 25 16.185, if enacted by 2005 Iowa Acts, [Senate File 200](#).
 26 Sec. ___. UNDERGROUND STORAGE TANK FUND –
 27 WATERSHED IMPROVEMENT FUND – FY 2006-2007.
 28 Notwithstanding section 455G.3, subsection 1, there is
 29 appropriated from the Iowa comprehensive petroleum
 30 underground storage tank fund created in section

31 455G.3, subsection 1, to the Iowa finance authority
 32 during the fiscal year beginning July 1, 2006, and
 33 ending June 30, 2007, the following amount, or so much
 34 thereof as is necessary, to be used for the purpose
 35 designated:
 36 For deposit in the watershed improvement fund
 37 created in 2005 Iowa Acts, [Senate File 200](#), if
 38 enacted:
 39 \$ 5,000,000
 40 The moneys deposited in the watershed improvement
 41 fund pursuant to this section are appropriated to the
 42 Iowa finance authority for the fiscal year beginning
 43 July 1, 2006, and ending June 30, 2007, to be used as
 44 provided in section 16.185, if enacted by 2005 Iowa
 45 Acts, [Senate File 200](#). The appropriations made in
 46 this section are contingent upon the enactment of 2005
 47 Iowa Acts, [Senate File 200](#), and the creation of the
 48 watershed improvement fund in accordance with section
 49 16.185, if enacted by 2005 Iowa Acts, [Senate File 200](#).
 50 Sec. __. GROW IOWA VALUES FUND – FY 2004-2005.

Page 4

1 There is appropriated from the general fund of the
 2 state to the department of economic development for
 3 the fiscal year beginning July 1, 2004, and ending
 4 June 30, 2005, the following amount, or so much
 5 thereof as is necessary, to be used for the purpose
 6 designated:
 7 To be credited to the grow Iowa values fund created
 8 in section 15G.108, if enacted by 2005 Iowa Acts,
 9 [House File 868](#):
 10 \$ 25,000,000
 11 Notwithstanding section 8.33, moneys appropriated
 12 in this section that remain unencumbered or
 13 unobligated at the close of the fiscal year shall not
 14 revert but shall remain available for expenditure for
 15 the purpose designated until the close of the
 16 succeeding fiscal year. The appropriation made in
 17 this section shall be distributed and credited to the
 18 grow Iowa values fund on July 1, 2005.
 19 Sec. __. GROW IOWA VALUES FUND – FY 2005-2006.
 20 There is appropriated from the general fund of the
 21 state for the fiscal year beginning July 1, 2005, and
 22 ending June 30, 2006, to the department of economic
 23 development in lieu of the appropriation made from the
 24 general fund of the state in section 15G.110, if
 25 enacted by 2005 Iowa Acts, [House File 809](#), for the
 26 fiscal year beginning July 1, 2005, and ending June
 27 30, 2006, to be used for the purpose designated:
 28 For deposit in the grow Iowa values fund created in
 29 section 15G.108, if enacted by 2005 Iowa Acts, House

30 File 868:
 31 \$ 25,000,000"
 32 8. Page 6, by striking lines 20 through 30.
 33 9. Page 7, by striking lines 1 through 20.
 34 10. By striking page 7, line 21, through page 9,
 35 line 32.
 36 11. By striking page 9, line 33, through page 11,
 37 line 16.
 38 12. Page 11, by inserting before line 17, the
 39 following:
 40 "Sec. ___. NATIONAL GOVERNORS ASSOCIATION MEETING.
 41 2004 Iowa Acts, chapter 1175, section 12, subsection
 42 4, AS AMENDED BY 2005 Iowa Acts, [House File 810](#), if
 43 enacted, is amended to read as follows:
 44 4. NATIONAL GOVERNORS ASSOCIATION
 45 For payment of Iowa's membership in the national
 46 governors association:
 47 \$ ~~364,393~~
 48 264,393
 49 Of the funds appropriated in this subsection,
 50 ~~\$300,000~~ \$200,000 is allocated for security-related

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1 costs and other expenses associated with the national
 2 governors association national meeting.
 3 Notwithstanding section 8.33, the moneys allocated for
 4 the meeting that remain unencumbered or unobligated at
 5 the close of the fiscal year shall not revert but
 6 shall remain available for expenditure for the
 7 purposes designated until the close of the succeeding
 8 fiscal year.
 9 Sec. ___. 2005 Iowa Acts, [House File 881](#), section
 10 5, unnumbered paragraphs 1 and 2, if enacted, are
 11 amended to read as follows:
 12 There is appropriated from the general fund of the
 13 state to the salary adjustment fund for distribution
 14 by the department of management to the various state
 15 departments, boards, commissions, councils, and
 16 agencies, excluding the state board of regents, for
 17 the fiscal year beginning July 1, 2005, and ending
 18 June 30, 2006, the amount of ~~\$38,500,000~~ 43,300,000,
 19 or so much thereof as may be necessary, to fully fund
 20 annual pay adjustments, expense reimbursements, and
 21 related benefits implemented pursuant to the
 22 following:
 23 Of the amount appropriated in this section,
 24 ~~\$4,880,000~~ 5,488,000 shall be allocated to the
 25 judicial branch for the purpose of funding annual pay
 26 adjustments, expense reimbursements, and related
 27 benefits implemented for judicial branch employees."
 28 13. By striking page 12, line 18, through page

29 13, line 4.
 30 14. Page 13, by inserting after line 21, the
 31 following:
 32 "Sec. ___. MEDICAL ASSISTANCE APPROPRIATION. If
 33 2005 Iowa Acts, [House File 825](#), is enacted and
 34 provides for an appropriation from the general fund of
 35 the state to the department of human services for the
 36 fiscal year beginning July 1, 2005, and ending June
 37 30, 2006, for the medical assistance program, there is
 38 appropriated from the general fund of the state, in
 39 lieu of such appropriation in 2005 Iowa Acts, House
 40 File 825, the following amount, or so much thereof as
 41 is necessary:
 42 For purposes of the medical assistance program in
 43 accordance with the provisions of 2005 Iowa Acts,
 44 [House File 825](#), as enacted:
 45 \$509,416,519
 46 Sec. ___. SENIOR LIVING TRUST FUND APPROPRIATION.
 47 If 2005 Iowa Acts, [House File 825](#), is enacted and
 48 provides for an appropriation from the senior living
 49 trust fund to the department of human services for the
 50 fiscal year beginning July 1, 2005, and ending June

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1 30, 2006, to supplement the medical assistance
 2 appropriation, there is appropriated from the senior
 3 living trust fund, in lieu of such appropriation in
 4 2005 Iowa Acts, [House File 825](#), the following amount,
 5 or so much thereof as is necessary:
 6 For purposes of supplementation of the medical
 7 assistance appropriation in accordance with the
 8 provisions of 2005 Iowa Acts, [House File 825](#), as
 9 enacted:
 10 \$ 75,253,926
 11 Sec. ___. JUVENILE HOME AT TOLEDO. If 2005 Iowa
 12 Acts, [House File 875](#), is enacted and provides for an
 13 appropriation from the rebuild Iowa infrastructure
 14 fund to the department of administrative services for
 15 the fiscal year beginning July 1, 2005, and ending
 16 June 30, 2006, for powerhouse facilities at the
 17 juvenile home at Toledo, there is appropriated from
 18 the rebuild Iowa infrastructure fund in lieu of such
 19 appropriation in 2005 Iowa Acts, [House File 875](#), the
 20 following amount, or so much thereof as is necessary:
 21 For the costs associated with the replacement of
 22 the powerhouse facilities at the juvenile home at
 23 Toledo:
 24 \$ 861,045
 25 Sec. ___. ENRICH IOWA LIBRARIES PROGRAM. If 2005
 26 Iowa Acts, [House File 875](#), is enacted and provides for
 27 an appropriation from the rebuild Iowa infrastructure

28 fund to the department of education for the fiscal
 29 year beginning July 1, 2005, and ending June 30, 2006,
 30 for resources for local libraries and the enrich Iowa
 31 program, there is appropriated from the rebuild Iowa
 32 infrastructure fund in lieu of such appropriation in
 33 2005 Iowa Acts, [House File 875](#), the following amount,
 34 or so much thereof as is necessary:
 35 To provide resources for structural and
 36 technological improvements to local libraries and for
 37 the enrich Iowa program, notwithstanding section 8.57,
 38 subsection 6, paragraph "c":
 39 \$ 900,000
 40 Sec. ___. NATIONAL PROGRAM FOR PLAYGROUND SAFETY.
 41 If 2005 Iowa Acts, [House File 875](#), is enacted and
 42 provides for an appropriation from the rebuild Iowa
 43 infrastructure fund to the university of northern Iowa
 44 for the fiscal year beginning July 1, 2005, and ending
 45 June 30, 2006, for the national program for playground
 46 safety, there is appropriated from the rebuild Iowa
 47 infrastructure fund in lieu of such appropriation in
 48 2005 Iowa Acts, [House File 875](#), the following amount,
 49 or so much thereof as is necessary:
 50 For the Iowa safe surfacing initiative,

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1 notwithstanding section 8.57, subsection 6, paragraph
 2 "c":
 3 \$ 500,000
 4 Sec. ___. JUVENILE HOME AT TOLEDO. If 2005 Iowa
 5 Acts, [House File 875](#), is enacted and provides for an
 6 appropriation from the rebuild Iowa infrastructure
 7 fund to the department of administrative services for
 8 the fiscal year beginning July 1, 2006, and ending
 9 June 30, 2007, for powerhouse facilities at the
 10 juvenile home at Toledo, there is appropriated from
 11 the rebuild Iowa infrastructure fund in lieu of such
 12 appropriation in 2005 Iowa Acts, [House File 875](#), the
 13 following amount, or so much thereof as is necessary:
 14 For the costs associated with the replacement of
 15 the powerhouse facilities at the juvenile home at
 16 Toledo:
 17 \$ 1,821,045"
 18 15. Page 13, line 23, by striking the figure "1".
 19 16. Page 13, by striking lines 27 through 33.
 20 17. Page 13, by inserting before line 34, the
 21 following:
 22 " ___. The section of this division of this Act
 23 providing an appropriation from the general fund of
 24 the state to the department of economic development
 25 for the fiscal year beginning July 1, 2004, for
 26 deposit in the grow Iowa values fund, is contingent

27 upon enactment of the provisions of 2005 Iowa Acts,
 28 [House File 809](#), enacting section 15G.110, and 2005
 29 Iowa Acts, [House File 868](#), enacting section 15G.108,
 30 and being deemed of immediate importance, takes effect
 31 upon enactment.

32 _____. The sections of this division of this Act
 33 appropriating moneys to the department of cultural
 34 affairs for great places and amending 2004 Iowa Acts,
 35 chapter 1175, section 12, subsection 4, being deemed
 36 of immediate importance, take effect upon enactment."

37 18. Page 13, by inserting after line 35 the
 38 following:

39 "Sec.____. Section 8D.2, subsection 5, paragraph
 40 b, Code 2005, is amended to read as follows:

41 b. For the purposes of this chapter, "public
 42 agency" also includes any homeland security or defense
 43 facility or disaster response agency established by
 44 the administrator of the homeland security and
 45 emergency management division of the department of
 46 public defense or the governor or any facility
 47 connected with a security or defense system or
 48 disaster response as required by the administrator of
 49 the homeland security and emergency management
 50 division of the department of public defense or the

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1 governor.

2 Sec.____. Section 8D.9, subsection 3, Code 2005,
 3 is amended to read as follows:

4 3. A facility that is considered a public agency
 5 pursuant to section 8D.2, subsection 5, paragraph "b",
 6 shall be authorized to access the Iowa communications
 7 network strictly for homeland security communication
 8 purposes and disaster communication purposes. Any
 9 utilization of the network that is not related to
 10 communications concerning homeland security or a
 11 disaster, as defined in section 29C.2, is expressly
 12 prohibited. Access under this subsection shall be
 13 available only if a state of disaster emergency is
 14 proclaimed by the governor pursuant to section 29C.6
 15 or a homeland security or disaster event occurs
 16 requiring connection of disparate communications
 17 systems between public agencies to provide for a
 18 multi-agency or multi-jurisdictional response. Access
 19 shall continue only for the period of time the
 20 homeland security or disaster event exists. For
 21 purposes of this subsection, disaster communication
 22 purposes includes training and exercising for a
 23 disaster if public notice of the training and
 24 exercising session is posted on the website of the
 25 homeland security and emergency management division of

26 the department of public defense. A scheduled and
27 noticed training and exercising session shall not
28 exceed five days. Interpretation and application of
29 the provisions of this subsection shall be strictly
30 construed."

31 19. By striking page 14, line 1, through page 15,
32 line 17.

33 20. Page 18, by inserting after line 11, the
34 following:

35 "Sec. NEW SECTION. 16.191 NEW GROWTH
36 PROGRAM.

37 1. The authority shall establish and administer a
38 new growth program for purposes of providing financial
39 assistance to encourage entrepreneurial activity in
40 rural and urban areas in the state.

41 2. The authority shall identify twenty communities
42 in the state to serve as new growth program
43 communities. A community may consist of a city or
44 county, or a portion of a city or county. Not more
45 than five of the new growth program communities shall
46 be located in cities with a population of fifty
47 thousand or greater.

48 3. The authority shall identify a facilitator.
49 The facilitator shall be a statewide, faith-based
50 organization for purposes of facilitating the

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1 activities in each new growth program community. The
2 activities shall be structured around fifteen meetings
3 designed to bring local entrepreneurs and business
4 development entities together to exchange information
5 on product and service research, business planning,
6 finance and credit, licensing and regulations, use of
7 technology, business practices, product development
8 and testing, and marketing.

9 4. The authority may provide financial assistance
10 to the facilitator for each new growth program
11 community. The authority shall not provide more than
12 ten thousand dollars in financial assistance to the
13 facilitator for each new growth program community. In
14 order to receive the maximum amount of financial
15 assistance, the facilitator must secure ten thousand
16 dollars in local financial assistance and ten thousand
17 dollars worth of in-kind contributions."

18 21. Page 18, by inserting after line 30, the
19 following:

20 "Sec. Section 331.439, Code 2005, is amended
21 by adding the following new subsection:

22 NEW SUBSECTION. 9. The county management plan
23 shall designate at least one hospital licensed under
24 chapter 135B that the county has contracted with to

25 provide services covered under the plan. If the
26 designated hospital does not have a bed available to
27 provide the services, the county is responsible for
28 the cost of covered services provided at an alternate
29 hospital licensed under chapter 135B.
30 Sec. ___. Section 364.17, subsection 3, paragraph
31 a, Code 2005, is amended to read as follows:
32 a. A schedule of civil penalties or criminal fines
33 for violations. A city may charge the owner of
34 housing a late payment fee of twenty-five dollars and
35 may add interest of up to one and one-half percent per
36 month if a penalty or fine imposed under this
37 paragraph is not paid within thirty days of the date
38 that the penalty or fine is due. The city shall send
39 a notice of the late payment fee to such owner by
40 first class mail to the owner's personal or business
41 mailing address. The late payment fee and the
42 interest shall not accrue if such owner files an
43 appeal with either the city, if the city has
44 established an appeals procedure, or the district
45 court. Any unpaid penalty, fine, fee, or interest
46 shall constitute a lien on the real property and may
47 be collected in the same manner as a property tax.
48 However, before a lien is filed, the city shall send a
49 notice of intent to file a lien to the owner of the
50 housing by first class mail to such owner's personal

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1 or business mailing address.
2 Sec. ___. Section 364.17, subsection 5, Code 2005,
3 is amended to read as follows:
4 5. Cities may establish reasonable fees for
5 inspection and enforcement procedures. A city may
6 charge the owner of housing a late payment penalty of
7 twenty-five dollars and may add interest of up to one
8 and one-half percent per month if a fee imposed under
9 this subsection is not paid within thirty days of the
10 date that the fee is due. The city shall send a
11 notice of the late payment penalty to such owner by
12 first class mail to the owner's personal or business
13 mailing address. The late payment penalty and the
14 interest shall not accrue if such owner files an
15 appeal with either the city, if the city has
16 established an appeals procedure, or the district
17 court. Any unpaid fee, penalty, or interest shall
18 constitute a lien on the real property and may be
19 collected in the same manner as a property tax.
20 However, before a lien is filed, the city shall send a
21 notice of intent to file a lien to the owner of the
22 housing by first class mail to such owner's personal
23 or business mailing address.

24 Sec. ___. Section 384.16, subsection 1, unnumbered
25 paragraph 2, Code 2005, is amended to read as follows:
26 A budget must show comparisons between the
27 estimated expenditures in each program in the
28 following year ~~and the actual expenditures in each~~
29 ~~program during the two preceding years, the latest~~
30 estimated expenditures in each program in the current
31 year, and the actual expenditures in each program from
32 the annual report as provided in section 384.22, or as
33 corrected by a subsequent audit report. Wherever
34 practicable, as provided in rules of the committee, a
35 budget must show comparisons between the levels of
36 service provided by each program as estimated for the
37 following year, and actual levels of service provided
38 by each program during the two preceding years.
39 Sec. ___. Section 384.16, Code 2005, is amended by
40 adding the following new subsection:
41 NEW SUBSECTION. 7. A city that does not submit a
42 budget in compliance with this section shall have all
43 state funds withheld until a budget that is in
44 compliance with this section is filed with the county
45 auditor and subsequently received by the department of
46 management. The department of management shall send
47 notice to state agencies responsible for disbursement
48 of state funds and that notice is sufficient
49 authorization for those funds to be withheld until
50 later notice is given by the department of management

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1 to release those funds."
2 22. Page 20, by inserting after line 34, the
3 following:
4 "Sec. ___. Section 427.1, subsection 21, Code
5 2005, is amended to read as follows:
6 21. LOW-RENT HOUSING. The property owned and
7 operated or controlled by a nonprofit organization, as '
8 recognized by the internal revenue service, providing
9 low-rent housing for persons who are elderly and
10 persons with physical and mental disabilities. The
11 exemption granted under the provisions of this
12 subsection shall apply only until the ~~terms~~ final
13 payment due date of the borrower's original low-rent
14 housing development mortgage or until the borrower's
15 original low-rent housing development mortgage is paid
16 in full or expires, whichever is sooner, subject to
17 the provisions of subsection 14. However, if the
18 borrower's original low-rent housing development
19 mortgage is refinanced, the exemption shall apply only
20 until the date that would have been the final payment
21 due date under the terms of the borrower's original
22 low-rent housing development mortgage or until the

23 refinanced mortgage is paid in full or expires,
 24 whichever is sooner, subject to the provisions of
 25 subsection 14."

26 23. Page 21, by inserting after line 8, the
 27 following:

28 Sec. ___. Section 427.1, subsection 30, Code 2005,
 29 is amended to read as follows:

30 30. MANUFACTURED HOME COMMUNITY OR MOBILE HOME

31 PARK STORM SHELTER. A structure constructed as a
 32 storm shelter at a manufactured home community or
 33 mobile home park as defined in section 435.1. An
 34 application for this exemption shall be filed with the
 35 assessing authority not later than February 1 of the
 36 first year for which the exemption is requested, on
 37 forms provided by the department of revenue. The
 38 application shall describe and locate the storm
 39 shelter to be exempted. If the storm shelter
 40 structure is used exclusively as a storm shelter, all
 41 of the structure's assessed value shall be exempt from
 42 taxation. If the storm shelter structure is not used
 43 exclusively as a storm shelter, the storm shelter
 44 structure shall be assessed for taxation at ~~seventy-~~
 45 ~~five~~ fifty percent of its value as commercial
 46 property."

47 24. Page 21, by inserting after line 31 the
 48 following:

49 "Sec. ___. Section 459.301, Code 2005, is amended
 50 by adding the following new subsection:

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1 NEW SUBSECTION. 3A. For purposes of complying
 2 with requirements relating to submitting a manure
 3 management plan as required in section 459.312, a
 4 confinement feeding operation housing poultry which
 5 was regulated as a small animal feeding operation
 6 prior to April 29, 2002, shall be deemed to be a small
 7 animal feeding operation as provided in section
 8 459.312, if the animal weight capacity of the
 9 confinement feeding operation has not increased since
 10 April 29, 2002.

11 Sec. ___. Section 463C.11, subsection 1, if
 12 enacted by 2005 Iowa Acts, [House File 875](#), is amended
 13 to read as follows:

14 1. The honey creek premier destination park bond
 15 fund is established as a separate and distinct fund in
 16 the state treasury consisting of honey creek premier
 17 destination park revenues, any moneys appropriated by
 18 the general assembly to the fund, and any other moneys
 19 available to and obtained or accepted by the authority
 20 for placement in the fund. The moneys in the fund
 21 shall be used to develop the honey creek premier

22 destination park in the state by funding the
23 development and construction of facilities in the park
24 including but not limited to lodges, campgrounds,
25 cabins, and golf courses. The treasurer of state is
26 authorized to establish separate and distinct accounts
27 within the honey creek premier destination park bond
28 fund in connection with the issuance of the
29 authority's bonds in accordance with the trust
30 indenture or resolution authorizing the bonds and the
31 authority is authorized to determine which revenues
32 and accounts shall be pledged as security for the
33 bonds. Amounts deposited in the honey creek premier
34 destination park bond fund shall be deposited in the
35 separate and distinct accounts as set forth in the
36 trust indenture or resolution authorizing the bonds.
37 The authority is authorized to pledge and use the
38 gross revenues from the honey creek premier
39 destination park to and for payment of the bonds.
40 Revenues may also be used for the payment of
41 insurance, other credit enhancements, and other
42 financing arrangements. Operating expenses of the
43 honey creek premier destination park may be paid from
44 the revenues to the extent the revenues exceed the
45 amount determined by the authority to be necessary for
46 debt service on the bonds.

47 Sec. __. Section 463C.13, subsection 4, if
48 enacted by 2005 Iowa Acts, [House File 875](#), is amended
49 to read as follows:

50 4. To assure the continued operation and solvency

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1 of the authority for the carrying out of its corporate
2 purposes, provision is made in subsection 1 for the
3 accumulation in each bond reserve fund of an amount
4 equal to the bond reserve fund requirement for the
5 fund. In order further to assure maintenance of the
6 bond reserve funds, the chairperson of the authority
7 shall, on or before ~~July~~ January 1 of each calendar
8 year, make and deliver to the governor the
9 chairperson's certificate stating the sum, if any,
10 required to restore each bond reserve fund to the bond
11 reserve fund requirement for that fund. Within thirty
12 days after the beginning of the session of the general
13 assembly next following the delivery of the
14 certificate, the governor ~~may~~ shall submit to both
15 houses printed copies of a budget including the sum,
16 if any, required to restore each bond reserve fund to
17 the bond reserve fund requirement for that fund. Any
18 sums appropriated by the general assembly and paid to
19 the authority pursuant to this section shall be
20 deposited by the authority in the applicable bond

21 reserve fund.

22 Sec. __. Section 476C.1, subsection 6, paragraph
23 b, if enacted by 2005 Iowa Acts, [Senate File 390](#),
24 section 7, is amended by adding the following new
25 subparagraph:

26 (8) A community college as defined in section
27 260C.2.

28 Sec. __. Section 476C.1, subsection 6, paragraph
29 d, if enacted by 2005 Iowa Acts, [Senate File 390](#),
30 section 7, is amended to read as follows:

31 d. Was initially placed into service on or after
32 ~~July~~ January 1, 2005, and before January 1, 2011.

33 Sec. __. Section 537.2401, subsection 1, Code
34 2005, is amended to read as follows:

35 1. Except as provided with respect to a finance
36 charge for loans pursuant to open end credit under
37 section 537.2402 and loans secured by a certificate of
38 title of a motor vehicle under section 537.2403, a
39 lender may contract for and receive a finance charge
40 not exceeding the maximum charge permitted by the laws
41 of this state or of the United States for similar
42 lenders, and, in addition, with respect to a consumer
43 loan, a supervised financial organization or a
44 mortgage lender may contract for and receive a finance
45 charge, calculated according to the actuarial method,
46 not exceeding twenty-one percent per year on the
47 unpaid balance of the amount financed. ~~This~~ Except as
48 provided in section 537.2403, this subsection does not
49 prohibit a lender from contracting for and receiving a
50 finance charge exceeding twenty-one percent per year

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1 on the unpaid balance of the amount financed on
2 consumer loans if authorized by other provisions of
3 the law.

4 Sec. __. Section 537.2402, subsection 1, Code
5 2005, is amended to read as follows:

6 1. If authorized to make supervised loans, a
7 creditor may contract for and receive a finance charge
8 without limitation as to amount or rate with respect
9 to a loan pursuant to open-end credit as permitted in
10 this section except as provided in section 537.2403.

11 Sec. __. NEW SECTION. 537.2403 FINANCE CHARGE
12 FOR CONSUMER LOANS SECURED BY A MOTOR VEHICLE.

13 1. A lender shall not contract for or receive a
14 finance charge exceeding twenty-one percent per year
15 on the unpaid balance of the amount financed for a
16 loan of money secured by a certificate of title to a
17 motor vehicle used for personal, family, or household
18 purpose except as authorized under chapter 536 or
19 536A. A consumer who is charged a finance charge in

20 excess of the limitation in this section may seek any
21 remedies available pursuant to this chapter for an
22 excess charge.

23 2. It shall be a violation of this section and an
24 unlawful practice under section 714.16 to attempt to
25 avoid application of this section by structuring a
26 loan of money secured by certificate of title to a
27 motor vehicle as a sale, sale and repurchase, sale and
28 lease, pawn, rental purchase, lease, or other type of
29 transaction with the intent to avoid application of
30 this section or any other applicable provision of this
31 chapter."

32 25. Page 23, by inserting after line 35, the
33 following:

34 "Sec. ___. Section 602.10110, Code 2005, is
35 amended to read as follows:

36 602.10110 OATH.

37 All persons on being admitted to the bar shall take
38 an oath or affirmation, ~~as promulgated by the supreme~~
39 ~~court, declaring~~ to support the Constitutions of the
40 United States and of the state of Iowa, and to
41 faithfully discharge, ~~according to the best of their~~
42 ~~ability,~~ the duties of an attorney ~~and counselor of~~
43 ~~this state according to the best of their ability.~~

44 Sec. ___. Section 602.10112, Code 2005, is
45 repealed.

46 Sec. ___. 2005 Iowa Acts, [House File 825](#), section
47 29, subsection 1, paragraph 1, if enacted, relating to
48 reimbursement under the medical assistance program to
49 physicians who administer injectable drugs, is amended
50 by striking the paragraph.

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1 Sec. ___. NEW GROWTH PROGRAM. There is
2 appropriated from the general fund of the state to the
3 Iowa finance authority, for the fiscal year beginning
4 July 1, 2005, and ending June 30, 2006, two hundred
5 thousand dollars, or so much thereof as is necessary,
6 to be used for the new growth program established in
7 section 16.191, if enacted in this division of this
8 Act."

9 26. Page 24, by inserting before line 1, the
10 following:

11 "Sec. ___. VEHICLE DEALERSHIP STUDY. The
12 legislative council is requested to appoint an interim
13 study committee that will study the motor vehicle
14 licensing law as it pertains to motor vehicle
15 dealerships' moves from one facility and location to
16 another facility and location in the state. A report
17 should be provided to the general assembly by January
18 15, 2006."

19 27. Page 24, line 18, by striking the word
 20 "section" and inserting the following: "sections".
 21 28. Page 24, line 19, by inserting after the word
 22 "Act" the following: "amending section 427.1,
 23 subsection 21, and".
 24 29. Page 24, line 20, by striking the words "a
 25 property tax exemption" and inserting the following:
 26 "property tax exemptions".
 27 30. Page 24, by inserting after line 21, the
 28 following:
 29 "Sec. ___. RETROACTIVE APPLICABILITY DATE. The
 30 section of this division of this Act amending section
 31 423E.5, being deemed of immediate importance, takes
 32 effect upon enactment and applies retroactively to
 33 July 1, 2004.
 34 Sec. ___. EFFECTIVE AND APPLICABILITY DATES. The
 35 sections of this division of this Act amending section
 36 427.1, subsection 21, and enacting new subsection 21A
 37 to section 427.1, being deemed of immediate
 38 importance, take effect upon enactment and apply
 39 retroactively to January 1, 2005, for assessment years
 40 beginning on or after that date.
 41 Sec. ___. APPLICABILITY. Section 25B.7 does not
 42 apply to the amendment to section 427.1, subsection
 43 30, in this division of this Act.
 44 Sec. ___. EFFECTIVE DATE. The sections of this
 45 division of this Act amending section 476C.1, if
 46 enacted, being deemed of immediate importance, take
 47 effect upon enactment and are applicable beginning on
 48 the enactment date of 2005 Iowa Acts, [Senate File 390](#),
 49 if enacted."
 50 31. Page 24, by inserting after line 27, the

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1 following:
 2 "Sec. ___. EFFECTIVE DATE. The sections of this
 3 division of this Act amending section 602.10110 and
 4 repealing section 602.10112, being deemed of immediate
 5 importance, take effect upon enactment."
 6 32. Page 24, by inserting after line 29, the
 7 following:
 8 "Sec. ___. CRIMINAL CODE REVISIONS INTERIM STUDY
 9 COMMITTEE. There is appropriated from the general
 10 fund of the state to the legislative council for the
 11 fiscal year beginning July 1, 2005, and ending June
 12 30, 2006, the following amount, or so much thereof as
 13 is necessary, to be used for the purpose designated:
 14 For a criminal code revisions interim study
 15 committee:
 16 \$ 75,000
 17 The funds appropriated in this section are

18 contingent upon receipt by the general fund of the
 19 state of an amount not exceeding \$75,000 from costs or
 20 attorney fees awarded the state in settlement of its
 21 antitrust action against Microsoft brought under
 22 chapter 553. However, if the amounts received as a
 23 result of this settlement are in excess of \$75,000,
 24 the excess amounts shall not be appropriated to the
 25 legislative council pursuant to this section. If the
 26 appropriation made in this section occurs, the amount
 27 appropriated from the same source to the department of
 28 public safety for the same fiscal year to be used for
 29 vehicle depreciation, in accordance with 2005 Iowa
 30 Acts, [House File 811](#), is reduced by \$75,000."

31 33. By striking page 24, line 30, through page
 32 28, line 30, and inserting the following:

33 "Sec.____. 2005 Iowa Acts, [House File 881](#), section
 34 1, subsection 2, if enacted, is amended to read as
 35 follows:

36 2. The following annual salary rates shall be paid
 37 to the persons holding the judicial positions
 38 indicated during the fiscal year beginning July 1,
 39 2005, effective with the pay period beginning July 1,
 40 2005, and for subsequent pay periods.

- 41 a. Chief justice of the supreme court:
- 42 \$ ~~132,720~~
- 43 146,000
- 44 b. Each justice of the supreme court:
- 45 \$ ~~128,000~~
- 46 138,500
- 47 c. Chief judge of the court of appeals:
- 48 \$ ~~127,920~~
- 49 134,600
- 50 d. Each associate judge of the court of appeals:

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- 1 \$ ~~123,120~~
- 2 129,600
- 3 e. Each chief judge of a judicial district:
- 4 \$ ~~122,000~~
- 5 126,000
- 6 f. Each district judge except the chief judge of a
- 7 judicial district:
- 8 \$ ~~117,040~~
- 9 121,000
- 10 g. Each district associate judge:
- 11 \$ ~~102,000~~
- 12 105,500
- 13 h. Each associate juvenile judge:
- 14 \$ ~~102,000~~
- 15 105,500
- 16 i. Each associate probate judge:

17 \$ 102,000
 18 105,500
 19 j. Each judicial magistrate:
 20 \$ ~~30,400~~
 21 31,500
 22 k. Each senior judge:
 23 \$ ~~6,800~~
 24 7,020
 25 Sec. __. YOUTH LEADERSHIP PROGRAM. There is
 26 appropriated from the general fund of the state to the
 27 department of corrections for the fiscal year
 28 beginning July 1, 2005, and ending June 30, 2006, the
 29 following amount, or so much thereof as is necessary,
 30 to be used for the purpose designated:
 31 For the sixth judicial district department of
 32 correctional services:
 33 \$ 100,000
 34 The appropriation made in this section shall be
 35 used by the judicial district department of
 36 correctional services to establish or maintain a youth
 37 leadership model program to help at-risk youth in the
 38 judicial district department of correctional services.
 39 As a part of the program, the judicial district
 40 department of correctional services may recruit
 41 college or high school students in the judicial
 42 district to work with at-risk youth. The student
 43 workers shall be recruited regardless of gender, be
 44 recommended by their respective schools as good role
 45 models, including, but not limited to, students who
 46 possess capabilities in one or more of the following
 47 areas of ability: intellectual capacity, athletic,
 48 visual arts, or performing arts.
 49 Sec. __. FULL-TIME EQUIVALENT POSITIONS FOR THE
 50 DIVISION OF CRIMINAL INVESTIGATION AND BUREAU OF

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1 IDENTIFICATION. Notwithstanding the full-time
 2 equivalent positions authorization in the
 3 appropriation made for the fiscal year beginning July
 4 1, 2005, to the department of public safety for the
 5 division of criminal investigation and bureau of
 6 identification in 2005 Iowa Acts, [House File 811](#), if
 7 enacted, the number of full-time equivalent positions
 8 is increased from 225.50 positions to 228.50
 9 positions."
 10 34. By striking page 35, line 25, through page
 11 36, line 25 and inserting the following:
 12 "Sec. __. COUNTY REAL ESTATE ELECTRONIC
 13 GOVERNMENT ADVISORY COMMITTEE.
 14 1. A county real estate electronic government
 15 advisory committee is created. Staffing services for

16 the advisory committee shall be provided by the
17 auditor of state. The advisory committee membership
18 shall consist of the following:
19 a. Two members selected by the Iowa state
20 association of county auditors.
21 b. Two members selected by the Iowa state county
22 treasurers association.
23 c. Two members selected by the Iowa county
24 recorders association.
25 d. Two members selected by the Iowa state
26 association of assessors.
27 e. One member selected by each of the following
28 organizations:
29 (1) Iowa state association of counties.
30 (2) Iowa land title association.
31 (3) Iowa bankers association.
32 (4) Iowa credit union league.
33 (5) Iowa state bar association.
34 (6) Iowa association of realtors.
35 2. The county real estate electronic government
36 advisory committee shall facilitate discussion to
37 integrate the county land record information system
38 created pursuant to section 331.605C with the
39 electronic government internet applications of county
40 treasurers, county recorders, county auditors, and
41 county assessors. The advisory committee shall file
42 an integration plan with the governor and the general
43 assembly on or before November 1, 2005."
44 35. By striking page 36, line 34, through page
45 37, line 2, and inserting the following: "of the
46 county land record information system. The Iowa
47 county recorders".
48 36. Page 37, by striking line 21, and inserting
49 the following: "documents in the county land record
50 information system until authorized by the".

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1 37. Page 37, line 22, by inserting after the word
2 "assembly." the following: "However, county recorders
3 may collect actual third-party fees associated with
4 accepting and processing statutorily authorized fees
5 including credit card fees, treasury management fees,
6 and other transaction fees required to enable
7 electronic payment. For the purposes of this
8 subsection, the term "third-party" does not include
9 the county land record information system, the Iowa
10 state association of counties, or any of the
11 association's affiliates."
12 38. Page 37, lines 24 and 25, by striking the
13 words "and the department of administrative services".
14 39. Page 37, by inserting after line 33, the

15 following:

16 "Sec.____. DATA SECURITY AUDIT.

17 1. The Iowa county recorders association shall
18 select a vendor to conduct a data security audit of
19 the county land record information system created
20 pursuant to section 331.605C. The review and
21 assessment utilized in the audit shall include, but
22 are not limited to, a review of the functional and
23 system requirements, design documentation, software
24 code developed to support the business requirements,
25 operational procedures, financial flows including a
26 financial forecast, requests for proposals, and all
27 contracts.

28 2. The costs of the data security audit conducted
29 pursuant to subsection 1 shall be paid from moneys
30 appropriated to the treasurer of state pursuant to
31 section 331.605C.

32 3. The Iowa county recorders association shall
33 forward the complete results of the data security
34 audit to the government oversight committees of the
35 senate and the house of representatives and the
36 general assembly on or before December 1, 2005, and
37 the government oversight committees may request
38 additional updates."

39 40. Page 48, by inserting after line 23 the
40 following:

41 "Sec.____. Section 805.8C, subsection 6, as
42 amended by 2005 Iowa Acts, [Senate File 169](#), section 9,
43 is amended to read as follows:

44 6. PSEUDOEPHEDRINE SALES VIOLATIONS. For
45 violations of section 126.23A, subsection 1, by an
46 employee of a retailer, or for violations of section
47 126.23A, subsection 2, paragraph "a", by a purchaser,
48 the scheduled fine is as follows:

49 a. If the violation is a first offense, the
50 scheduled fine is one hundred dollars.

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1 b. If the violation is a second offense, the
2 scheduled fine is two hundred fifty dollars.
3 c. If the violation is a third or subsequent
4 offense, the scheduled fine is five hundred dollars."

5 41. Page 48, by inserting after line 23, the
6 following:

7 "Sec.____. 2005 Iowa Acts, [House File 839](#), is
8 amended by adding the following new section:

9 SEC.____. EFFECTIVE DATE. This Act, being deemed
10 of immediate importance, takes effect upon enactment
11 of 2005 Iowa Acts, [House File 882](#)."

12 42. Page 48, by inserting after line 26 the
13 following:

14 "DIVISION ____
15 STATE LIQUOR ACTIVITIES
16 Sec. ____ Section 123.53, subsection 3, Code 2005,
17 is amended to read as follows:
18 3. The treasurer of state shall transfer into a
19 special revenue account in the general fund of the
20 state, a sum of money at least equal to seven percent
21 of the gross amount of sales made by the division from
22 the beer and liquor control fund on a monthly basis
23 but not less than nine million dollars annually, ~~and~~
24 ~~any amounts so.~~ Of the amounts transferred, two
25 million dollars, plus an additional amount determined
26 by the general assembly, shall be used by appropriated
27 to the substance abuse division of the Iowa department
28 of public health to be used for substance abuse
29 treatment and prevention programs in an amount
30 determined by the general assembly and any. Any
31 amounts received in excess of the amounts appropriated
32 to the substance abuse division of the Iowa department
33 of public health shall be considered part of the
34 general fund balance.
35 Sec. ____ ALCOHOLIC BEVERAGES DIVISION – STATE
36 LIQUOR WAREHOUSE AND TRUCKING FUNCTIONS. The
37 department of administrative services shall issue a
38 request for proposals developed with the alcoholic
39 beverages division of the department of commerce or
40 otherwise utilize a competitive process not
41 inconsistent with the division's current charter
42 agency agreement to select a provider to perform the
43 state liquor warehouse and trucking functions. The
44 request for proposals or competitive process shall be
45 issued or commenced as soon as is reasonably possible
46 and a provider shall be selected no later than
47 December 31, 2005. The division may submit a bid in
48 response to a request for proposals issued or
49 competitive process conducted pursuant to this
50 section. If the division submits a bid, the division

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1 shall include in the bid the cost of labor to perform
2 the contract which shall be calculated by using the
3 cost of hiring full-time equivalent positions to
4 perform the contract pursuant to state pay grade
5 classifications and benefits as outlined in the most
6 recent collective bargaining agreement applicable to
7 other employees of the division. Notwithstanding any
8 provision of chapter 22 to the contrary, the
9 division's bid and any documents the division uses in
10 developing its bid shall be considered a confidential
11 record until the department of administrative services
12 announces the results of the request for proposals or

13 competitive process.

14 Sec. __. EFFECTIVE DATE. The section of this Act
15 amending section 123.53 takes effect July 1, 2006.

16 DIVISION

17 BOARD OF REGENTS

18 Sec. __. Section 12B.10C, Code 2005, is amended
19 by adding the following new subsection:

20 NEW SUBSECTION. 10. The state board of regents
21 governed by chapter 262.

22 Sec. __. Section 73A.1, subsection 2, Code 2005,
23 is amended to read as follows:

24 2. "Municipality" as used in this chapter means
25 township, school corporation, ~~and~~ state fair board,
26 ~~and state board of regents.~~

27 Sec. __. Section 262.9, subsection 7, Code 2005,
28 is amended to read as follows:

29 7. ~~With the approval of the executive council,~~
30 ~~acquire~~ Acquire real estate for the proper uses of
31 ~~said~~ institutions under its control, and dispose of
32 real estate belonging to ~~said~~ the institutions when
33 not necessary for their purposes. ~~A~~ The disposal of
34 ~~such~~ real estate shall be made upon such terms,
35 conditions, and consideration as the board may
36 recommend ~~and subject to the approval of the executive~~
37 ~~council.~~ If real estate subject to sale ~~hereunder~~ has
38 been purchased or acquired from appropriated funds,
39 the proceeds of such sale shall be deposited with the
40 treasurer of state and credited to the general fund of
41 the state. There is hereby appropriated from the
42 general fund of the state a sum equal to the proceeds
43 so deposited and credited to the general fund of the
44 state to the state board of regents, which, ~~with the~~
45 ~~prior approval of the executive council,~~ may be used
46 to purchase other real estate and buildings; and for
47 the construction and alteration of buildings and other
48 capital improvements. All transfers shall be by state
49 patent in the manner provided by law. The board is
50 also authorized to grant easements for rights-of-way

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1 over, across, and under the surface of public lands
2 under its jurisdiction when in the board's judgment
3 such easements are desirable and will benefit the
4 state of Iowa.

5 Sec. __. Section 262.9, subsection 15, unnumbered
6 paragraph 2, Code 2005, is amended by striking the
7 unnumbered paragraph.

8 Sec. __. Section 262.10, unnumbered paragraph 1,
9 Code 2005, is amended to read as follows:

10 No sale or purchase of real estate shall be made
11 save upon the order of the board, made at a regular

12 meeting, or one called for that purpose, and then in
13 such manner and under such terms as the board may
14 prescribe ~~and only with the approval of the executive~~
15 ~~council~~. No member of the board or any of its
16 committees, offices or agencies nor any officer of any
17 institution, shall be directly or indirectly
18 interested in such purchase or sale.

19 Sec. __. Section 262.33A, Code 2005, is amended
20 to read as follows:

21 262.33A FIRE AND ENVIRONMENTAL SAFETY – REPORT –
22 EXPENDITURES.

23 It is the intent of the general assembly that each
24 institution of higher education under the control of
25 the state board of regents shall, in consultation with
26 the state fire marshal, identify and correct all
27 critical fire and environmental safety deficiencies.
28 ~~The state fire marshal shall report annually to the~~
29 ~~joint subcommittee on education appropriations. The~~
30 ~~report shall include, but is not limited to, the~~
31 ~~identified deficiencies in fire and environmental~~
32 ~~safety at the institutions, and plans for correction~~
33 ~~of the deficiencies and for compliance with this~~
34 ~~section.~~ Commencing July 1, 1993, each institution
35 under the control of the state board of regents shall
36 expend annually for fire safety and deferred
37 maintenance at least the amount budgeted for these
38 purposes for the fiscal year beginning July 1, 1992,
39 in addition to any moneys appropriated from the
40 general fund for these purposes in succeeding years.

41 Sec. __. Section 262.34, Code 2005, is amended to
42 read as follows:

43 262.34 IMPROVEMENTS – ADVERTISEMENT FOR BIDS –
44 DISCLOSURES – ~~PAYMENTS~~.

45 1. When the estimated cost of construction,
46 repairs, or improvement of buildings or grounds under
47 charge of the state board of regents exceeds ~~twenty-~~
48 ~~five one hundred~~ thousand dollars, the board shall
49 advertise for bids for the contemplated improvement or
50 construction and shall let the work to the lowest

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1 responsible bidder. However, if in the judgment of
2 the board bids received are not acceptable, the board
3 may reject all bids and proceed with the construction,
4 repair, or improvement by a method as the board may
5 determine. All plans and specifications for repairs
6 or construction, together with bids on the plans or
7 specifications, shall be filed by the board and be
8 open for public inspection. All bids submitted under
9 this section shall be accompanied by a deposit of
10 money, a certified check, or a credit union certified

11 share draft in an amount as the board may prescribe.

12 2. A bidder awarded a contract shall disclose the
13 names of all subcontractors, who will work on the
14 project being bid, within forty-eight hours after the
15 award of the contract. If a subcontractor named by a
16 bidder awarded a contract is replaced, or if the cost
17 of work to be done by a subcontractor is reduced, the
18 bidder shall disclose the name of the new
19 subcontractor or the amount of the reduced cost.

20 3. Payments made by the board for the construction
21 of public improvements shall be made in accordance
22 with the provisions of chapter 573 except that:

23 a. Payments may be made without retention until
24 ninety-five percent of the contract amount has been
25 paid. The remaining five percent of the contract
26 amount shall be paid as provided in section 573.14,
27 except that:

28 (1) At any time after all or any part of the work
29 is substantially completed in accordance with
30 paragraph "c", the contractor may request the release
31 of all or part of the retainage owed. Such request
32 shall be accompanied by a waiver of claim rights under
33 the provisions of chapter 573 from any person, firm,
34 or corporation who has, under contract with the
35 principal contractor or with subcontractors performed
36 labor, or furnished materials, service, or
37 transportation in the construction of that portion of
38 the work for which release of the retainage is
39 requested.

40 (2) Upon receipt of the request, the board shall
41 release all or part of the unpaid funds. Retainage
42 that is approved as payable shall be paid at the time
43 of the next monthly payment or within thirty days,
44 whichever is sooner. If partial retainage is released
45 pursuant to a contractor's request, no retainage shall
46 be subsequently held based on that portion of the
47 work. If within thirty days of when payment becomes
48 due the board does not release the retainage due,
49 interest shall accrue on the retainage amount due as
50 provided in section 573.14 until that amount is paid.

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1 (3) If at the time of the request for the
2 retainage there are remaining or incomplete minor
3 items, an amount equal to two hundred percent of the
4 value of each remaining or incomplete item, as
5 determined by the board's authorized contract
6 representative, may be withheld until such item or
7 items are completed.

8 (4) An itemization of the remaining or incomplete
9 items, or the reason that the request for release of

10 the retainage was denied, shall be provided to the
11 contractor in writing within thirty calendar days of
12 the receipt of the request for release of retainage.
13 b. For purposes of this section, "authorized
14 contract representative" means the architect or
15 engineer who is in charge of the project and chosen by
16 the board to represent its interests, or if there is
17 no architect or engineer, then such other contract
18 representative or officer as designated in the
19 contract documents as the party representing the
20 board's interest regarding administration and
21 oversight of the project.
22 c. For purposes of this section, "substantially
23 completed" means the first date on which any of the
24 following occurs:
25 (1) Completion of the project or when the work has
26 been substantially completed in general accordance
27 with the terms and provisions of the contract.
28 (2) The work or the portion designated is
29 sufficiently complete in accordance with the
30 requirements of the contract so the board can occupy
31 or utilize the work for its intended purpose.
32 (3) The project is certified as having been
33 substantially completed by either of the following:
34 (a) The architect or engineer authorized to make
35 such certification.
36 (b) The contracting authority representing the
37 board.
38 4. Each contractor or subcontractor shall withhold
39 retainage, if at all, in the same manner as retainage
40 is withheld from the contractor or subcontractor; and
41 each subcontractor shall pass through all retainage
42 payments to lower tier subcontractors in accordance
43 with the provisions of chapter 573.
44 Sec. __. Section 262.57, unnumbered paragraph 1,
45 Code 2005, is amended to read as follows:
46 To pay all or any part of the cost of carrying out
47 any project at any institution the board is authorized
48 to borrow money and to issue and sell negotiable bonds
49 or notes and to refund and refinance bonds or notes
50 heretofore issued or as may be hereafter issued for

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1 any project or for refunding purposes at a lower rate,
2 the same rate or a higher rate or rates of interest
3 and from time to time as often as the board shall find
4 it to be advisable and necessary so to do. Such bonds
5 or notes may be sold by said board at public sale in
6 the manner prescribed by chapter 75 but if the board
7 shall find it to be advantageous and in the public
8 interest to do so, such bonds or notes may be sold by

9 the board at private sale without published notice of
10 any kind and without regard to the requirements of
11 chapter 75 in such manner and upon such terms as may
12 be prescribed by the resolution authorizing the same,
13 ~~but such bonds or notes shall in any event be sold~~
14 ~~upon terms of not less than par plus accrued interest.~~
15 Bonds or notes issued to refund other bonds or notes
16 heretofore or hereafter issued by the board for
17 residence hall or dormitory purposes at any
18 institution, including dining or other facilities and
19 additions, or heretofore or hereafter issued for
20 refunding purposes, may either be sold in the manner
21 hereinbefore specified and the proceeds thereof
22 applied to the payment of the obligations being
23 refunded, or the refunding bonds or notes may be
24 exchanged for and in payment and discharge of the
25 obligations being refunded, and a finding by the board
26 in the resolution authorizing the issuance of such
27 refunding bonds or notes that the bonds or notes being
28 refunded were issued for a purpose specified in this
29 division and constitute binding obligations of the
30 board shall be conclusive and may be relied upon by
31 any holder of any refunding bond or note issued under
32 the provisions of this division. The refunding bonds
33 or notes may be sold or exchanged in installments at
34 different times or an entire issue or series may be
35 sold or exchanged at one time. Any issue or series of
36 refunding bonds or notes may be exchanged in part or
37 sold in parts in installments at different times or at
38 one time. The refunding bonds or notes may be sold or
39 exchanged at any time on, before, or after the
40 maturity of any of the outstanding notes, bonds or
41 other obligations to be refinanced thereby and may be
42 issued for the purpose of refunding a like or greater
43 principal amount of bonds or notes, except that the
44 principal amount of the refunding bonds or notes may
45 exceed the principal amount of the bonds or notes to
46 be refunded to the extent necessary to pay any premium
47 due on the call of the bonds or notes to be refunded
48 or to fund interest in arrears or about to become due.
49 Sec. ___. Section 262.78, subsection 6, Code 2005,
50 is amended by striking the subsection.

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1 Sec. ___. Section 262A.5, unnumbered paragraph 1,
2 Code 2005, is amended to read as follows:
3 The board is authorized to borrow money under this
4 chapter, and the board may issue and sell negotiable
5 bonds to pay all or any part of the cost of carrying
6 out any project at any institution and may refund and
7 refinance bonds issued for any project or for

8 refunding purposes at the same rate or at a higher or
9 lower rate or rates of interest. Bonds issued under
10 the provisions of this chapter shall be sold by said
11 board at public sale on the basis of sealed proposals
12 received pursuant to a notice specifying the time and
13 place of sale and the amount of bonds to be sold which
14 shall be published at least once not less than seven
15 days prior to the date of sale in a newspaper
16 published in the state of Iowa and having a general
17 circulation in said state. The provisions of chapter
18 75 shall ~~not~~ apply to bonds issued under authority
19 contained in this chapter, ~~but such bonds shall be~~
20 ~~sold upon terms of not less than par plus accrued~~
21 ~~interest to the extent not in conflict with this~~
22 ~~chapter.~~ Bonds issued to refund other bonds issued
23 under the provisions of this chapter may either be
24 sold in the manner hereinbefore specified and the
25 proceeds thereof applied to the payment of the
26 obligations being refunded, or the refunding bonds may
27 be exchanged for and in payment and discharge of the
28 obligations being refunded. The refunding bonds may
29 be sold or exchanged in installments at different
30 times or an entire issue or series may be sold or
31 exchanged at one time. Any issue or series of
32 refunding bonds may be exchanged in part or sold in
33 parts in installments at different times or at one
34 time. The refunding bonds may be sold or exchanged at
35 any time on, before, or after the maturity of any of
36 the outstanding bonds or other obligations to be
37 refinanced thereby and may be issued for the purpose
38 of refunding a like or greater principal amount of
39 bonds, except that the principal amount of the
40 refunding bonds may exceed the principal amount of the
41 bonds to be refunded to the extent necessary to pay
42 any premium due on the call of the bonds to be
43 refunded or to fund interest in arrears or which is to
44 become due.

45 Sec. __. Section 266.39F, subsection 2,
46 unnumbered paragraph 2, Code 2005, is amended to read
47 as follows:

48 The provisions of section 262.9, subsection 7, ~~and~~
49 ~~section 262.10~~, shall not apply to the sale of any
50 portion of land to be sold in accordance with this

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1 section or to the use of the proceeds from the sale of
2 the land.

3 Sec. __. Section 573.12, subsection 1, unnumbered
4 paragraph 1, Code 2005, is amended to read as follows:

5 Payments made under contracts for the construction
6 of public improvements, unless provided otherwise by

7 law, shall be made on the basis of monthly estimates
 8 of labor performed and material delivered, as
 9 determined by the project architect or engineer. The
 10 public corporation shall retain from each monthly
 11 payment not more than five percent of that amount
 12 which is determined to be due according to the
 13 estimate of the architect or engineer. ~~However,~~
 14 ~~institutions governed pursuant to chapter 262 may, on~~
 15 ~~contracts where a bond is required under section~~
 16 ~~573.2, make payments under this section without~~
 17 ~~retention until ninety five percent of the contract~~
 18 ~~amount has been paid and the remaining five percent of~~
 19 ~~the contract amount shall be paid as provided under~~
 20 ~~section 573.14.~~

21 Sec. __. Section 573.14, unnumbered paragraph 2,
 22 Code 2005, is amended to read as follows:

23 The public corporation shall order payment of any
 24 amount due the contractor to be made in accordance
 25 with the terms of the contract. Except as provided in
 26 section 573.12 for progress payments, failure to make
 27 payment pursuant to this section, of any amount due
 28 the contractor, within forty days, unless a greater
 29 time period not to exceed fifty days is specified in
 30 the contract documents, after the work under the
 31 contract has been completed and if the work has been
 32 accepted and all required materials, certifications,
 33 and other documentations required to be submitted by
 34 the contractor and specified by the contract have been
 35 furnished the awarding public corporation by the
 36 contractor, shall cause interest to accrue on the
 37 amount unpaid to the benefit of the unpaid party.
 38 Interest shall accrue during the period commencing the
 39 thirty-first day following the completion of work and
 40 satisfaction of the other requirements of this
 41 paragraph and ending on the date of payment. The rate
 42 of interest shall be determined by the period of time
 43 during which interest accrues, and shall be the same
 44 as the rate of interest that is in effect under
 45 section 12C.6, as of the day interest begins to
 46 accrue, for a deposit of public funds for a comparable
 47 period of time. However, for institutions governed
 48 pursuant to chapter 262, the rate of interest shall be
 49 determined by the period of time during which interest
 50 accrues, and shall be calculated as the prime rate

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1 plus one percent per year as of the day interest
 2 begins to accrue. This paragraph does not abridge any
 3 of the rights set forth in section 573.16. Except as
 4 provided in sections 573.12 and 573.16, interest shall
 5 not accrue on funds retained by the public corporation

6 to satisfy the provisions of this section regarding
7 claims on file. This chapter does not apply if the
8 public corporation has entered into a contract with
9 the federal government or accepted a federal grant
10 which is governed by federal law or rules that are
11 contrary to the provisions of this chapter. For
12 purposes of this unnumbered paragraph, "prime rate"
13 means the prime rate charged by banks on short-term
14 business loans, as determined by the board of
15 governors of the federal reserve system and published
16 in the federal reserve bulletin.
17 Sec. __. Sections 262.64A, 262.67, 262A.3,
18 262A.6A, 263A.11, 265.6, and 473.12, Code 2005, are
19 repealed.

DIVISION

ENTREPRENEURS WITH DISABILITIES

21 Sec. __. ENTREPRENEURS WITH DISABILITIES PROGRAM
22 – TRANSFER OF ADMINISTRATION. The department of
23 economic development shall transfer the administrative
24 duties of the entrepreneurs with disabilities program
25 to the Iowa finance authority. The authority shall
26 adopt rules pursuant to chapter 17A for purposes of
27 administering the program. Any contract entered into
28 under the program by the department of economic
29 development remains valid. The transfer of
30 administrative duties to the authority shall not
31 constitute grounds for rescission or modification of a
32 contract under the program entered into with the
33 department.

34 Sec. __. ENTREPRENEURS WITH DISABILITIES PROGRAM
35 – APPROPRIATION. For the fiscal year beginning July
36 1, 2005, and ending June 30, 2006, there is
37 appropriated from the general fund of the state to the
38 Iowa finance authority two hundred thousand dollars
39 for purposes of the entrepreneurs with disabilities
40 program.

DIVISION

GRAPE AND WINE DEVELOPMENT

42 Sec. __. Section 175A.1, subsection 2, Code 2005,
43 is amended to read as follows:

44 2. "Department" means the Iowa department of
45 agriculture and land stewardship economic development
46 as created in section 15.105.

47 Sec. __. Section 175A.1, Code 2005, is amended by
48 adding the following new subsection:
49

50 Page 29

1 NEW SUBSECTION. 2A. "Director" means the director
2 of the department as appointed by the governor
3 pursuant to section 15.105.
4 Sec. __. Section 175A.2, subsection 1, paragraph

5 a, subparagraph (1), Code 2005, is amended to read as
6 follows:

7 (1) The ~~secretary of agriculture director.~~

8 Sec. __. Section 175A.2, subsection 1, paragraph
9 a, subparagraph (3), Code 2005, is amended by striking
10 the paragraph.

11 Sec. __. Section 175A.2, subsection 1, paragraph
12 b, unnumbered paragraph 1, Code 2005, is amended to
13 read as follows:

14 The following persons appointed by the ~~secretary of~~
15 ~~agriculture director~~, who shall serve as voting
16 members:

17 Sec. __. Section 175A.2, subsection 1, unnumbered
18 paragraph 2, Code 2005, is amended to read as follows:

19 The ~~secretary of agriculture director~~ shall appoint
20 the voting members based on a list of nominations
21 submitted by organizations representing growers,
22 winemakers, and retail sellers as certified by the
23 department according to requirements of the
24 department. Appointments of voting members are
25 subject to the requirements of sections 69.16 and
26 69.16A. In addition, the appointments shall be
27 geographically balanced. Unless the ~~secretary of~~
28 ~~agriculture director~~ determines that it is not
29 feasible, at least one person appointed as a voting
30 member shall reside in each of the state's
31 congressional districts at the time of appointment.
32 The ~~secretary of agriculture's director's~~ appointees
33 shall be confirmed by the senate, pursuant to section
34 2.32.

35 Sec. __. Section 175A.2, subsection 2, Code 2005,
36 is amended to read as follows:

37 2. The voting members shall serve three-year terms
38 beginning and ending as provided in section 69.19.
39 ~~However, the secretary of agriculture shall appoint~~
40 ~~initial members to serve for less than three years to~~
41 ~~ensure members serve staggered terms.~~ A member is
42 eligible for reappointment. A vacancy on the
43 commission shall be filled for the unexpired portion
44 of the regular term in the same manner as regular
45 appointments are made.

46 Sec. __. TRANSITIONAL PROVISIONS.

47 1. Any agreement made by the department of
48 agriculture and land stewardship which is executed
49 pursuant to chapter 175A and which is in effect on the
50 effective date of the amendments to sections 175A.1

Page 30

1 and 175A.2 in this division of this Act shall continue
2 in full force and effect until the agreement expires
3 by its terms or is amended, terminated, or

4 supplemented by the affirmative action of the Iowa
5 department of economic development.

6 2. Any rule, regulation, form, order, or directive
7 adopted or issued by the department of agriculture and
8 land stewardship pursuant to chapter 175A which is in
9 effect on the effective date of amendments to sections
10 175A.1 and 175A.2 in this division of this Act shall
11 continue in full force and effect until amended,
12 repealed, or supplemented by the affirmative action of
13 the Iowa department of economic development as
14 provided in chapter 17A.

15 3. A person who holds a position as a member of
16 the grape and wine development commission who was
17 appointed by the secretary of agriculture pursuant to
18 section 175A.2 prior to the effective date of
19 amendments to sections 175A.1 and 175A.2 in this
20 division of this Act shall continue to hold such
21 position until the end of the member's term of office.

22 Sec. ___. EFFECTIVE DATE. The amendments to
23 sections 175.1 and 175.2 in this division of this Act
24 which provide for the transfer of administrative
25 duties and powers of chapter 175A from the department
26 of agriculture and land stewardship to the Iowa
27 department of economic development and transitional
28 provisions applying to that transfer as provided in
29 this division of this Act take effect upon enactment.

30 43. Page 48, by inserting after line 26 the
31 following:

32 "DIVISION

33 RENEWABLE ENERGY GENERATION AND TAX CREDITS

34 Sec. ___. Section 422.11J, Code 2005, is amended
35 to read as follows:

36 422.11J ~~WIND ENERGY PRODUCTION TAX CREDIT CREDITS~~
37 FOR WIND ENERGY PRODUCTION AND RENEWABLE ENERGY.

38 The taxes imposed under this division, less the
39 credits allowed under sections 422.12 and 422.12B,
40 shall be reduced by ~~a wind energy production tax~~
41 ~~credit credits for wind energy production~~ allowed
42 under chapter 476B and for renewable energy allowed
43 under chapter 476C.

44 Sec. ___. Section 422.33, subsection 16, Code
45 2005, is amended to read as follows:

46 16. The taxes imposed under this division shall be
47 reduced by ~~a wind energy production tax credit credits~~
48 for wind energy production allowed under chapter 476B
49 and for renewable energy allowed under chapter 476C.

50 Sec. ___. Section 422.60, subsection 8, Code 2005,

Page 31

1 is amended to read as follows:

2 8. The taxes imposed under this division shall be

3 reduced by ~~a wind energy production tax credit credits~~
 4 for wind energy production allowed under chapter 476B
 5 and for renewable energy allowed under chapter 476C.
 6 Sec. __. Section 423.4, Code 2005, is amended by
 7 adding the following new subsection:
 8 NEW SUBSECTION. 4. A person in possession of a
 9 renewable energy tax credit certificate issued
 10 pursuant to chapter 476C may apply to the director for
 11 refund of the amount of sales or use tax imposed and
 12 paid upon purchases made by the applicant.
 13 a. The refunds may be obtained only in the
 14 following manner and under the following conditions:
 15 (1) On forms furnished by the department and filed
 16 by January 31 after the end of the calendar year in
 17 which the tax credit certificate is to be applied, the
 18 applicant shall report to the department the total
 19 amount of sales and use tax paid during the reporting
 20 period on purchases made by the applicant.
 21 (2) The applicant shall separately list the
 22 amounts of sales and use tax paid during the reporting
 23 period.
 24 (3) If required by the department, the applicant
 25 shall prove that the person making the sales has
 26 included the amount thereof in the computation of the
 27 sales price of such person and that such person has
 28 paid the tax levied by this subchapter or subchapter
 29 III, based upon such computation of the sales price.
 30 (4) The applicant shall provide the tax credit
 31 certificates issued pursuant to chapter 476C to the
 32 department with the forms required by this paragraph
 33 "a".
 34 b. If satisfied that the foregoing conditions and
 35 requirements have been complied with, the director
 36 shall refund the amount claimed by the applicant for
 37 an amount not greater than the amount of tax credits
 38 issued in tax credit certificates pursuant to chapter
 39 476C.
 40 Sec. __. Section 432.12E, Code 2005, is amended
 41 to read as follows:
 42 432.12E WIND ENERGY PRODUCTION TAX CREDIT CREDITS
 43 FOR WIND ENERGY PRODUCTION AND RENEWABLE ENERGY.
 44 The taxes imposed under this chapter shall be
 45 reduced by ~~a wind energy production tax credit credits~~
 46 for wind energy production allowed under chapter 476B
 47 and for renewable energy allowed under chapter 476C.
 48 Sec. __. NEW SECTION. 437A.17B REIMBURSEMENT
 49 FOR RENEWABLE ENERGY.
 50 A person in possession of a renewable energy tax

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1 credit certificate issued pursuant to chapter 476C may

2 apply to the director for a reimbursement of the
3 amount of taxes imposed and paid by the person
4 pursuant to this chapter in an amount not more than
5 the person received in renewable energy tax credit
6 certificates pursuant to chapter 476C. To obtain the
7 reimbursement, the person shall attach to the return
8 required under section 437A.8 the renewable energy tax
9 credit certificates issued to the person pursuant to
10 chapter 476C, and provide any other information the
11 director may require. The director shall direct a
12 warrant to be issued to the person for an amount equal
13 to the tax imposed and paid by the person pursuant to
14 this chapter but for not more than the amount of the
15 renewable energy tax credit certificates attached to
16 the return.

17 Sec. __. NEW SECTION. 476C.1 DEFINITIONS.

18 For purposes of this chapter, unless the context
19 otherwise requires:

20 1. "Anaerobic digester system" means a system of
21 components that processes plant or animal materials
22 based on the absence of oxygen and produces methane or
23 other biogas used to generate electricity, hydrogen
24 fuel, or heat for a commercial purpose.

25 2. "Biogas recovery facility" means an anaerobic
26 digester system that is located in this state.

27 3. "Biomass conversion facility" means a facility
28 in this state that converts plant-derived organic
29 matter including, but not limited to, agricultural
30 food and feed crops, crop wastes and residues, wood
31 wastes and residues, or aquatic plants to generate
32 electricity, hydrogen fuel, or heat for a commercial
33 purpose.

34 4. "Board" means the utilities board within the
35 utilities division of the department of commerce.

36 5. "Department" means the department of revenue.

37 6. "Eligible renewable energy facility" means a
38 wind energy conversion facility, a biogas recovery
39 facility, a biomass conversion facility, a methane gas
40 recovery facility, or a solar energy conversion
41 facility that meets all of the following requirements:

42 a. Is located in this state.

43 b. Is at least fifty-one percent owned by one or
44 more of any combination of the following:

45 (1) A resident of this state.

46 (2) Any of the following as defined in section
47 9H.1:

48 (a) An authorized farm corporation.

49 (b) An authorized limited liability company.

50 (c) An authorized trust.

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- 1 (d) A family farm corporation.
- 2 (e) A family farm limited liability company.
- 3 (f) A family trust.
- 4 (g) A revocable trust.
- 5 (h) A testamentary trust.
- 6 (3) A small business as defined in section 15.102.
- 7 (4) An electric cooperative association organized
- 8 pursuant to chapter 499 that sells electricity to end
- 9 users located in this state.
- 10 (5) An electric cooperative association that has
- 11 one or more members organized pursuant to chapter 499.
- 12 (6) A cooperative corporation organized pursuant
- 13 to chapter 497 or a limited liability corporation
- 14 organized pursuant to chapter 490A whose shares and
- 15 membership are held by an entity that is not
- 16 prohibited from owning agricultural land under chapter
- 17 9H.
- 18 (7) A school district located in this state.
- 19 c. Has at least one owner that meets the
- 20 requirements of paragraph "b" for each two and one-
- 21 half megawatts of nameplate generating capacity or the
- 22 energy production capacity equivalent for hydrogen
- 23 fuel or heat for a commercial purpose of the otherwise
- 24 eligible renewable energy facility.
- 25 d. Was initially placed into service on or after
- 26 July 1, 2005, and before January 1, 2011, or on or
- 27 after February 1, 2005, and before January 1, 2011, if
- 28 the facility meets the requirements of subsection 6,
- 29 paragraph "b", subparagraph (7).
- 30 7. "Energy production capacity equivalent" means
- 31 the amount of energy in a standard cubic foot of
- 32 hydrogen gas or the number of British thermal units
- 33 that are equal to the energy in a kilowatt-hour of
- 34 electricity. For the purposes of this chapter, one
- 35 kilowatt-hour shall be deemed equivalent to three
- 36 thousand three hundred thirty-three British thermal
- 37 units of heat or ten and forty-five one hundredths of
- 38 standard cubic feet of hydrogen gas.
- 39 8. "Heat for a commercial purpose" means the heat
- 40 in British thermal unit equivalents from methane or
- 41 other biogas produced in this state sold to a
- 42 purchaser of renewable energy for use for a commercial
- 43 purpose.
- 44 9. "Hydrogen fuel" means hydrogen produced in this
- 45 state from a renewable source that is used in a fuel
- 46 cell or hydrogen-powered internal combustion engine.
- 47 10. "Methane gas recovery facility" means a
- 48 facility in this state which is used in connection
- 49 with a sanitary landfill or which uses wastes that
- 50 would otherwise be deposited in a sanitary landfill,

Page 34

1 that collects methane gas or other gases and converts
2 the gas into energy to generate electricity, hydrogen
3 fuel, or heat for a commercial purpose.

4 11. "Producer of renewable energy" means a person
5 who owns an eligible renewable energy facility.

6 12. "Purchaser of renewable energy" means a person
7 who buys electric energy, hydrogen fuel, methane gas
8 or other biogas used to generate electricity, or heat
9 for a commercial purpose from an eligible renewable
10 energy facility.

11 13. "Solar energy conversion facility" means a
12 solar energy facility in this state that collects and
13 converts incident solar radiation into energy to
14 generate electricity.

15 14. "Wind energy conversion facility" means a wind
16 energy conversion system in this state that collects
17 and converts wind into energy to generate electricity.

18 Sec. __. NEW SECTION. 476C.2 TAX CREDIT AMOUNT
19 – LIMITATIONS.

20 1. A producer or purchaser of renewable energy may
21 receive renewable energy tax credits under this
22 chapter in an amount equal to one and one-half cents
23 per kilowatt-hour of electricity, or four dollars and
24 fifty cents per million British thermal units of heat
25 for a commercial purpose, or four dollars and fifty
26 cents per million British thermal units of methane gas
27 or other biogas used to generate electricity, or one
28 dollar and forty-four cents per one thousand standard
29 cubic feet of hydrogen fuel generated by and purchased
30 from an eligible renewable energy facility.

31 2. The renewable energy tax credit shall not be
32 allowed for any kilowatt-hour of electricity, British
33 thermal unit of heat for a commercial purpose, British
34 thermal unit of methane gas or other biogas used to
35 generate electricity, or standard cubic foot of
36 hydrogen fuel that is purchased from an eligible
37 renewable energy facility by a related person. For
38 purposes of this subsection, persons shall be treated
39 as related to each other if either person owns an
40 eighty percent or more equity interest in the other
41 person.

42 Sec. __. NEW SECTION. 476C.3 DETERMINATION OF
43 ELIGIBILITY.

44 1. A producer or purchaser of renewable energy may
45 apply to the board for a written determination
46 regarding whether a facility is an eligible renewable
47 energy facility by submitting to the board a written
48 application containing all of the following:

49 a. Information regarding the ownership of the
50 facility including the percentage of equity interest

Page 35

1 held by each owner.

2 b. The nameplate generating capacity of the
3 facility or energy production capacity equivalent.

4 c. Information regarding the facility's initial
5 placement in service.

6 d. Information regarding the type of facility and
7 what type of renewable energy the facility will
8 produce.

9 e. A copy of the power purchase agreement or other
10 agreement to purchase electricity, hydrogen fuel,
11 methane or other biogas, or heat for a commercial
12 purpose which shall designate either the producer or
13 purchaser of renewable energy as eligible to apply for
14 the renewable energy tax credit.

15 f. Any other information the board may require.

16 2. The board shall review the application and
17 supporting information and shall make a preliminary
18 determination regarding whether the facility is an
19 eligible renewable energy facility. The board shall
20 notify the applicant of the approval or denial of the
21 application within thirty days of receipt of the
22 application and information required. If the board
23 fails to notify the applicant of the approval or
24 denial within thirty days, the application shall be
25 deemed denied. An applicant who receives a
26 determination denying an application may file an
27 appeal with the board within thirty days from the date
28 of the denial pursuant to the provisions of chapter
29 17A. In the absence of a timely appeal, the
30 preliminary determination shall be final. If the
31 application is incomplete, the board may grant an
32 extension of time for the provision of additional
33 information.

34 3. A facility that is not operational within
35 eighteen months after issuance of an approval for the
36 facility by the board shall cease to be an eligible
37 renewable energy facility. A facility that is granted
38 and thereafter loses approval may reapply to the board
39 for a new determination.

40 4. The maximum amount of nameplate generating
41 capacity of all wind energy conversion facilities the
42 board may find eligible under this chapter shall not
43 exceed ninety megawatts of nameplate generating
44 capacity. The maximum amount of energy production
45 capacity equivalent of all other facilities the board
46 may find eligible under this chapter shall not exceed
47 a combined output of ten megawatts of nameplate
48 generating capacity.

49 5. An owner meeting the requirements of section
50 476C.1, subsection 6, paragraph "b" shall not be an

Page 36

1 owner of more than two eligible renewable energy
2 facilities.
3 Sec. . **NEW SECTION.** 476C.4 TAX CREDIT
4 CERTIFICATE PROCEDURE.
5 1. A producer or purchaser of renewable energy may
6 apply to the board for the renewable energy tax credit
7 by submitting to the board all of the following:
8 a. A completed application in a form prescribed by
9 the board.
10 b. A copy of the determination granting approval
11 of the facility as an eligible renewable energy
12 facility by the board.
13 c. A copy of a signed power purchase agreement or
14 other agreement to purchase electricity, hydrogen
15 fuel, methane or other biogas, or heat for a
16 commercial purpose from an eligible renewable energy
17 facility which shall designate either the producer or
18 purchaser of renewable energy as eligible to apply for
19 the renewable energy tax credit.
20 d. Sufficient documentation that the electricity,
21 heat for a commercial purpose, methane gas or other
22 biogas, or hydrogen fuel has been generated by the
23 eligible renewable energy facility and sold to the
24 purchaser of renewable energy.
25 e. Any other information the board deems
26 necessary.
27 2. The board shall notify the department of the
28 amount of kilowatt-hours, British thermal units of
29 heat for a commercial purpose, British thermal units
30 of methane gas or other biogas used to generate
31 electricity, or standard cubic feet of hydrogen fuel
32 generated and purchased from an eligible renewable
33 energy facility. The department shall calculate the
34 amount of the tax credit for which the applicant is
35 eligible and shall issue the tax credit certificate
36 for that amount or notify the applicant in writing of
37 its refusal to do so. An applicant whose application
38 is denied may file an appeal with the department
39 within sixty days from the date of the denial pursuant
40 to the provisions of chapter 17A.
41 3. Each tax credit certificate shall contain the
42 person's name, address, and tax identification number,
43 the amount of tax credits, the first taxable year the
44 certificate may be used, the type of tax to which the
45 tax credits shall be applied, and any other
46 information required by the department. The tax
47 credit certificate shall only list one type of tax to
48 which the amount of the tax credit may be applied.
49 Once issued by the department, the tax credit
50 certificate shall not be terminated or rescinded.

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1 4. If the tax credit application is filed by a
2 partnership, limited liability company, S corporation,
3 estate, trust, or other reporting entity all of the
4 income of which is taxed directly to its equity
5 holders or beneficiaries, for the taxes imposed under
6 chapter 422, division II or III, the tax credit
7 certificate shall be issued directly to equity holders
8 or beneficiaries of the applicant in proportion to
9 their pro rata share of the income of such entity.
10 The applicant shall, in the application made under
11 this section, identify its equity holders or
12 beneficiaries, and the percentage of such entity's
13 income that is allocable to each equity holder or
14 beneficiary. If the tax credit application is filed
15 by a partnership, limited liability company, S
16 corporation, estate, trust, or other reporting entity,
17 all of whose income is taxed directly to its equity
18 holders or beneficiaries for the taxes imposed under
19 chapter 422, division V, or under chapter 423, 432, or
20 437A, the tax credit certificate shall be issued
21 directly to the partnership, limited liability
22 company, S corporation, estate, trust, or other
23 reporting entity.

24 5. The department shall not issue a tax credit
25 certificate if the facility approved by the board as
26 an eligible renewable energy facility is not
27 operational within eighteen months after the approval
28 is issued.

29 6. The department shall not issue a tax credit
30 certificate to any person who has received a tax
31 credit pursuant to chapter 476B.

32 7. Once a tax credit certificate is issued
33 pursuant to this section, the tax credit may only be
34 claimed against the type of tax reflected on the
35 certificate.

36 Sec. . NEW SECTION. 476C.5 CERTIFICATE
37 ISSUANCE PERIOD.

38 A producer or purchaser of renewable energy may
39 receive renewable energy tax credit certificates for a
40 ten-year period for each eligible renewable energy
41 facility under this chapter. The ten-year period for
42 issuance of the tax credit certificates begins with
43 the date the purchaser of renewable energy first
44 purchases electricity, hydrogen fuel, methane gas or
45 other biogas used to generate electricity, or heat for
46 commercial purposes from the eligible renewable energy
47 facility for which a tax credit is issued under this
48 chapter. Renewable energy tax credit certificates
49 shall not be issued for renewable energy purchased
50 after December 31, 2020.

Page 38

1 Sec. __. NEW SECTION. 476C.6 TRANSFERABILITY
2 AND USE OF TAX CREDIT CERTIFICATES – REGISTRATION.

3 1. Renewable energy tax credit certificates issued
4 under this chapter may be transferred to any person.
5 A tax credit certificate shall only be transferred
6 once. However, for purposes of this transfer
7 provision, a decision between a producer and purchaser
8 of renewable energy regarding who claims the tax
9 credit issued pursuant to this chapter shall not be
10 considered a transfer and must be set forth in the
11 application for the tax credit pursuant to section
12 476C.4. Within thirty days of transfer, the
13 transferee must submit the transferred tax credit
14 certificate to the department along with a statement
15 containing the transferee's name, tax identification
16 number, and address, and the denomination that each
17 new certificate is to carry and any other information
18 required by the department. Within thirty days of
19 receiving the transferred tax credit certificate and
20 the transferee's statement, the department shall issue
21 one or more replacement tax credit certificates to the
22 transferee. Each replacement tax credit certificate
23 must contain the information required under section
24 476C.4, subsection 3, and must have the same effective
25 taxable year and the same expiration date that
26 appeared in the transferred tax credit certificate.
27 Tax credit certificate amounts of less than the
28 minimum amount established by rule shall not be
29 transferable. A tax credit shall not be claimed by a
30 transferee under this chapter until a replacement tax
31 credit certificate identifying the transferee as the
32 proper holder has been issued. The replacement tax
33 credit certificate may reflect a different type of tax
34 than the type of tax noted on the original tax credit
35 certificate.
36 The transferee may use the amount of the tax credit
37 transferred against taxes imposed under chapter 422,
38 divisions II, III, and V, and chapter 432 for any tax
39 year the original transferor could have claimed the
40 tax credit. The transferee may claim a refund under
41 chapter 423 or 437A for any tax year within the time
42 period set forth in section 423.47 or 437A.14 for
43 which the original transferor could have claimed the
44 refund. Any consideration received for the transfer
45 of the tax credit shall not be included as income
46 under chapter 422, divisions II, III, and V. Any
47 consideration paid for the transfer of the tax credit
48 shall not be deducted from income under chapter 422,
49 divisions II, III, and V.
50 2. To claim a renewable energy tax credit under

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1 this chapter, a taxpayer must attach one or more tax
2 credit certificates to the taxpayer's tax return, or
3 if used against taxes imposed under chapter 423, the
4 taxpayer shall comply with section 423.4, or if used
5 against taxes imposed under chapter 437A, the taxpayer
6 shall comply with section 437A.17B, subsection 4. A
7 tax credit certificate shall not be used or attached
8 to a return filed for a taxable year beginning prior
9 to July 1, 2006. The tax credit certificate or
10 certificates attached to the taxpayer's tax return
11 shall be issued in the taxpayer's name, expire on or
12 after the last day of the taxable year for which the
13 taxpayer is claiming the tax credit, and show a tax
14 credit amount equal to or greater than the tax credit
15 claimed on the taxpayer's tax return. Any tax credit
16 in excess of the taxpayer's tax liability for the
17 taxable year may be credited to the taxpayer's tax
18 liability for the following seven tax years or until
19 the credit is depleted, whichever is earlier. If the
20 tax credit is applied against the taxes imposed under
21 chapter 423 or 437A, any credit in excess of the
22 taxpayer's tax liability is carried over and can be
23 filed with the refund claim for the following seven
24 tax years or until depleted, whichever is earlier.
25 However, the certificate shall not be used to reduce
26 tax liability for a tax period ending after the
27 expiration date of the certificate.

28 3. The department shall develop a system for the
29 registration of the renewable energy tax credit
30 certificates issued or transferred under this chapter
31 and a system that permits verification that any tax
32 credit claimed on a tax return is valid and that
33 transfers of the tax credit certificates are made in
34 accordance with the requirements of this chapter. The
35 tax credit certificates issued under this chapter
36 shall not be classified as a security pursuant to
37 chapter 502.

38 Sec. __. NEW SECTION. 476C.7 RULES.

39 The department and the board may adopt rules
40 pursuant to chapter 17A for the administration and
41 enforcement of this chapter.

42 Sec. __. EFFECTIVE DATE. This division of this
43 Act, being deemed of immediate importance, takes
44 effect upon enactment."

45 44. Page 48, by inserting after line 26 the
46 following:

47 "DIVISION
48 PROVISIONS RELATING TO THE PRACTICE OF PHARMACY
49 Sec. __. Section 155A.3, subsection 11, Code
50 2005, is amended to read as follows:

Page 40

1 11. "Dispense" means to deliver a prescription
2 drug, device, or controlled substance to an ultimate
3 user or research subject by or pursuant to the lawful
4 prescription drug order or medication order of a
5 practitioner, including the prescribing,
6 administering, packaging, labeling, or compounding
7 necessary to prepare the substance for that delivery.

8 Sec. __. Section 155A.3, Code 2005, is amended by
9 adding the following new subsection:

10 NEW SUBSECTION. 22A. "Logistics provider" means
11 an entity that provides or coordinates warehousing,
12 distribution, or other services on behalf of a
13 manufacturer or other owner of a drug, but does not
14 take title to the drug or have general responsibility
15 to direct its sale or other disposition.

16 Sec. __. Section 155A.3, Code 2005, is amended by
17 adding the following new subsection:

18 NEW SUBSECTION. 23A. "Pedigree" means a recording
19 of each distribution of any given drug or device, from
20 the sale by the manufacturer through acquisition and
21 sale by any wholesaler, pursuant to rules adopted by
22 the board.

23 Sec. __. Section 155A.3, subsection 33, paragraph
24 b, Code 2005, is amended to read as follows:

25 b. A drug or device that under federal law is
26 required, prior to being dispensed or delivered, to be
27 labeled with ~~either one~~ one of the following statements:

28 (1) Caution: Federal law prohibits dispensing
29 without a prescription.

30 (2) Caution: Federal law restricts this drug to
31 use by or on the order of a licensed veterinarian.

32 (3) Caution: Federal law restricts this device to
33 sale by, or on the order of, a physician.

34 (4) Rx only.

35 Sec. __. Section 155A.3, subsection 35, Code
36 2005, is amended to read as follows:

37 35. "Proprietary medicine" or "over-the-counter
38 medicine" means a nonnarcotic drug or device that may
39 be sold without a prescription and that is labeled and
40 packaged in compliance with applicable state or
41 federal law.

42 Sec. __. Section 155A.3, subsection 38, Code
43 2005, is amended to read as follows:

44 38. "Wholesaler" means a person operating or
45 maintaining, either within or outside this state, a
46 manufacturing plant, wholesale distribution center,
47 wholesale business, or any other business in which
48 prescription drugs or devices, medicinal chemicals,
49 medicines, or poisons are sold, manufactured,
50 compounded, dispensed, stocked, exposed, distributed

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1 from, or offered for sale at wholesale in this state.
2 "Wholesaler" does not include those wholesalers who
3 sell only proprietary or over-the-counter medicines.
4 "Wholesaler" also does not include a commercial
5 carrier that temporarily stores prescription drugs or
6 devices, medicinal chemicals, medicines, or poisons
7 while in transit.

8 Sec. __. Section 155A.4, subsection 2, paragraph
9 a, Code 2005, is amended to read as follows:

10 a. A ~~manufacturer or~~ wholesaler to distribute
11 prescription drugs or devices as provided by state or
12 federal law.

13 Sec. __. Section 155A.13, subsection 6,
14 unnumbered paragraph 1, Code 2005, is amended to read
15 as follows:

16 To qualify for a pharmacy license, the applicant
17 shall submit to the board a license fee as determined
18 by the board and a completed application on a form
19 prescribed by the board ~~that shall include the~~
20 ~~following information and.~~ The application shall
21 include the following and such other information as
22 required by rules of the board and shall be given
23 under oath:

24 Sec. __. Section 155A.17, subsection 2, Code
25 2005, is amended to read as follows:

26 2. The board shall establish standards for drug
27 wholesaler licensure and may define specific types of
28 wholesaler licenses. ~~The board may~~ deny, suspend, or
29 revoke a drug wholesale license for failure to meet
30 the applicable standards or for a violation of the
31 laws of this state, another state, or the United
32 States relating to prescription drugs, devices, or
33 controlled substances, or for a violation of this
34 chapter, chapter 124, 124A, 124B, 126, or 205, or a
35 rule of the board.

36 Sec. __. Section 155A.17, subsection 3, Code
37 2005, is amended to read as follows:

38 3. The board shall adopt rules pursuant to chapter
39 17A on matters pertaining to the issuance of a
40 wholesale drug license. The rules shall provide for
41 conditions of licensure, compliance standards,
42 licensure fees, disciplinary action, and other
43 relevant matters. Additionally, the rules shall
44 establish provisions or exceptions for pharmacies,
45 chain pharmacy distribution centers, logistics
46 providers, and other types of wholesalers relating to
47 pedigree requirements, drug or device returns, and
48 other related matters, so as not to prevent or
49 interfere with usual, customary, and necessary
50 business activities.

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1 Sec. ___. Section 155A.19, subsection 1, paragraph
2 f, Code 2005, is amended by striking the paragraph and
3 inserting in lieu thereof the following:
4 f. Change of legal name or doing-business-as name.
5 Sec. ___. Section 155A.19, Code 2005, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 3. A wholesaler shall report in
8 writing to the board, pursuant to its rules, the
9 following:
10 a. Permanent closing or discontinuation of
11 wholesale distributions into this state.
12 b. Change of ownership.
13 c. Change of location.
14 d. Change of the wholesaler's responsible
15 individual.
16 e. Change of legal name or doing-business-as name.
17 f. Theft or significant loss of any controlled
18 substance on discovery of the theft or loss.
19 g. Disasters, accidents, and emergencies that may
20 affect the strength, purity, or labeling of drugs,
21 medications, devices, or other materials used in the
22 diagnosis or the treatment of injury, illness, and
23 disease.
24 h. Other information or activities as required by
25 rule.
26 Sec. ___. Section 155A.20, subsection 1, Code
27 2005, is amended to read as follows:
28 1. A person other than a pharmacy or wholesaler
29 licensed under this chapter, shall not display in or
30 on any store, internet site, or place of business, nor
31 use in any advertising or promotional literature,
32 communication, or representation, the word or words:
33 "apothecary", "drug", "drug store", or "pharmacy",
34 either in English or any other language, any other
35 word or combination of words of the same or similar
36 meaning, or any graphic representation in a manner
37 that would mislead the public ~~unless it is a pharmacy~~
38 ~~or drug wholesaler licensed under this chapter.~~
39 Sec. ___. Section 155A.21, Code 2005, is amended
40 to read as follows:
41 155A.21 UNLAWFUL POSSESSION OF PRESCRIPTION DRUG
42 OR DEVICE – PENALTY.
43 1. A person found in possession of a drug or
44 device limited to dispensation by prescription, unless
45 the drug or device was so lawfully dispensed, commits
46 a serious misdemeanor.
47 2. Subsection 1 does not apply to a licensed
48 pharmacy, licensed wholesaler, physician,
49 veterinarian, dentist, podiatric physician,
50 therapeutically certified optometrist, advanced

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1 ~~registered nurse practitioner, physician assistant,~~ a
2 nurse acting under the direction of a physician, or
3 the board of pharmacy examiners, its officers, agents,
4 inspectors, and representatives, nor to a common
5 carrier, manufacturer's representative, or messenger
6 when transporting the drug or device in the same
7 unbroken package in which the drug or device was
8 delivered to that person for transportation.

9 Sec. __. Section 155A.23, Code 2005, is amended
10 to read as follows:

11 155A.23 PROHIBITED ACTS.

12 A person shall not perform or cause the performance
13 of or aid and abet any of the following acts:

14 1. ~~Obtain or attempt~~ Obtaining or attempting to
15 obtain a prescription drug or device or procure or
16 ~~attempt procuring or attempting~~ to procure the
17 administration of a prescription drug or device by:

18 a. ~~Fraud~~ Engaging in fraud, deceit,
19 misrepresentation, or subterfuge.

20 b. ~~Forgery or alteration of~~ Forging or altering a
21 written, electronic, or facsimile prescription or of
22 any written, electronic, or facsimile order.

23 c. ~~Concealment of~~ Concealing a material fact.

24 d. ~~Use of~~ Using a false name or ~~the~~ giving of a
25 false address.

26 2. Willfully ~~make~~ making a false statement in any
27 prescription, report, or record required by this
28 chapter.

29 3. For the purpose of obtaining a prescription
30 drug or device, falsely ~~assume~~ assuming the title of
31 or ~~claim~~ claiming to be a manufacturer, wholesaler,
32 pharmacist, pharmacy owner, physician, dentist,
33 podiatric physician, veterinarian, or other authorized
34 person.

35 4. ~~Make or utter~~ Making or uttering any false or
36 forged oral, written, electronic, or facsimile
37 prescription or oral, written, electronic, or
38 facsimile order.

39 5. ~~Affix any false or forged label to a package or~~
40 ~~receptacle containing prescription drugs~~ Forging,
41 counterfeiting, simulating, or falsely representing
42 any drug or device without the authority of the
43 manufacturer, or using any mark, stamp, tag, label, or
44 other identification device without the authorization
45 of the manufacturer.

46 6. Manufacturing, repackaging, selling,
47 delivering, or holding or offering for sale any drug
48 or device that is adulterated, misbranded,
49 counterfeit, suspected of being counterfeit, or that
50 has otherwise been rendered unfit for distribution.

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- 1 7. Adulterating, misbranding, or counterfeiting
- 2 any drug or device.
- 3 8. Receiving any drug or device that is
- 4 adulterated, misbranded, stolen, obtained by fraud or
- 5 deceit, counterfeit, or suspected of being
- 6 counterfeit, and delivering or proffering delivery of
- 7 such drug or device for pay or otherwise.
- 8 9. Adulterating, mutilating, destroying,
- 9 obliterating, or removing the whole or any part of the
- 10 labeling of a drug or device or committing any other
- 11 act with respect to a drug or device that results in
- 12 the drug or device being misbranded.
- 13 10. Purchasing or receiving a drug or device from
- 14 a person who is not licensed to distribute the drug or
- 15 device to that purchaser or recipient.
- 16 11. Selling or transferring a drug or device to a
- 17 person who is not authorized under the law of the
- 18 jurisdiction in which the person receives the drug or
- 19 device to purchase or possess the drug or device from
- 20 the person selling or transferring the drug or device.
- 21 12. Failing to maintain or provide records as
- 22 required by this chapter, chapter 124, or rules of the
- 23 board.
- 24 13. Providing the board or any of its
- 25 representatives or any state or federal official with
- 26 false or fraudulent records or making false or
- 27 fraudulent statements regarding any matter within the
- 28 scope of this chapter, chapter 124, or rules of the
- 29 board.
- 30 14. Distributing at wholesale any drug or device
- 31 that meets any of the following conditions:
- 32 a. The drug or device was purchased by a public or
- 33 private hospital or other health care entity.
- 34 b. The drug or device was donated or supplied at a
- 35 reduced price to a charitable organization.
- 36 c. The drug or device was purchased from a person
- 37 not licensed to distribute the drug or device.
- 38 d. The drug or device was stolen or obtained by
- 39 fraud or deceit.
- 40 15. Failing to obtain a license or operating
- 41 without a valid license when a license is required
- 42 pursuant to this chapter or chapter 147.
- 43 16. Engaging in misrepresentation or fraud in the
- 44 distribution of a drug or device.
- 45 17. Distributing a drug or device to a patient
- 46 without a prescription drug order or medication order
- 47 from a practitioner licensed by law to use or
- 48 prescribe the drug or device.
- 49 18. Distributing a drug or device that was
- 50 previously dispensed by a pharmacy or distributed by a

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1 practitioner except as provided by rules of the board.
2 19. Failing to report any prohibited act.
3 Information communicated to a physician in an
4 unlawful effort to procure a prescription drug or
5 device or to procure the administration of a
6 prescription drug shall not be deemed a privileged
7 communication.
8 Subsections 6 and 7 shall not apply to the
9 wholesale distribution by a manufacturer of a
10 prescription drug or device that has been delivered
11 into commerce pursuant to an application approved by
12 the federal food and drug administration.
13 Sec. __. Section 155A.24, Code 2005, is amended
14 to read as follows:
15 155A.24 PENALTIES.
16 1. A Except as otherwise provided in this section,
17 a person who violates a provision of section 155A.23
18 or who sells or offers for sale, gives away, or
19 administers to another person any prescription drug or
20 device in violation of this chapter commits a public
21 offense and shall be punished as follows:
22 a. If the prescription drug is a controlled
23 substance, the person shall be punished pursuant to
24 ~~section 124.401, subsection 1, and section 124.411~~
25 ~~chapter 124, division IV.~~
26 b. If the prescription drug is not a controlled
27 substance, the person, upon conviction of a first
28 offense, is guilty of a serious misdemeanor. For a
29 second offense, or if in case of a first offense the
30 offender previously has been convicted of any
31 violation of the laws of the United States or of any
32 state, territory, or district thereof relating to
33 prescription drugs or devices, the offender is guilty
34 of an aggravated misdemeanor. For a third or
35 subsequent offense or if in the case of a second
36 offense the offender previously has been convicted two
37 or more times in the aggregate of any violation of the
38 laws of the United States or of any state, territory,
39 or district thereof relating to prescription drugs or
40 devices, the offender is guilty of a class "D" felony.
41 2. A person who violates any provision of this
42 chapter by selling, giving away, or administering any
43 prescription drug or device to a minor is guilty of a
44 class "C" felony.
45 3. A wholesaler who, with intent to defraud or
46 deceive, fails to deliver to another person, when
47 required by rules of the board, complete and accurate
48 pedigree concerning a drug prior to transferring the
49 drug to another person is guilty of a class "C"
50 felony.

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1 4. A wholesaler who, with intent to defraud or
2 deceive, fails to acquire, when required by rules of
3 the board, complete and accurate pedigree concerning a
4 drug prior to obtaining the drug from another person
5 is guilty of a class "C" felony.

6 5. A wholesaler who knowingly destroys, alters,
7 conceals, or fails to maintain, as required by rules
8 of the board, complete and accurate pedigree
9 concerning any drug in the person's possession is
10 guilty of a class "C" felony.

11 6. A wholesaler who is in possession of pedigree
12 documents required by rules of the board, and who
13 knowingly fails to authenticate the matters contained
14 in the documents as required, and who nevertheless
15 distributes or attempts to further distribute drugs is
16 guilty of a class "C" felony.

17 7. A wholesaler who, with intent to defraud or
18 deceive, falsely swears or certifies that the person
19 has authenticated any documents related to the
20 wholesale distribution of drugs or devices is guilty
21 of a class "C" felony.

22 8. A wholesaler who knowingly forges,
23 counterfeits, or falsely creates any pedigree, who
24 falsely represents any factual matter contained in any
25 pedigree, or who knowingly omits to record material
26 information required to be recorded in a pedigree is
27 guilty of a class "C" felony.

28 9. A wholesaler who knowingly purchases or
29 receives drugs or devices from a person not authorized
30 to distribute drugs or devices in wholesale
31 distribution is guilty of a class "C" felony.

32 10. A wholesaler who knowingly sells, barters,
33 brokers, or transfers a drug or device to a person not
34 authorized to purchase the drug or device under the
35 jurisdiction in which the person receives the drug or
36 device in a wholesale distribution is guilty of a
37 class "C" felony.

38 11. A person who knowingly manufacturers, sells,
39 or delivers, or who possesses with intent to sell or
40 deliver, a counterfeit, misbranded, or adulterated
41 drug or device is guilty of the following:

42 a. If the person manufactures or produces a
43 counterfeit, misbranded, or adulterated drug or
44 device; or if the quantity of a counterfeit,
45 misbranded, or adulterated drug or device being sold,
46 delivered, or possessed with intent to sell or deliver
47 exceeds one thousand units or dosages; or if the
48 violation is a third or subsequent violation of this
49 subsection, the person is guilty of a class "C"
50 felony.

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1 b. If the quantity of a counterfeit, misbranded,
2 or adulterated drug or device being sold, delivered,
3 or possessed with intent to sell or deliver exceeds
4 one hundred units or dosages but does not exceed one
5 thousand units or dosages; or if the violation is a
6 second or subsequent violation of this subsection, the
7 person is guilty of a class "D" felony.

8 c. All other violations of this subsection shall
9 constitute an aggravated misdemeanor.

10 12. A person who knowingly forges, counterfeits,
11 or falsely creates any label for a drug or device or
12 who falsely represents any factual matter contained on
13 any label of a drug or device is guilty of a class "C"
14 felony.

15 13. A person who knowingly possesses, purchases,
16 or brings into the state a counterfeit, misbranded, or
17 adulterated drug or device is guilty of the following:

18 a. If the quantity of a counterfeit, misbranded,
19 or adulterated drug or device being possessed,
20 purchased, or brought into the state exceeds one
21 hundred units or dosages; or if the violation is a
22 second or subsequent violation of this subsection, the
23 person is guilty of a class "D" felony.

24 b. All other violations of this subsection shall
25 constitute an aggravated misdemeanor.

26 14. This section does not prevent a licensed
27 practitioner of medicine, dentistry, podiatry,
28 nursing, veterinary medicine, optometry, or pharmacy
29 from acts necessary in the ethical and legal
30 performance of the practitioner's profession.

31 15. Subsections 1 and 2 shall not apply to a
32 parent or legal guardian administering, in good faith,
33 a prescription drug or device to a child of the parent
34 or a child for whom the individual is designated a
35 legal guardian.

36 Sec. __. NEW SECTION. 155A.40 CRIMINAL HISTORY
37 RECORD CHECKS.

38 1. The board may request and obtain,
39 notwithstanding section 692.2, subsection 5, criminal
40 history data for any applicant for an initial or
41 renewal license or registration issued pursuant to
42 this chapter or chapter 147, any applicant for
43 reinstatement of a license or registration issued
44 pursuant to this chapter or chapter 147, or any
45 licensee or registrant who is being monitored as a
46 result of a board order or agreement resolving an
47 administrative disciplinary action, for the purpose of
48 evaluating the applicant's, licensee's, or
49 registrant's eligibility for licensure, registration,
50 or suitability for continued practice of the

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1 profession. Criminal history data may be requested
2 for all owners, managers, and principal employees of a
3 pharmacy or drug wholesaler licensed pursuant to this
4 chapter. The board shall adopt rules pursuant to
5 chapter 17A to implement this section. The board
6 shall inform the applicant, licensee, or registrant of
7 the criminal history requirement and obtain a signed
8 waiver from the applicant, licensee, or registrant
9 prior to submitting a criminal history data request.

10 2. A request for criminal history data shall be
11 submitted to the department of public safety, division
12 of criminal investigation and bureau of
13 identification, pursuant to section 692.2, subsection
14 1. The board may also require such applicants,
15 licensees, and registrants to provide a full set of
16 fingerprints, in a form and manner prescribed by the
17 board. Such fingerprints may be submitted to the
18 federal bureau of investigation through the state
19 criminal history repository for a national criminal
20 history check. The board may authorize alternate
21 methods or sources for obtaining criminal history
22 record information. The board may, in addition to any
23 other fees, charge and collect such amounts as may be
24 incurred by the board, the department of public
25 safety, or the federal bureau of investigation in
26 obtaining criminal history information. Amounts
27 collected shall be considered repayment receipts as
28 defined in section 8.2.

29 3. Criminal history information relating to an
30 applicant, licensee, or registrant obtained by the
31 board pursuant to this section is confidential. The
32 board may, however, use such information in a license
33 or registration denial proceeding. In a disciplinary
34 proceeding, such information shall constitute
35 investigative information under section 272C.6,
36 subsection 4, and may be used only for purposes
37 consistent with that section.

38 4. This section shall not apply to a manufacturer
39 of a prescription drug or device that has been
40 delivered into commerce pursuant to an application
41 approved by the federal food and drug administration.
42 Sec. __. NEW SECTION. 155A.41 CONTINUOUS
43 QUALITY IMPROVEMENT PROGRAM.

44 1. Each licensed pharmacy shall implement or
45 participate in a continuous quality improvement
46 program to review pharmacy procedures in order to
47 identify methods for addressing pharmacy medication
48 errors and for improving patient use of medications
49 and patient care services. Under the program, each
50 pharmacy shall assess its practices and identify areas

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- 1 for quality improvement.
 2 2. The board shall adopt rules for the
 3 administration of a continuous quality improvement
 4 program. The rules shall address all of the
 5 following:
 6 a. Program requirements and procedures.
 7 b. Program record and reporting requirements.
 8 c. Any other provisions necessary for the
 9 administration of a program."
 10 45. Title page, line 1, by inserting after the
 11 word "Act" the following: "relating to state and
 12 local finances by providing for tax exemptions,
 13 credits, tax credit transfers, and other tax-related
 14 matters and by".
 15 46. Title page, line 2, by inserting after the
 16 word "matters" the following: "and penalties"
 17 47. Title page, line 2, by inserting after the
 18 word "fees," the following: "providing for the
 19 generation and purchase of and tax credits for
 20 renewable energy,".
 21 48. By renumbering, relettering, or redesignating
 22 and correcting internal references as necessary.

Jochum of Dubuque offered the following amendment [H-1708](#), to the Senate amendment [H-1703](#), filed by her from the floor and moved its adoption:

[H-1708](#)

- 1 Amend the Senate amendment, [H-1703](#), to House File
 2 882, as amended, passed, and reprinted by the House,
 3 as follows:
 4 1. Page 9, by inserting after line 17 the
 5 following:
 6 "___". Page 18, by inserting after line 11 the
 7 following:
 8 "Sec. ___ Section 99F.4A, subsection 8,
 9 unnumbered paragraph 1, Code 2005, is amended to read
 10 as follows:
 11 The commission shall, upon the immediate payment of
 12 the applicable table games license fee and submission
 13 to the commission by June 1, ~~2005~~ 2006, of an
 14 application by a licensee of a pari-mutuel dog or
 15 horse racetrack licensed to conduct gambling games at
 16 a pari-mutuel racetrack enclosure, issue a license to
 17 the licensee to conduct table games of chance,
 18 including video machines that simulate table games of
 19 chance, at the pari-mutuel racetrack enclosure subject
 20 to the requirements of this subsection. However, a

21 table games license may only be issued to a licensee
22 required to pay a table games license fee of three
23 million dollars under this subsection if the licensee,
24 and all other licensees of an excursion gambling boat
25 in that county, file an agreement with the commission
26 authorizing the granting of a table games license
27 under this subsection and permitting all licensees of
28 an excursion gambling boat to operate a moored barge
29 as of a specific date. The licensee shall be granted
30 a table games license by the commission without
31 conducting a separate referendum authorizing table
32 games upon payment of the applicable license fee to
33 the commission which table games license fee may be
34 offset by the licensee against taxes imposed on the
35 licensee by section 99F.11, to the extent of twenty
36 percent of the table games license fee paid pursuant
37 to this subsection for each of five consecutive fiscal
38 years beginning with the fiscal year beginning July 1,
39 2008. Fees paid pursuant to this subsection are not
40 refundable to the licensee. A licensee shall not be
41 required to pay a fee to renew a table games license
42 issued pursuant to this subsection. Moneys collected
43 by the commission from a table games license fee paid
44 under this subsection shall be deposited in the
45 rebuild Iowa infrastructure fund created in section
46 8.57.""
47 2. Page 15, by inserting after line 18 the
48 following:
49 "___ . Page 24, by inserting after line 17 the
50 following:

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1 "Sec. ___. EFFECTIVE DATE. The section of this
2 division of this Act amending section 99F.4A,
3 subsection 8, being deemed of immediate importance,
4 takes effect upon enactment."
5 3. By renumbering as necessary.

Amendment [H-1708](#) lost.

Miller of Webster asked and received unanimous consent to withdraw amendment [H-1709](#) filed by Miller, Gaskill of Wapello and Mertz of Kossuth from the floor.

Dix of Butler offered amendment [H-1711](#), to the Senate amendment [H-1703](#), filed by him from the floor as follows:

[H-1711](#)

1 Amend the Senate amendment, [H-1703](#), to House File

2 882, as amended, passed, and reprinted by the House,
3 as follows:

4 1. By striking page 1, line 3, through page 49,
5 line 22, and inserting the following:

6 "___ . Page 2, by inserting after line 5 the
7 following:

8 "Sec. ___ . BUDGET PROCESS FOR FISCAL YEAR 2006-
9 2007.

10 1. For the budget process applicable to the fiscal
11 year beginning July 1, 2006, on or before October 1,
12 2005, in lieu of the information specified in section
13 8.23, subsection 1, unnumbered paragraph 1, and
14 paragraph "a", all departments and establishments of
15 the government shall transmit to the director of the
16 department of management, on blanks to be furnished by
17 the director, estimates of their expenditure
18 requirements, including every proposed expenditure,
19 for the ensuing fiscal year, together with supporting
20 data and explanations as called for by the director of
21 the department of management.

22 2. The estimates of expenditure requirements shall
23 be in a form specified by the director of the
24 department of management, and the expenditure
25 requirements shall include all proposed expenditures
26 and shall be prioritized by results to be achieved by
27 expenditures. The estimates shall be accompanied by
28 performance measures for evaluating the effectiveness
29 of the programs connected to the expenditures."

30 ___ . Page 4, by inserting after line 22, the
31 following:

32 "Sec. ___ . Section 8.8, Code 2005, is amended to
33 read as follows:

34 8.8 SPECIAL OLYMPICS FUND – APPROPRIATION.

35 A special olympics fund is created in the office of
36 the treasurer of state under the control of the
37 department of management. There is appropriated
38 annually from the general fund of the state to the
39 special olympics fund ~~thirty~~ fifty thousand dollars
40 for distribution to one or more organizations which
41 administer special olympics programs benefiting the
42 citizens of Iowa with disabilities."

43 ___ . Page 5, by inserting after line 11 the
44 following:

45 "Sec. ___ . DEPARTMENT OF CULTURAL AFFAIRS –
46 NONPROFIT MUSIC ENTITIES. There is appropriated from
47 the general fund of the state to the department of
48 cultural affairs for the fiscal year beginning July 1,
49 2005, and ending June 30, 2006, twenty-five thousand
50 dollars for purposes of providing two twelve thousand

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1 five hundred dollar grants to nonprofit music
 2 entities. A recipient of a grant shall be a nonprofit
 3 entity that is formed with members including local
 4 musicians, music promoters, representatives of music
 5 venues and businesses, community leaders, and live
 6 music enthusiasts who discuss, assess, and expedite
 7 the implementation of a unified music agenda for a
 8 local community and aggressively advocates, sponsors,
 9 and develops an independent, progressive live music
 10 economy in a local community."

11 ____ Page 5, line 13, by inserting before the
 12 word "department" the following: "Iowa".

13 ____ Page 5, by inserting before line 21, the
 14 following:

15 "Sec. ____ HEALTHY IOWANS TOBACCO TRUST – PKU
 16 ASSISTANCE. There is appropriated from the healthy
 17 Iowans tobacco trust created in section 12.65 to the
 18 Iowa department of public health for the fiscal year
 19 beginning July 1, 2005, and ending June 30, 2006, the
 20 following amount, or so much thereof as is necessary,
 21 to be used for the purpose designated:
 22 For providing grants to individual patients who
 23 have phenylketonuria (PKU) to assist with the costs of
 24 special food needed:

25 \$ 60,000

26 Sec. ____ ENRICH IOWA LIBRARIES PROGRAM. There is
 27 appropriated from the rebuild Iowa infrastructure fund
 28 to the department of education for the fiscal year
 29 beginning July 1, 2005, and ending June 30, 2006, the
 30 following amount, or so much thereof as is necessary:

31 To provide resources for structural and
 32 technological improvements to local libraries and for
 33 the enrich Iowa program, notwithstanding section 8.57,
 34 subsection 6, paragraph "c":

35 \$ 200,000

36 Sec. ____ DEPARTMENT OF EDUCATION – COMMUNITY
 37 COLLEGES. There is appropriated from the rebuild Iowa
 38 infrastructure fund to the department of education for
 39 the designated fiscal years, the following amounts, or
 40 so much thereof as is necessary, to be used for the
 41 purposes designated:

42 For major renovation and major repair needs,
 43 including health, life, and fire safety needs, and for
 44 compliance with the federal Americans With
 45 Disabilities Act, for state buildings and facilities
 46 under the purview of the community colleges:

47 FY 2006-2007 \$ 2,000,000

48 FY 2007-2008 \$ 2,000,000

49 FY 2008-2009 \$ 2,000,000

50 The moneys appropriated in this section shall be

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1 allocated to the community colleges based upon the
 2 distribution formula established in section 260C.18C,
 3 if enacted by 2005 Iowa Acts, [House File 216](#).
 4 Notwithstanding section 8.33, moneys appropriated
 5 in this section shall not revert at the close of the
 6 fiscal year for which they were appropriated but shall
 7 remain available for the purposes designated until the
 8 close of the fiscal year that begins July 1, 2010, or
 9 until the project for which the appropriation was made
 10 is completed, whichever is earlier."

11 ____ Page 5, by striking lines 21 through 29.

12 ____ Page 5, lines 31 and 32, by striking the
 13 words "state department of transportation" and
 14 inserting the following: "homeland security and
 15 emergency management division of the department of
 16 public safety".

17 ____ Page 6, line 1, by striking the figure
 18 "125,000" and inserting the following: "100,000".

19 ____ Page 6, by striking lines 2 through 19.

20 ____ Page 6, by inserting before line 20, the
 21 following:

22 "Sec.____. HEALTHY IOWANS TOBACCO TRUST – AIDS
 23 DRUG ASSISTANCE PROGRAM. There is appropriated from
 24 the healthy Iowans tobacco trust created in section
 25 12.65 to the Iowa department of public health for the
 26 fiscal year beginning July 1, 2005, and ending June
 27 30, 2006, the following amount, or so much thereof as
 28 is necessary, to be used for the purpose designated:
 29 For additional funding to leverage federal funding
 30 through the federal Ryan White Care Act, Title II,
 31 AIDS drug assistance program supplemental drug
 32 treatment grants:

33	\$ 275,000
----------	------------

34 Sec.____. GREAT PLACES. There is appropriated
 35 from the general fund of the state to the department
 36 of cultural affairs for the fiscal year beginning July
 37 1, 2004, and ending June 30, 2005, the following
 38 amount, or so much thereof as is necessary, to be used
 39 for the purposes designated:

40 For salaries, support, maintenance, and
 41 miscellaneous purposes:

42	\$ 100,000
----------	------------

43 Notwithstanding section 8.33, any moneys
 44 appropriated in this section that remain unencumbered
 45 or unobligated at the close of the fiscal year shall
 46 not revert but shall remain available for expenditure
 47 for the purposes designated until the close of the
 48 succeeding fiscal year.

49 Sec.____. UNDERGROUND STORAGE TANK FUND –
 50 WATERSHED IMPROVEMENT FUND – FY 2005-2006.

Page 4

1 Notwithstanding section 455G.3, subsection 1, there is
 2 appropriated from the Iowa comprehensive petroleum
 3 underground storage tank fund created in section
 4 455G.3, subsection 1, to the office of the treasurer
 5 of state during the fiscal year beginning July 1,
 6 2005, and ending June 30, 2006, the following amount,
 7 or so much thereof as is necessary, to be used for the
 8 purpose designated:

9 For deposit in the watershed improvement fund
 10 created in 2005 Iowa Acts, [Senate File 200](#), if
 11 enacted:
 12 \$ 5,000,000

13 Moneys in the watershed improvement fund are
 14 appropriated for the fiscal year beginning July 1,
 15 2005, and ending June 30, 2006, to fulfill the duties
 16 of the watershed improvement review board, if enacted
 17 by 2005 Iowa Acts, [Senate File 200](#)."

18 ____ Page 6, by striking lines 31 through 35.

19 ____ By striking page 7, line 1, through page 11,
 20 line 16.

21 ____ Page 11, by inserting before line 17, the
 22 following:

23 "Sec. ____ 2005 Iowa Acts, [House File 862](#), section
 24 1, subsection 2, paragraph h, unnumbered paragraph 1,
 25 and paragraph i, unnumbered paragraph 1, if enacted,
 26 are amended to read as follows:

27 For a grant program to provide substance abuse
 28 prevention programming for children:
 29 \$ 400,000
 30 200,000

31 For a grant to a program that utilizes high school
 32 mentors to teach life skills, violence prevention, and
 33 character education in an effort to reduce the illegal
 34 use of alcohol, tobacco, and other substances:
 35 \$ 400,000
 36 200,000

37 Sec. ____ 2005 Iowa Acts, [House File 862](#), section
 38 1, subsection 2, paragraph j, if enacted, is amended
 39 to read as follows:

40 j. For a grant program to provide substance abuse
 41 prevention programming, including tobacco use
 42 prevention programming, for children:
 43 \$ 800,000
 44 400,000

45 The Iowa department of public health shall utilize
 46 a request for proposals process to implement this
 47 paragraph "j". A program approved for a grant under
 48 paragraph "h" or paragraph "i" shall not be eligible
 49 for a grant under this paragraph "j".
 50 Eligible grant applicants shall include, but shall

Page 5

1 not be limited to, mentoring organizations and
2 organizations that practice and implement nationally
3 accepted standards for mentoring programs.

4 All grant recipients shall participate in a program
5 evaluation as a requirement for receiving grant funds.
6 Sec. __. NATIONAL GOVERNORS ASSOCIATION MEETING.
7 2004 Iowa Acts, chapter 1175, section 12, subsection
8 4, as amended by 2005 Iowa Acts, [House File 810](#), if
9 enacted, is amended to read as follows:

10 4. NATIONAL GOVERNORS ASSOCIATION

11 For payment of Iowa's membership in the national
12 governors association:

13 \$ ~~364,393~~
14 164,393

15 Of the funds appropriated in this subsection,
16 ~~\$300,000~~ \$100,000 is allocated for security-related
17 costs and other expenses associated with the national
18 governors association national meeting.
19 Notwithstanding section 8.33, the moneys allocated for
20 the meeting that remain unencumbered or unobligated at
21 the close of the fiscal year shall not revert but
22 shall remain available for expenditure for the
23 purposes designated until the close of the succeeding
24 fiscal year.

25 Sec. __. 2005 Iowa Acts, [House File 881](#), section
26 5, unnumbered paragraph 1, if enacted, is amended to
27 read as follows:

28 There is appropriated from the general fund of the
29 state to the salary adjustment fund for distribution
30 by the department of management to the various state
31 departments, boards, commissions, councils, and
32 agencies, excluding the state board of regents, for
33 the fiscal year beginning July 1, 2005, and ending
34 June 30, 2006, the amount of ~~\$38,500,000~~ 40,900,000,
35 or so much thereof as may be necessary, to fully fund
36 annual pay adjustments, expense reimbursements, and
37 related benefits implemented pursuant to the
38 following:"

39 __. By striking page 12, line 18, through page
40 13, line 4.

41 __. Page 13, by striking lines 27 through 33.

42 __. Page 13, by inserting before line 34, the
43 following:

44 " __. The sections of this division of this Act
45 appropriating moneys to the department of cultural
46 affairs for great places and amending 2004 Iowa Acts,
47 chapter 1175, section 12, subsection 4, being deemed
48 of immediate importance, take effect upon enactment."

49 __. Page 13, by inserting before line 34 the
50 following:

Page 6

1 "DIVISION
2 APPROPRIATION REVISIONS
3 Sec. ___. JOBS FOR AMERICA'S GRADUATES. There is
4 appropriated from the general fund of the state to the
5 department of education for the fiscal year beginning
6 July 1, 2005, and ending June 30, 2006, the following
7 amount, or so much thereof as is necessary, to be used
8 for the purpose designated:
9 For school districts to provide direct services to
10 the most at-risk senior high school students enrolled
11 in school districts through direct intervention by a
12 jobs for America's graduates specialist:
13 \$ 400,000
14 Sec. ___. DEPARTMENT OF ADMINISTRATIVE SERVICES –
15 FINANCIAL ADMINISTRATION. There is appropriated from
16 the general fund of the state to the department of
17 administrative services for the fiscal year beginning
18 July 1, 2005, and ending June 30, 2006, the following
19 amount, or so much thereof as is necessary, to be used
20 for the purpose designated:
21 For financial administration duties:
22 \$ 200,000
23 Sec. ___. DEPARTMENT OF MANAGEMENT – PERFORMANCE
24 AUDITS. There is appropriated from the general fund
25 of the state to the department of management for the
26 fiscal year beginning July 1, 2005, and ending June
27 30, 2006, the following amount, or so much thereof as
28 is necessary, to be used for the purposes designated:
29 For conducting performance audits and developing
30 performance measures, including salaries, support,
31 maintenance, miscellaneous purposes, and for not more
32 than the following full-time equivalent positions:
33 \$ 216,000
34 FTEs 2.50
35 Sec. ___. GOVERNOR'S OFFICE OF DRUG CONTROL
36 POLICY. If 2005 Iowa Acts, [House File 810](#), is enacted
37 and provides for an appropriation from the general
38 fund of the state to the governor's office of drug
39 control policy for the fiscal year beginning July 1,
40 2005, and ending June 30, 2006, that appropriation is
41 reduced by the following amount:
42 \$ 13,195
43 Sec. ___. DEPARTMENT OF INSPECTIONS AND APPEALS –
44 ADMINISTRATION DIVISION. If 2005 Iowa Acts, House
45 File 810, is enacted and provides for an appropriation
46 from the general fund of the state to the department
47 of inspections and appeals, administration division,
48 for the fiscal year beginning July 1, 2005, and ending
49 June 30, 2006, that appropriation is reduced by the
50 following amount:

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1 \$ 49,000
 2 Sec. __. DEPARTMENT OF REVENUE – OPERATIONS. If
 3 2005 Iowa Acts, [House File 810](#), is enacted and
 4 provides for an appropriation from the general fund of
 5 the state to the department of revenue for operations
 6 for the fiscal year beginning July 1, 2005, and ending
 7 June 30, 2006, that appropriation is reduced by the
 8 following amount:

9 \$ 25,882

10 Sec. __. DEPARTMENT OF AGRICULTURE AND LAND
 11 STEWARDSHIP – SOIL AND WATER CONSERVATION DISTRICTS.
 12 If 2005 Iowa Acts, [House File 808](#), is enacted and
 13 provides for an appropriation from the general fund of
 14 the state to the department of agriculture and land
 15 stewardship for purposes of reimbursing commissioners
 16 of soil and water conservation districts for expenses,
 17 for the fiscal year beginning July 1, 2005, and ending
 18 June 30, 2006, that appropriation is reduced by the
 19 following amount:

20 \$ 50,000

21 Sec. __. COLLEGE STUDENT AID COMMISSION. If 2005
 22 Iowa Acts, [House File 816](#), is enacted and provides for
 23 an appropriation from the general fund of the state to
 24 the college student aid commission for the national
 25 guard educational assistance program for the fiscal
 26 year beginning July 1, 2005, and ending June 30, 2006,
 27 that appropriation is reduced by the following amount:

28 \$ 75,000

29 Sec. __. DEPARTMENT OF MANAGEMENT. If 2005 Iowa
 30 Acts, [House File 816](#) is enacted and provides for an
 31 appropriation from the general fund of the state to
 32 the department of management for allocation to the
 33 institute for tomorrow's workforce created under
 34 chapter 7K, if enacted by 2005 Iowa Acts, House File
 35 816, for the fiscal year beginning July 1, 2005, and
 36 ending June 30, 2006, that appropriation is reduced by
 37 the following amount:

38 \$ 100,000

39 Sec. __. IOWA DEPARTMENT OF PUBLIC HEALTH. If
 40 2005 Iowa Acts, [House File 825](#), is enacted and
 41 provides for appropriations from the general fund of
 42 the state to the Iowa department of public health for
 43 the fiscal year beginning July 1, 2005, and ending
 44 June 30, 2006, for the following indicated purposes in
 45 2005 Iowa Acts, [House File 825](#), those appropriations
 46 are reduced by the following amounts:

47 1. For environmental hazards:
 48 \$ 50,000

49 2. For injuries:
 50 \$ 50,000

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1 3. For public protection:
2 \$ 40,000
3 Sec. __. MEDICAL ASSISTANCE APPROPRIATION. If
4 2005 Iowa Acts, [House File 825](#), is enacted and
5 provides for an appropriation from the general fund of
6 the state to the department of human services for the
7 fiscal year beginning July 1, 2005, and ending June
8 30, 2006, for the medical assistance program, that
9 appropriation is reduced by the following amount:
10 \$ 11,353,381
11 Sec. __. SENIOR LIVING TRUST FUND APPROPRIATION.
12 If 2005 Iowa Acts, [House File 825](#), is enacted and
13 provides for an appropriation from the senior living
14 trust fund to the department of human services for the
15 fiscal year beginning July 1, 2005, and ending June
16 30, 2006, to supplement the medical assistance
17 appropriation, that appropriation is increased by the
18 following amount:
19 \$ 9,353,381
20 Sec. __. DEPARTMENT OF HUMAN SERVICES. If 2005
21 Iowa Acts, [House File 825](#), is enacted and provides for
22 appropriations from the general fund of the state to
23 the department of human services for the fiscal year
24 beginning July 1, 2005, and ending June 30, 2006, for
25 the following indicated purposes, those appropriations
26 are reduced by the following amounts:
27 1. For the children's health insurance program:
28 \$ 50,000
29 2. For MI/MR/DD state cases:
30 \$ 50,000
31 Sec. __. DEPARTMENT OF JUSTICE – GENERAL OFFICE.
32 If 2005 Iowa Acts, [House File 811](#), is enacted and
33 provides for an appropriation from the general fund of
34 the state to the department of justice for the
35 department's general office, that appropriation is
36 reduced by the following amount:
37 \$ 25,000
38 Sec. __. DEPARTMENT OF CORRECTIONS. If 2005 Iowa
39 Acts, [House File 811](#), is enacted and provides for an
40 appropriation from the general fund of the state to
41 the department of corrections for offender substance
42 abuse and mental health treatment for the fiscal year
43 beginning July 1, 2005, and ending June 30, 2006, that
44 appropriation is reduced by the following amount:
45 \$ 100,000
46 Sec. __. DEPARTMENT OF PUBLIC SAFETY – BUILDING
47 SECURITY. If 2005 Iowa Acts, [House File 875](#), is
48 enacted and provides for an appropriation from the
49 general fund of the state to the department of public
50 safety for capitol building and judicial building

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1 security for the fiscal year beginning July 1, 2005,
 2 and ending June 30, 2006, that appropriation is
 3 reduced by the following amount:
 4 \$ 25,000
 5 Sec. __. JUDICIAL BRANCH. If 2005 Iowa Acts,
 6 [House File 807](#), is enacted and provides for an
 7 appropriation from the general fund of the state to
 8 the judicial branch for the fiscal year beginning July
 9 1, 2005, and ending June 30, 2006, that appropriation
 10 is reduced by the following amount:
 11 \$ 50,000
 12 Sec. __. REGISTERED NURSE RECRUITMENT PROGRAM
 13 FUNDS. From the funds appropriated for tuition grants
 14 pursuant to section 261.25, subsection 1, for the
 15 fiscal year beginning July 1, 2005, up to fifty
 16 thousand dollars shall be used to provide forgivable
 17 loans as provided in section 261.23 to residents of
 18 Iowa who are registered nurses and who are seeking to
 19 become qualified as nursing faculty in Iowa and to
 20 teach in Iowa schools. To qualify for a forgivable
 21 loan pursuant to this section, in addition to the
 22 requirements of section 261.23, a person shall be
 23 enrolled at a not-for-profit accredited school of
 24 nursing that is located in this state.
 25 Sec. __. HEALTH FACILITIES COUNCIL. If 2005 Iowa
 26 Acts, [House File 810](#), is enacted and includes an
 27 appropriation from the general fund of the state to
 28 the department of inspections and appeals for the
 29 health facilities council for the fiscal year
 30 beginning July 1, 2005, and ending June 30, 2006, any
 31 provision of that appropriation designating the use of
 32 \$80,000 and a full-time equivalent position for a
 33 particular purpose shall not be applied.
 34 Sec. __. YOUTH ENRICHMENT PILOT PROJECT – YOUTH
 35 LEADERSHIP PROGRAM.
 36 1. Of the funds appropriated in 2005 Iowa Acts,
 37 [House File 807](#), if enacted, from the general fund of
 38 the state to the judicial branch for purposes of a
 39 youth enrichment pilot project, for the fiscal year
 40 beginning July 1, 2005, and ending June 30, 2006,
 41 \$50,000 is transferred to the department of
 42 corrections to be used for a youth leadership program
 43 in the sixth judicial district department of
 44 correctional services in accordance with subsection 2.
 45 2. The moneys transferred pursuant to subsection 1
 46 shall be used by the judicial district department of
 47 correctional services to establish or maintain a youth
 48 leadership model program to help at-risk youth in the
 49 judicial district department of correctional services.
 50 As a part of the program, the judicial district

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1 department of correctional services may recruit
2 college or high school students in the judicial
3 district to work with at-risk youth. The student
4 workers shall be recruited regardless of gender, be
5 recommended by their respective schools as good role
6 models, including, but not limited to, students who
7 possess capabilities in one or more of the following
8 areas of ability: intellectual capacity, athletic,
9 visual arts, or performing arts.
10 Sec. ___. CENTER FOR CONGENITAL AND INHERITED
11 DISORDERS CENTRAL REGISTRY. Notwithstanding section
12 144.13A, subsection 4, paragraph "a", for the fiscal
13 year beginning July 1, 2005, \$40,000 of the fees
14 collected by the state registrar that would otherwise
15 be appropriated and used for the center for congenital
16 and inherited disorders central registry established
17 pursuant to section 136A.6 shall be credited to the
18 general fund of the state."

19 ___. Page 13, by inserting after line 35, the
20 following:

21 "Sec. ___. Section 8D.2, subsection 5, paragraph
22 b, Code 2005, is amended to read as follows:
23 b. For the purposes of this chapter, "public
24 agency" also includes any homeland security or defense
25 facility or disaster response agency established by
26 the administrator of the homeland security and
27 emergency management division of the department of
28 public defense or the governor or any facility
29 connected with a security or defense system or
30 disaster response as required by the administrator of
31 the homeland security and emergency management
32 division of the department of public defense or the
33 governor.

34 Sec. ___. Section 8D.9, subsection 3, Code 2005,
35 is amended to read as follows:

36 3. A facility that is considered a public agency
37 pursuant to section 8D.2, subsection 5, paragraph "b",
38 shall be authorized to access the Iowa communications
39 network strictly for homeland security communication
40 purposes and disaster communication purposes. Any
41 utilization of the network that is not related to
42 communications concerning homeland security or a
43 disaster, as defined in section 29C.2, is expressly
44 prohibited. Access under this subsection shall be
45 available only if a state of disaster emergency is
46 proclaimed by the governor pursuant to section 29C.6
47 or a homeland security or disaster event occurs
48 requiring connection of disparate communications
49 systems between public agencies to provide for a
50 multi-agency or multi-jurisdictional response. Access

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1 shall continue only for the period of time the
2 homeland security or disaster event exists. For
3 purposes of this subsection, disaster communication
4 purposes includes training and exercising for a
5 disaster if public notice of the training and
6 exercising session is posted on the website of the
7 homeland security and emergency management division of
8 the department of public defense. A scheduled and
9 noticed training and exercising session shall not
10 exceed five days. Interpretation and application of
11 the provisions of this subsection shall be strictly
12 construed."

13 . By striking page 14, line 1, through page
14 15, line 17.

15 . Page 18, by inserting after line 30, the
16 following:

17 "Sec. . Section 331.439, Code 2005, is amended
18 by adding the following new subsection:
19 NEW SUBSECTION. 9. The county management plan
20 shall designate at least one hospital licensed under
21 chapter 135B that the county has contracted with to
22 provide services covered under the plan. If the
23 designated hospital does not have a bed available to
24 provide the services, the county is responsible for
25 the cost of covered services provided at an alternate
26 hospital licensed under chapter 135B.

27 Sec. . Section 364.17, subsection 3, paragraph
28 a, Code 2005, is amended to read as follows:

29 a. A schedule of civil penalties or criminal fines
30 for violations. A city may charge the owner of
31 housing a late payment fee of twenty-five dollars and
32 may add interest of up to one and one-half percent per
33 month if a penalty or fine imposed under this
34 paragraph is not paid within thirty days of the date
35 that the penalty or fine is due. The city shall send
36 a notice of the late payment fee to such owner by
37 first class mail to the owner's personal or business
38 mailing address. The late payment fee and the
39 interest shall not accrue if such owner files an
40 appeal with either the city, if the city has
41 established an appeals procedure, or the district
42 court. Any unpaid penalty, fine, fee, or interest
43 shall constitute a lien on the real property and may
44 be collected in the same manner as a property tax.
45 However, before a lien is filed, the city shall send a
46 notice of intent to file a lien to the owner of the
47 housing by first class mail to such owner's personal
48 or business mailing address.

49 Sec. . Section 364.17, subsection 5, Code 2005,
50 is amended to read as follows:

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1 5. Cities may establish reasonable fees for
2 inspection and enforcement procedures. A city may
3 charge the owner of housing a late payment penalty of
4 twenty-five dollars and may add interest of up to one
5 and one-half percent per month if a fee imposed under
6 this subsection is not paid within thirty days of the
7 date that the fee is due. The city shall send a
8 notice of the late payment penalty to such owner by
9 first class mail to the owner's personal or business
10 mailing address. The late payment penalty and the
11 interest shall not accrue if such owner files an
12 appeal with either the city, if the city has
13 established an appeals procedure, or the district
14 court. Any unpaid fee, penalty, or interest shall
15 constitute a lien on the real property and may be
16 collected in the same manner as a property tax.
17 However, before a lien is filed, the city shall send a
18 notice of intent to file a lien to the owner of the
19 housing by first class mail to such owner's personal
20 or business mailing address.

21 Sec. __. Section 384.16, subsection 1, unnumbered
22 paragraph 2, Code 2005, is amended to read as follows:

23 A budget must show comparisons between the
24 estimated expenditures in each program in the
25 following year ~~and the actual expenditures in each~~
26 ~~program during the two preceding years, the latest~~
27 estimated expenditures in each program in the current
28 year, and the actual expenditures in each program from
29 the annual report as provided in section 384.22, or as
30 corrected by a subsequent audit report. Wherever
31 practicable, as provided in rules of the committee, a
32 budget must show comparisons between the levels of
33 service provided by each program as estimated for the
34 following year, and actual levels of service provided
35 by each program during the two preceding years.

36 Sec. __. Section 384.16, Code 2005, is amended by
37 adding the following new subsection:

38 **NEW SUBSECTION.** 7. A city that does not submit a
39 budget in compliance with this section shall have all
40 state funds withheld until a budget that is in
41 compliance with this section is filed with the county
42 auditor and subsequently received by the department of
43 management. The department of management shall send
44 notice to state agencies responsible for disbursement
45 of state funds and that notice is sufficient
46 authorization for those funds to be withheld until
47 later notice is given by the department of management
48 to release those funds."

49 __. Page 20, by inserting after line 34, the
50 following:

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1 "Sec. ___. Section 427.1, subsection 21, Code
2 2005, is amended to read as follows:

3 21. LOW-RENT HOUSING. The property owned and
4 operated or controlled by a nonprofit organization, as
5 recognized by the internal revenue service, providing
6 low-rent housing for persons who are elderly and
7 persons with physical and mental disabilities. The
8 exemption granted under the provisions of this
9 subsection shall apply only until the ~~terms final~~
10 payment due date of the borrower's original low-rent
11 housing development mortgage or until the borrower's
12 original low-rent housing development mortgage is paid
13 in full or expires, whichever is sooner, subject to
14 the provisions of subsection 14. However, if the
15 borrower's original low-rent housing development
16 mortgage is refinanced, the exemption shall apply only
17 until the date that would have been the final payment
18 due date under the terms of the borrower's original
19 low-rent housing development mortgage or until the
20 refinanced mortgage is paid in full or expires,
21 whichever is sooner, subject to the provisions of
22 subsection 14."

23 ___. Page 21, by inserting after line 8, the
24 following:

25 "Sec. ___. Section 427.1, subsection 30, Code
26 2005, is amended to read as follows:

27 30. MANUFACTURED HOME COMMUNITY OR MOBILE HOME
28 PARK STORM SHELTER. A structure constructed as a
29 storm shelter at a manufactured home community or
30 mobile home park as defined in section 435.1. An
31 application for this exemption shall be filed with the
32 assessing authority not later than February 1 of the
33 first year for which the exemption is requested, on
34 forms provided by the department of revenue. The
35 application shall describe and locate the storm
36 shelter to be exempted. If the storm shelter
37 structure is used exclusively as a storm shelter, all
38 of the structure's assessed value shall be exempt from
39 taxation. If the storm shelter structure is not used
40 exclusively as a storm shelter, the storm shelter
41 structure shall be assessed for taxation at ~~seventy-~~
42 ~~five~~ fifty percent of its value as commercial
43 property."

44 ___. Page 23, by inserting after line 35, the
45 following:

46 "Sec. ___. Section 602.10110, Code 2005, is
47 amended to read as follows:

48 602.10110 OATH.

49 All persons on being admitted to the bar shall take
50 an oath or affirmation, as promulgated by the supreme

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1 ~~court, declaring~~ to support the Constitutions of the
2 United States and of the state of Iowa, and to
3 faithfully discharge, ~~according to the best of their~~
4 ~~ability,~~ the duties of an attorney ~~and counselor of~~
5 ~~this state according to the best of their ability.~~

6 Sec. ___. Section 692A.4A, if enacted by 2005 Iowa
7 Acts, [House File 619](#), is amended to read as follows:
8 692A.4A ELECTRONIC MONITORING.

9 A person required to register under this chapter
10 who is placed on probation, parole, work release,
11 special sentence, or any other type of conditional
12 release, may be supervised by an electronic tracking
13 and monitoring system in addition to any other
14 conditions of supervision. However, if the person
15 committed a criminal offense against a minor, or an
16 aggravated offense, sexually violent offense, or other
17 relevant offense that involved a minor, the person
18 shall be supervised for a period of at least five
19 years by an electronic tracking and monitoring system
20 in addition to any other conditions of release.

21 Sec. ___. Section 692A.13A, subsection 1,
22 unnumbered paragraph 1, if enacted by 2005 Iowa Acts,
23 [House File 619](#), is amended to read as follows:

24 The department of corrections, the department of
25 human services, and the department of public safety
26 shall, in consultation with one another, develop
27 methods and procedures for the assessment of the risk
28 to reoffend for persons newly required to register
29 under this chapter on or after the effective date of
30 this division of this Act, who have committed a
31 criminal offense against a minor, or an aggravated
32 offense, sexually violent offense, or other relevant
33 offense that involved a minor. The department of
34 corrections, in consultation with the department of
35 human services, the department of public safety, and
36 the attorney general, shall adopt rules relating to
37 assessment procedures. The assessment procedures
38 shall include procedures for the sharing of
39 information between the department of corrections,
40 department of human services, the juvenile court, and
41 the division of criminal investigation of the
42 department of public safety, as well as the
43 communication of the results of the risk assessment to
44 criminal and juvenile justice agencies. The
45 assignment of responsibility for the assessment of
46 risk shall be as follows:

47 Sec. ___. Section 602.10112, Code 2005, is
48 repealed."

49 ___. Page 24, by inserting before line 1, the
50 following:

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1 "Sec.____. VEHICLE DEALERSHIP STUDY. The
2 legislative council is requested to appoint an interim
3 study committee that will study the motor vehicle
4 licensing law as it pertains to motor vehicle
5 dealerships' moves from one facility and location to
6 another facility and location in the state. A report
7 should be provided to the general assembly by January
8 15, 2006."

9 2. Page 24, line 18, by striking the word
10 "section" and inserting the following: "sections".

11 3. Page 24, line 19, by inserting after the word
12 "Act" the following: "amending section 427.1,
13 subsection 21, and".

14 4. Page 24, line 20, by striking the words "a
15 property tax exemption" and inserting the following:
16 "property tax exemptions".

17 5. Page 24, by inserting after line 21, the
18 following:

19 "Sec.____. RETROACTIVE APPLICABILITY DATE. The
20 section of this division of this Act amending section
21 423E.5, being deemed of immediate importance, takes
22 effect upon enactment and applies retroactively to
23 July 1, 2004.

24 Sec.____. EFFECTIVE AND APPLICABILITY DATES. The
25 sections of this division of this Act amending section
26 427.1, subsection 21, and enacting new subsection 21A
27 to section 427.1, being deemed of immediate
28 importance, take effect upon enactment and apply
29 retroactively to January 1, 2005, for assessment years
30 beginning on or after that date.

31 Sec.____. APPLICABILITY. Section 25B.7 does not
32 apply to the amendment to section 427.1, subsection
33 30, in this division of this Act."

34 _____. Page 24, by inserting after line 27, the
35 following:

36 "Sec.____. EFFECTIVE DATE. The sections of this
37 division of this Act amending section 602.10110 and
38 repealing section 602.10112, being deemed of immediate
39 importance, take effect upon enactment."

40 _____. By striking page 24, line 28, through page
41 28, line 30.

42 _____. By striking page 35, line 25, through page
43 36, line 25 and inserting the following:

44 "Sec.____. COUNTY REAL ESTATE ELECTRONIC
45 GOVERNMENT ADVISORY COMMITTEE.

46 1. A county real estate electronic government
47 advisory committee is created. Staffing services for
48 the advisory committee shall be provided by the
49 auditor of state. The advisory committee membership
50 shall consist of the following:

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- 1 a. Two members selected by the Iowa state
- 2 association of county auditors.
- 3 b. Two members selected by the Iowa state county
- 4 treasurers association.
- 5 c. Two members selected by the Iowa county
- 6 recorders association.
- 7 d. Two members selected by the Iowa state
- 8 association of assessors.
- 9 e. One member selected by each of the following
- 10 organizations:
 - 11 (1) Iowa state association of counties.
 - 12 (2) Iowa land title association.
 - 13 (3) Iowa bankers association.
 - 14 (4) Iowa credit union league.
 - 15 (5) Iowa state bar association.
 - 16 (6) Iowa association of realtors.
- 17 2. The county real estate electronic government
- 18 advisory committee shall facilitate discussion to
- 19 integrate the county land record information system
- 20 created pursuant to section 331.605C with the
- 21 electronic government internet applications of county
- 22 treasurers, county recorders, county auditors, and
- 23 county assessors. The advisory committee shall file
- 24 an integration plan with the governor and the general
- 25 assembly on or before November 1, 2005."
- 26 6. By striking page 36, line 34, through page 37,
- 27 line 2, and inserting the following: "of the county
- 28 land record information system. The Iowa county
- 29 recorders".
- 30 7. Page 37, by striking line 21, and inserting
- 31 the following: "documents in the county land record
- 32 information system until authorized by the".
- 33 8. Page 37, line 22, by inserting after the word
- 34 "assembly." the following: "However, county recorders
- 35 may collect actual third-party fees associated with
- 36 accepting and processing statutorily authorized fees
- 37 including credit card fees, treasury management fees,
- 38 and other transaction fees required to enable
- 39 electronic payment. For the purposes of this
- 40 subsection, the term "third-party" does not include
- 41 the county land record information system, the Iowa
- 42 state association of counties, or any of the
- 43 association's affiliates."
- 44 9. Page 37, lines 24 and 25, by striking the
- 45 words "and the department of administrative services".
- 46 10. Page 37, by inserting after line 33, the
- 47 following:
 - 48 "Sec. ____ DATA SECURITY AUDIT.
 - 49 1. The Iowa county recorders association shall
 - 50 select a vendor to conduct a data security audit of

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1 the county land record information system created
2 pursuant to section 331.605C. The review and
3 assessment utilized in the audit shall include, but
4 are not limited to, a review of the functional and
5 system requirements, design documentation, software
6 code developed to support the business requirements,
7 operational procedures, financial flows including a
8 financial forecast, requests for proposals, and all
9 contracts.

10 2. The costs of the data security audit conducted
11 pursuant to subsection 1 shall be paid from moneys
12 appropriated to the treasurer of state pursuant to
13 section 331.605C.

14 3. The Iowa county recorders association shall
15 forward the complete results of the data security
16 audit to the government oversight committees of the
17 senate and the house of representatives and the
18 general assembly on or before December 1, 2005, and
19 the government oversight committees may request
20 additional updates."

21 _____. Page 39, by striking lines 26 through 33.

22 _____. Page 39, by inserting before line 34 the
23 following:

24 "Sec.____. Section 28.3, subsection 6, paragraph
25 b, Code 2005, as amended by 2005 Iowa Acts, House File
26 761, section 5, if enacted, is amended to read as
27 follows:

28 b. In addition, a community empowerment office is
29 established as a division of the department of
30 management to provide a center for facilitation,
31 communication, and coordination for community
32 empowerment activities and funding and for improvement
33 of the early care, education, health, and human
34 services systems. Staffing for the community
35 empowerment office shall be provided by a facilitator
36 or coordinator appointed by the governor, subject to
37 confirmation by the senate, and who serves at the
38 pleasure of the governor. A deputy and support staff
39 may be designated, subject to appropriation made for
40 this purpose. The facilitator or coordinator shall
41 submit reports to the governor, the Iowa board, and
42 the general assembly. The facilitator or coordinator
43 shall provide primary staffing to the board,
44 coordinate state technical assistance activities and
45 implementation of the technical assistance system, and
46 other communication and coordination functions to move
47 authority and decision-making responsibility from the
48 state to communities and individuals.

49 Sec.____. Section 28.4, subsection 14, if enacted
50 by 2005 Iowa Acts, [House File 761](#), section 9, is

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1 amended to read as follows:

2 14. With the assistance of the state departments
3 represented on the Iowa empowerment board and the
4 community empowerment office, develop and implement
5 requirements for community empowerment areas and the
6 state administrators of programs providing early care
7 or early care services to annually report to the
8 public and the early care ~~coordinator~~ staff designated
9 pursuant to section 28.3 regarding the results
10 produced by the community empowerment initiative and
11 by the programs. Source data shall also be made
12 available to the early care ~~coordinator~~."

13 _____. Page 43, by inserting after line 17, the
14 following:

15 "____. Section 135M.6, as enacted by 2005 Iowa
16 Acts, [House File 724](#), section 6, is amended to read as
17 follows:

18 135M.6 SAMPLE PRESCRIPTION DRUGS.

19 This chapter shall not be construed to restrict the
20 use of samples by a physician or other person legally
21 authorized to prescribe drugs ~~pursuant to section~~
22 ~~147.107~~ under state and federal law during the course
23 of the physician's or other person's duties at a
24 medical facility or pharmacy."

25 _____. Page 46, by inserting after line 18, the
26 following:

27 "Sec.____. Section 453A.47A, subsection 4, and
28 subsection 9, unnumbered paragraph 1, as enacted by
29 2005 Iowa Acts, [House File 339](#), section 4, are amended
30 to read as follows:

31 4. RETAILER – CIGARETTES AND TOBACCO PRODUCTS. A

32 retailer, as defined in section 453A.1, who holds a
33 permit under division I of this chapter is not
34 required to also obtain a ~~retailer~~ retail permit under
35 this division. However, if a retailer, as defined in
36 section 453A.1, only holds a permit under division I
37 of this chapter and that permit is suspended, revoked,
38 or expired, the retailer shall not sell any cigarettes
39 or tobacco products during the time which the permit
40 is suspended, revoked, or expired.

41 ~~Retailer~~ Retail permits shall be issued only upon
42 applications, accompanied by the fee indicated above,
43 made upon forms furnished by the department upon
44 written request. The failure to furnish such forms
45 shall be no excuse for the failure to file the form
46 unless absolute refusal is shown. The forms shall
47 specify:

48 Sec.____. Section 483A.8, subsection 5, Code 2005,
49 is amended to read as follows:

50 5. A nonresident owning land in this state may

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1 apply for ~~one of the first six thousand~~ a nonresident
2 ~~antlered or any sex deer licenses not limited to~~
3 ~~antlerless deer hunting license~~, and the provisions o
4 subsection 3 shall apply. However, if a nonresident
5 owning land in this state is unsuccessful in obtaining
6 one of the ~~first six thousand~~ nonresident ~~antlered or~~
7 ~~any sex deer hunting~~ licenses, the landowner shall be
8 given preference for one of the ~~two thousand five~~
9 ~~hundred~~ antlerless ~~deer~~ only nonresident deer ~~huntig~~
10 licenses available pursuant to subsection 3. A
11 nonresident owning land in this state shall pay the
12 fee for a nonresident antlerless only deer license and
13 the license shall be valid to hunt on the
14 nonresident's land only. ~~A nonresident owning land in~~
15 ~~this state is eligible for only one nonresident deer~~
16 ~~license annually~~. If one or more parcels of land have
17 multiple nonresident owners, only one of the
18 nonresident owners is eligible for a nonresident
19 antlerless only deer license. If a nonresident
20 jointly owns land in this state with a resident, the
21 nonresident shall not be given preference for a
22 nonresident antlerless only deer license. The
23 department may require proof of land ownership from a
24 nonresident landowner applying for a nonresident
25 antlerless only deer license.

26 Sec. __. Section 501A.231, subsection 5, if
27 enacted by 2005 Iowa Acts, [House File 859](#), section 17,
28 is amended to read as follows:

29 5. The secretary of state may provide for the
30 change of registered office or registered agent on the
31 form prescribed by the secretary of state for the
32 biennial report, provided that the form contains the
33 information required by section 501A.402. If the
34 secretary of state determines that a biennial report
35 does not contain the information required by this
36 section but otherwise meets the requirements of
37 section ~~501.402~~ 501A.402 for the purpose of changing
38 the registered office or registered agent, the
39 secretary of state shall file the statement of change
40 of registered office or registered agent, effective as
41 provided in section 501A.203, before returning the
42 biennial report to the cooperative as provided in this
43 section. A statement of change of registered office
44 or agent pursuant to this subsection shall be executed
45 by a person authorized to execute the biennial report.

46 Sec. __. Section 501A.1001, subsection 4, if
47 enacted by 2005 Iowa Acts, [House File 859](#), section 73,
48 is amended to read as follows:

49 4. The determinations of the board as to the
50 amount or fair value or the fairness to the

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1 cooperative of the contribution accepted or to be
2 accepted by the cooperative or the terms of payment or
3 performance, including under a contribution ~~rights~~
4 agreement in section 501A.1003, and a contribution
5 rights agreement in section 501A.1004, are presumed to
6 be proper if they are made in good faith and on the
7 basis of accounting methods, or a fair valuation or
8 other method, reasonable in the circumstances.
9 Directors who are present and entitled to vote, and
10 who, intentionally or without reasonable
11 investigation, fail to vote against approving a
12 consideration that is unfair to the cooperative, or
13 overvalue property or services received or to be
14 received by the cooperative as a contribution, are
15 jointly and severally liable to the cooperative for
16 the benefit of the then members who did not consent to
17 and are damaged by the action to the extent of the
18 damages of those members. A director against whom a
19 claim is asserted under this subsection, except in
20 case of knowing participation in a deliberate fraud,
21 is entitled to contribution on an equitable basis from
22 other directors who are liable under this subsection.
23 Sec. __. Section 10B.4, subsection 1, Code 2005,
24 as amended by 2005 Iowa Acts, [House File 859](#), section
25 102, if enacted, is amended to read as follows:
26 1. A biennial report shall be filed by a reporting
27 entity with the secretary of state on or before March
28 31 of each odd-numbered year as required by rules
29 adopted by the secretary of state pursuant to chapter
30 17A. However, a reporting entity required to file a
31 biennial report pursuant to chapter 490, ~~490A~~, 496C,
32 497, 498, ~~490A~~, 499, 501, 501A, or 504A shall file the
33 report required by this section in the same year as
34 required by that chapter. The reporting entity may
35 file the report required by this section together with
36 the biennial report required to be filed by one of the
37 other chapters referred to in this subsection. The
38 reports shall be filed on forms prepared and supplied
39 by the secretary of state. The secretary of state may
40 provide for combining its reporting forms with other
41 biennial reporting forms required to be used by the
42 reporting entities.
43 Sec. __. 2005 Iowa Acts, [House File 859](#), section
44 104, if enacted, is amended by striking the section
45 and inserting in lieu thereof the following:
46 SEC. 104. Section 15.385, subsection 4, paragraph
47 a, Code 2005, is amended to read as follows:
48 a. An eligible business may claim a tax credit
49 equal to a percentage of the new investment directly
50 related to new jobs created by the location or

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1 expansion of an eligible business under the program.
2 The tax credit shall be allowed against taxes imposed
3 under chapter 422, division II, III, or V. If the
4 business is a partnership, S corporation, limited
5 liability company, cooperative organized under chapter
6 501 or 501A and filing as a partnership for federal
7 tax purposes, or estate or trust electing to have the
8 income taxed directly to the individual, an individual
9 may claim the tax credit allowed. The amount claimed
10 by the individual shall be based upon the pro rata
11 share of the individual's earnings of the partnership,
12 S corporation, limited liability company, cooperative
13 organized under chapter 501 or 501A and filing as a
14 partnership for federal tax purposes, or estate or
15 trust. The percentage shall be equal to the amount
16 provided in paragraph "d". Any tax credit in excess
17 of the tax liability for the tax year may be credited
18 to the tax liability for the following seven years or
19 until depleted, whichever occurs first.

20 Subject to prior approval by the department of
21 economic development, in consultation with the
22 department of revenue, an eligible business whose
23 project primarily involves the production of value-
24 added agricultural products or uses
25 biotechnology-related processes may elect to receive a
26 refund of all or a portion of an unused tax credit.
27 For purposes of this subsection, such an eligible
28 business includes a cooperative described in section
29 521 of the Internal Revenue Code which is not required
30 to file an Iowa corporate income tax return, and whose
31 project primarily involves the production of ethanol.
32 The refund may be applied against a tax liability
33 imposed under chapter 422, division II, III, or V. If
34 the business is a partnership, S corporation, limited
35 liability company, cooperative organized under chapter
36 501 or 501A and filing as a partnership for federal
37 tax purposes, or estate or trust electing to have the
38 income taxed directly to the individual, an individual
39 may claim the tax credit allowed. The amount claimed
40 by the individual shall be based upon the pro rata
41 share of the individual's earnings of the partnership,
42 S corporation, limited liability company, cooperative
43 organized under chapter 501 or 501A and filing as a
44 partnership for federal tax purposes, or estate or
45 trust."

46 _____. Page 48, by inserting after line 23 the
47 following:

48 "Sec.____. Section 805.8C, subsection 6, as
49 amended by 2005 Iowa Acts, [Senate File 169](#), section 9,
50 is amended to read as follows:

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1 6. PSEUDOEPHEDRINE SALES VIOLATIONS. For
2 violations of section 126.23A, subsection 1, by an
3 employee of a retailer, or for violations of section
4 126.23A, subsection 2, paragraph "a", by a purchaser,
5 the scheduled fine is as follows:
6 a. If the violation is a first offense, the
7 scheduled fine is one hundred dollars.
8 b. If the violation is a second offense, the
9 scheduled fine is two hundred fifty dollars.
10 c. If the violation is a third or subsequent
11 offense, the scheduled fine is five hundred dollars."
12 ____ Page 48, by inserting after line 23, the
13 following:
14 "Sec.____. 2005 Iowa Acts, [House File 739](#), section
15 7, if enacted, is amended to read as follows:
16 SEC. 7. CONTINGENT EFFECTIVENESS. The sections of
17 this Act ~~creating amending Code chapter 280A or~~
18 ~~enacting new sections in~~ Code chapter 280A take effect
19 only if the general assembly appropriates funds for
20 the fiscal year beginning July 1, 2005, in an amount
21 sufficient to implement the provisions of Code chapter
22 280A, if enacted.
23 Sec.____. 2005 Iowa Acts, [House File 839](#), is
24 amended by adding the following new section:
25 SEC.____. EFFECTIVE DATE. This Act, being deemed
26 of immediate importance, takes effect upon enactment
27 of 2005 Iowa Acts, [House File 882](#)."
28 ____ Page 48, by inserting after line 26 the
29 following:
30 "DIVISION
31 STATE LIQUOR ACTIVITIES
32 Sec.____. Section 123.53, subsection 3, Code 2005,
33 is amended to read as follows:
34 3. The treasurer of state shall transfer into a
35 special revenue account in the general fund of the
36 state, a sum of money at least equal to seven percent
37 of the gross amount of sales made by the division from
38 the beer and liquor control fund on a monthly basis
39 but not less than nine million dollars annually, ~~and~~
40 ~~any amounts so.~~ Of the amounts transferred, two
41 million dollars, plus an additional amount determined
42 by the general assembly, shall be used by appropriated
43 to the substance abuse division of the Iowa department
44 of public health to be used for substance abuse
45 treatment and prevention programs in an amount
46 determined by the general assembly and any. Any
47 amounts received in excess of the amounts appropriated
48 to the substance abuse division of the Iowa department
49 of public health shall be considered part of the
50 general fund balance.

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1 Sec. __. ALCOHOLIC BEVERAGES DIVISION – STATE
 2 LIQUOR WAREHOUSE AND TRUCKING FUNCTIONS. The
 3 department of administrative services shall issue a
 4 request for proposals developed with the alcoholic
 5 beverages division of the department of commerce or
 6 otherwise utilize a competitive process not
 7 inconsistent with the division's current charter
 8 agency agreement to select a provider to perform the
 9 state liquor warehouse and trucking functions. The
 10 request for proposals or competitive process shall be
 11 issued or commenced as soon as is reasonably possible
 12 and a provider shall be selected no later than
 13 December 31, 2005. The division may submit a bid in
 14 response to a request for proposals issued or
 15 competitive process conducted pursuant to this
 16 section. If the division submits a bid, the division
 17 shall include in the bid the cost of labor to perform
 18 the contract which shall be calculated by using the
 19 cost of hiring full-time equivalent positions to
 20 perform the contract pursuant to state pay grade
 21 classifications and benefits as outlined in the most
 22 recent collective bargaining agreement applicable to
 23 other employees of the division. Notwithstanding any
 24 provision of chapter 22 to the contrary, the
 25 division's bid and any documents the division uses in
 26 developing its bid shall be considered a confidential
 27 record until the department of administrative services
 28 announces the results of the request for proposals or
 29 competitive process.
 30 Sec. __. EFFECTIVE DATE. The section of this
 31 division of this Act amending section 123.53 takes
 32 effect July 1, 2006.

DIVISION

BOARD OF REGENTS

33
 34
 35 Sec. __. Section 12B.10C, Code 2005, is amended
 36 by adding the following new subsection:
 37 NEW SUBSECTION. 10. The state board of regents
 38 governed by chapter 262.
 39 Sec. __. Section 73A.1, subsection 2, Code 2005,
 40 is amended to read as follows:
 41 2. "Municipality" as used in this chapter means
 42 township, school corporation, and state fair board,
 43 ~~and state board of regents.~~
 44 Sec. __. Section 262.9, subsection 7, Code 2005,
 45 is amended to read as follows:
 46 7. ~~With the approval of the executive council,~~
 47 ~~acquire~~ Acquire real estate for the proper uses of
 48 ~~said~~ institutions under its control, and dispose of
 49 real estate belonging to ~~said~~ the institutions when
 50 not necessary for their purposes. ~~A~~ The disposal of

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1 ~~such~~ real estate shall be made upon such terms,
2 conditions, and consideration as the board may
3 recommend ~~and subject to the approval of the executive~~
4 ~~council~~. If real estate subject to sale ~~hereunder~~ ha
5 been purchased or acquired from appropriated funds,
6 the proceeds of such sale shall be deposited with the
7 treasurer of state and credited to the general fund of
8 the state. There is hereby appropriated from the
9 general fund of the state a sum equal to the proceeds
10 so deposited and credited to the general fund of the
11 state to the state board of regents, ~~which, with the~~
12 ~~prior approval of the executive council,~~ may be used
13 to purchase other real estate and buildings, and for
14 the construction and alteration of buildings and other
15 capital improvements. All transfers shall be by state
16 patent in the manner provided by law. The board is
17 also authorized to grant easements for rights-of-way
18 over, across, and under the surface of public lands
19 under its jurisdiction when in the board's judgment
20 such easements are desirable and will benefit the
21 state of Iowa.

22 Sec. __. Section 262.9, subsection 15, unnumbered
23 paragraph 2, Code 2005, is amended by striking the
24 unnumbered paragraph.

25 Sec. __. Section 262.10, unnumbered paragraph 1,
26 Code 2005, is amended to read as follows:

27 No sale or purchase of real estate shall be made
28 save upon the order of the board, made at a regular
29 meeting, or one called for that purpose, and then in
30 such manner and under such terms as the board may
31 prescribe ~~and only with the approval of the executive~~
32 ~~council~~. No member of the board or any of its
33 committees, offices or agencies nor any officer of any
34 institution, shall be directly or indirectly
35 interested in such purchase or sale.

36 Sec. __. Section 262.33A, Code 2005, is amended
37 to read as follows:

38 262.33A FIRE AND ENVIRONMENTAL SAFETY – REPORT –
39 EXPENDITURES.

40 It is the intent of the general assembly that each
41 institution of higher education under the control of
42 the state board of regents shall, in consultation with
43 the state fire marshal, identify and correct all
44 critical fire and environmental safety deficiencies.
45 ~~The state fire marshal shall report annually to the~~
46 ~~joint subcommittee on education appropriations. The~~
47 ~~report shall include, but is not limited to, the~~
48 ~~identified deficiencies in fire and environmental~~
49 ~~safety at the institutions, and plans for correction~~
50 ~~of the deficiencies and for compliance with this~~

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1 ~~section.~~ Commencing July 1, 1993, each institution
2 under the control of the state board of regents shall
3 expend annually for fire safety and deferred
4 maintenance at least the amount budgeted for these
5 purposes for the fiscal year beginning July 1, 1992,
6 in addition to any moneys appropriated from the
7 general fund for these purposes in succeeding years.

8 Sec. __. Section 262.34, Code 2005, is amended to
9 read as follows:

10 262.34 IMPROVEMENTS – ADVERTISEMENT FOR BIDS –
11 DISCLOSURES – ~~PAYMENTS.~~

12 1. When the estimated cost of construction,
13 repairs, or improvement of buildings or grounds under
14 charge of the state board of regents exceeds ~~twenty-~~
15 ~~five one hundred~~ thousand dollars, the board shall
16 advertise for bids for the contemplated improvement or
17 construction and shall let the work to the lowest
18 responsible bidder. However, if in the judgment of
19 the board bids received are not acceptable, the board
20 may reject all bids and proceed with the construction,
21 repair, or improvement by a method as the board may
22 determine. All plans and specifications for repairs
23 or construction, together with bids on the plans or
24 specifications, shall be filed by the board and be
25 open for public inspection. All bids submitted under
26 this section shall be accompanied by a deposit of
27 money, a certified check, or a credit union certified
28 share draft in an amount as the board may prescribe.

29 2. A bidder awarded a contract shall disclose the
30 names of all subcontractors, who will work on the
31 project being bid, within forty-eight hours after the
32 award of the contract. If a subcontractor named by a
33 bidder awarded a contract is replaced, or if the cost
34 of work to be done by a subcontractor is reduced, the
35 bidder shall disclose the name of the new
36 subcontractor or the amount of the reduced cost.

37 3. Payments made by the board for the construction
38 of public improvements shall be made in accordance
39 with the provisions of chapter 573 except that:

40 a. Payments may be made without retention until
41 ninety-five percent of the contract amount has been
42 paid. The remaining five percent of the contract
43 amount shall be paid as provided in section 573.14,
44 except that:

45 (1) At any time after all or any part of the work
46 is substantially completed in accordance with
47 paragraph "c", the contractor may request the release
48 of all or part of the retainage owed. Such request
49 shall be accompanied by a waiver of claim rights under
50 the provisions of chapter 573 from any person, firm,

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1 or corporation who has, under contract with the
2 principal contractor or with subcontractors performed
3 labor, or furnished materials, service, or
4 transportation in the construction of that portion of
5 the work for which release of the retainage is
6 requested.

7 (2) Upon receipt of the request, the board shall
8 release all or part of the unpaid funds. Retainage
9 that is approved as payable shall be paid at the time
10 of the next monthly payment or within thirty days,
11 whichever is sooner. If partial retainage is released
12 pursuant to a contractor's request, no retainage shall
13 be subsequently held based on that portion of the
14 work. If within thirty days of when payment becomes
15 due the board does not release the retainage due,
16 interest shall accrue on the retainage amount due as
17 provided in section 573.14 until that amount is paid.

18 (3) If at the time of the request for the
19 retainage there are remaining or incomplete minor
20 items, an amount equal to two hundred percent of the
21 value of each remaining or incomplete item, as
22 determined by the board's authorized contract
23 representative, may be withheld until such item or
24 items are completed.

25 (4) An itemization of the remaining or incomplete
26 items, or the reason that the request for release of
27 the retainage was denied, shall be provided to the
28 contractor in writing within thirty calendar days of
29 the receipt of the request for release of retainage.

30 b. For purposes of this section, "authorized
31 contract representative" means the architect or
32 engineer who is in charge of the project and chosen by
33 the board to represent its interests, or if there is
34 no architect or engineer, then such other contract
35 representative or officer as designated in the
36 contract documents as the party representing the
37 board's interest regarding administration and
38 oversight of the project.

39 c. For purposes of this section, "substantially
40 completed" means the first date on which any of the
41 following occurs:

42 (1) Completion of the project or when the work has
43 been substantially completed in general accordance
44 with the terms and provisions of the contract.

45 (2) The work or the portion designated is
46 sufficiently complete in accordance with the
47 requirements of the contract so the board can occupy
48 or utilize the work for its intended purpose.

49 (3) The project is certified as having been
50 substantially completed by either of the following:

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1 (a) The architect or engineer authorized to make
2 such certification.

3 (b) The contracting authority representing the
4 board.

5 4. Each contractor or subcontractor shall withhold
6 retainage, if at all, in the same manner as retainage
7 is withheld from the contractor or subcontractor; and
8 each subcontractor shall pass through all retainage
9 payments to lower tier subcontractors in accordance
10 with the provisions of chapter 573.

11 Sec. __. Section 262.57, unnumbered paragraph 1,
12 Code 2005, is amended to read as follows:

13 To pay all or any part of the cost of carrying out
14 any project at any institution the board is authorized
15 to borrow money and to issue and sell negotiable bonds
16 or notes and to refund and refinance bonds or notes
17 heretofore issued or as may be hereafter issued for
18 any project or for refunding purposes at a lower rate,
19 the same rate or a higher rate or rates of interest
20 and from time to time as often as the board shall find
21 it to be advisable and necessary so to do. Such bonds
22 or notes may be sold by said board at public sale in
23 the manner prescribed by chapter 75 but if the board
24 shall find it to be advantageous and in the public
25 interest to do so, such bonds or notes may be sold by
26 the board at private sale without published notice of
27 any kind and without regard to the requirements of
28 chapter 75 in such manner and upon such terms as may
29 be prescribed by the resolution authorizing the same,
30 ~~but such bonds or notes shall in any event be sold~~
31 ~~upon terms of not less than par plus accrued interest.~~
32 Bonds or notes issued to refund other bonds or notes
33 heretofore or hereafter issued by the board for
34 residence hall or dormitory purposes at any
35 institution, including dining or other facilities and
36 additions, or heretofore or hereafter issued for
37 refunding purposes, may either be sold in the manner
38 hereinbefore specified and the proceeds thereof
39 applied to the payment of the obligations being
40 refunded, or the refunding bonds or notes may be
41 exchanged for and in payment and discharge of the
42 obligations being refunded, and a finding by the board
43 in the resolution authorizing the issuance of such
44 refunding bonds or notes that the bonds or notes being
45 refunded were issued for a purpose specified in this
46 division and constitute binding obligations of the
47 board shall be conclusive and may be relied upon by
48 any holder of any refunding bond or note issued under
49 the provisions of this division. The refunding bonds
50 or notes may be sold or exchanged in installments at

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1 different times or an entire issue or series may be
2 sold or exchanged at one time. Any issue or series of
3 refunding bonds or notes may be exchanged in part or
4 sold in parts in installments at different times or at
5 one time. The refunding bonds or notes may be sold or
6 exchanged at any time on, before, or after the
7 maturity of any of the outstanding notes, bonds or
8 other obligations to be refinanced thereby and may be
9 issued for the purpose of refunding a like or greater
10 principal amount of bonds or notes, except that the
11 principal amount of the refunding bonds or notes may
12 exceed the principal amount of the bonds or notes to
13 be refunded to the extent necessary to pay any premium
14 due on the call of the bonds or notes to be refunded
15 or to fund interest in arrears or about to become due.
16 Sec. ___. Section 262.78, subsection 6, Code 2005,
17 is amended by striking the subsection.
18 Sec. ___. Section 262A.5, unnumbered paragraph 1,
19 Code 2005, is amended to read as follows:
20 The board is authorized to borrow money under this
21 chapter, and the board may issue and sell negotiable
22 bonds to pay all or any part of the cost of carrying
23 out any project at any institution and may refund and
24 refinance bonds issued for any project or for
25 refunding purposes at the same rate or at a higher or
26 lower rate or rates of interest. Bonds issued under
27 the provisions of this chapter shall be sold by said
28 board at public sale on the basis of sealed proposals
29 received pursuant to a notice specifying the time and
30 place of sale and the amount of bonds to be sold which
31 shall be published at least once not less than seven
32 days prior to the date of sale in a newspaper
33 published in the state of Iowa and having a general
34 circulation in said state. The provisions of chapter
35 75 shall ~~not~~ apply to bonds issued under authority
36 contained in this chapter, ~~but such bonds shall be~~
37 ~~sold upon terms of not less than par plus accrued~~
38 ~~interest to the extent not in conflict with this~~
39 chapter. Bonds issued to refund other bonds issued
40 under the provisions of this chapter may either be
41 sold in the manner hereinbefore specified and the
42 proceeds thereof applied to the payment of the
43 obligations being refunded, or the refunding bonds may
44 be exchanged for and in payment and discharge of the
45 obligations being refunded. The refunding bonds may
46 be sold or exchanged in installments at different
47 times or an entire issue or series may be sold or
48 exchanged at one time. Any issue or series of
49 refunding bonds may be exchanged in part or sold in
50 parts in installments at different times or at one

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1 time. The refunding bonds may be sold or exchanged at
2 any time on, before, or after the maturity of any of
3 the outstanding bonds or other obligations to be
4 refinanced thereby and may be issued for the purpose
5 of refunding a like or greater principal amount of
6 bonds, except that the principal amount of the
7 refunding bonds may exceed the principal amount of the
8 bonds to be refunded to the extent necessary to pay
9 any premium due on the call of the bonds to be
10 refunded or to fund interest in arrears or which is to
11 become due.

12 Sec. __. Section 266.39F, subsection 2,
13 unnumbered paragraph 2, Code 2005, is amended to read
14 as follows:

15 The provisions of section 262.9, subsection 7, ~~and~~
16 ~~section 262.10~~, shall not apply to the sale of any
17 portion of land to be sold in accordance with this
18 section or to the use of the proceeds from the sale of
19 the land.

20 Sec. __. Section 573.12, subsection 1, unnumbered
21 paragraph 1, Code 2005, is amended to read as follows:

22 Payments made under contracts for the construction
23 of public improvements, unless provided otherwise by
24 law, shall be made on the basis of monthly estimates
25 of labor performed and material delivered, as
26 determined by the project architect or engineer. The
27 public corporation shall retain from each monthly
28 payment not more than five percent of that amount
29 which is determined to be due according to the
30 estimate of the architect or engineer. ~~However,~~
31 ~~institutions governed pursuant to chapter 262 may, on~~
32 ~~contracts where a bond is required under section~~
33 ~~573.2, make payments under this section without~~
34 ~~retention until ninety five percent of the contract~~
35 ~~amount has been paid and the remaining five percent of~~
36 ~~the contract amount shall be paid as provided under~~
37 ~~section 573.14.~~

38 Sec. __. Section 573.14, unnumbered paragraph 2,
39 Code 2005, is amended to read as follows:

40 The public corporation shall order payment of any
41 amount due the contractor to be made in accordance
42 with the terms of the contract. Except as provided in
43 section 573.12 for progress payments, failure to make
44 payment pursuant to this section, of any amount due
45 the contractor, within forty days, unless a greater
46 time period not to exceed fifty days is specified in
47 the contract documents, after the work under the
48 contract has been completed and if the work has been
49 accepted and all required materials, certifications,
50 and other documentations required to be submitted by

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1 the contractor and specified by the contract have been
2 furnished the awarding public corporation by the
3 contractor, shall cause interest to accrue on the
4 amount unpaid to the benefit of the unpaid party.
5 Interest shall accrue during the period commencing the
6 thirty-first day following the completion of work and
7 satisfaction of the other requirements of this
8 paragraph and ending on the date of payment. The rate
9 of interest shall be determined by the period of time
10 during which interest accrues, and shall be the same
11 as the rate of interest that is in effect under
12 section 12C.6, as of the day interest begins to
13 accrue, for a deposit of public funds for a comparable
14 period of time. However, for institutions governed
15 pursuant to chapter 262, the rate of interest shall be
16 determined by the period of time during which interest
17 accrues, and shall be calculated as the prime rate
18 plus one percent per year as of the day interest
19 begins to accrue. This paragraph does not abridge any
20 of the rights set forth in section 573.16. Except as
21 provided in sections 573.12 and 573.16, interest shall
22 not accrue on funds retained by the public corporation
23 to satisfy the provisions of this section regarding
24 claims on file. This chapter does not apply if the
25 public corporation has entered into a contract with
26 the federal government or accepted a federal grant
27 which is governed by federal law or rules that are
28 contrary to the provisions of this chapter. For
29 purposes of this unnumbered paragraph, "prime rate"
30 means the prime rate charged by banks on short-term
31 business loans, as determined by the board of
32 governors of the federal reserve system and published
33 in the federal reserve bulletin.
34 Sec. ___. Sections 262.64A, 262.67, 262A.3,
35 262A.6A, 263A.11, 265.6, and 473.12, Code 2005, are
36 repealed.

DIVISION

ENTREPRENEURS WITH DISABILITIES

37
38
39 Sec. ___. ENTREPRENEURS WITH DISABILITIES PROGRAM
40 – TRANSFER OF ADMINISTRATION. The department of
41 economic development shall transfer the administrative
42 duties of the entrepreneurs with disabilities program
43 to the Iowa finance authority. The authority shall
44 adopt rules pursuant to chapter 17A for purposes of
45 administering the program. Any contract entered into
46 under the program by the department of economic
47 development remains valid. The transfer of
48 administrative duties to the authority shall not
49 constitute grounds for rescission or modification of a
50 contract under the program entered into with the

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1 department.
 2 Sec. __. ENTREPRENEURS WITH DISABILITIES PROGRAM
 3 – APPROPRIATION. For the fiscal year beginning July
 4 1, 2005, and ending June 30, 2006, there is
 5 appropriated from the general fund of the state to the
 6 Iowa finance authority two hundred thousand dollars
 7 for purposes of the entrepreneurs with disabilities
 8 program."

9 __. Page 48, by inserting after line 26, the
 10 following:

11 "DIVISION

12 WIND ENERGY PRODUCTION TAX CREDIT

13 Sec. __. Section 476B.1, subsection 4, paragraph
 14 c, Code 2005, is amended to read as follows:

15 c. Was originally placed in service on or after
 16 July 1, ~~2004~~ 2005, but before July 1, ~~2007~~ 2008.

17 Sec. __. Section 476B.3, Code 2005, is amended to
 18 read as follows:

19 476B.3 CREDIT AMOUNT.

20 ~~1. Except as limited by subsection 2, the~~ The wind
 21 energy production tax credit allowed under this
 22 chapter equals the product of one cent multiplied by
 23 the number of kilowatt-hours of qualified electricity
 24 sold by the owner during the taxable year.

25 ~~2. a. The maximum amount of tax credit which a~~
 26 ~~group of qualified facilities operating as one unit~~
 27 ~~may receive for a taxable year equals the rate of~~
 28 ~~credit times thirty two percent of the total number of~~
 29 ~~kilowatts of nameplate generating capacity.~~

30 ~~b. However, if for the previous taxable year the~~
 31 ~~amount of the tax credit for the group of qualified~~
 32 ~~facilities operating as one unit is less than the~~
 33 ~~maximum amount available as provided in paragraph "a",~~
 34 ~~the maximum amount for the next taxable year shall be~~
 35 ~~increased by the amount of the previous year's unused~~
 36 ~~maximum credit.~~

37 Sec. __. Section 476B.4, subsection 1, paragraph
 38 b, Code 2005, is amended by striking the paragraph.

39 Sec. __. Section 476B.5, Code 2005, is amended by
 40 striking the section and inserting in lieu thereof the
 41 following:

42 476B.5 DETERMINATION OF ELIGIBILITY.

43 1. An owner may apply to the board for a written
 44 determination regarding whether a facility is a
 45 qualified facility by submitting to the board a
 46 written application containing all of the following:

47 a. Information regarding the ownership of the
 48 facility including the percentage of equity interest
 49 held by each owner.

50 b. The nameplate generating capacity of the

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1 facility.
2 c. Information regarding the facility's initial
3 placement in service.
4 d. Information regarding the type of facility.
5 e. A copy of an executed power purchase agreement
6 or other agreement to purchase electricity upon
7 completion of the project.
8 f. Any other information the board may require.
9 2. The board shall review the application and
10 supporting information and shall make a preliminary
11 determination regarding whether the facility is a
12 qualified facility. The board shall notify the
13 applicant of the approval or denial of the application
14 within thirty days of receipt of the application and
15 information required. If the board fails to notify
16 the applicant of the approval or denial within thirty
17 days, the application shall be deemed denied. An
18 applicant who receives a determination denying an
19 application may file an appeal with the board within
20 thirty days from the date of the denial pursuant to
21 the provisions of chapter 17A. In the absence of a
22 timely appeal, the preliminary determination shall be
23 final. If the application is incomplete, the board
24 may grant an extension of time for the provision of
25 additional information.
26 3. A facility that is not operational within
27 eighteen months after issuance of an approval for the
28 facility by the board shall cease to be a qualified
29 facility. A facility that is granted and thereafter
30 loses approval may reapply to the board for a new
31 determination.
32 4. The maximum amount of nameplate generating
33 capacity of all qualified facilities the board may
34 find eligible under this chapter shall not exceed four
35 hundred fifty megawatts of nameplate generating
36 capacity.
37 5. An owner shall not be an owner of more than two
38 qualified facilities.
39 Sec. ___. Section 476B.6, Code 2005, is amended by
40 striking the section and inserting in lieu thereof the
41 following:
42 476B.6 TAX CREDIT CERTIFICATE PROCEDURE.
43 1. a. To be eligible to receive the wind energy
44 production tax credit, the owner must first receive
45 approval of the board of supervisors of the county in
46 which the qualified facility is located. The
47 application for approval may be submitted prior to
48 commencement of the construction of the qualified
49 facility but shall be submitted no later than the
50 close of the owner's first taxable year for which the

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1 credit is to be applied for. The application must
2 contain the owner's name and address, the address of
3 the qualified facility, and the dates of the owner's
4 first and last taxable years for which the credit will
5 be applied for. Within forty-five days of the receipt
6 of the application for approval, the board of
7 supervisors shall either approve or disapprove the
8 application. After the forty-five-day limit, the
9 application is deemed to be approved.

10 b. Upon approval of the application, the owner may
11 apply for the tax credit as provided in subsection 2.
12 In addition, approval of the application is acceptance
13 by the applicant for the assessment of the qualified
14 facility for property tax purposes for a period of
15 twelve years and approval by the board of supervisors
16 for the payment of the property taxes levied on the
17 qualified property to the state. For purposes of
18 property taxation, the qualified facility shall be
19 centrally assessed and shall be exempt from any
20 replacement tax under section 437A.6 for the period
21 during which the facility is subject to property
22 taxation. The property taxes to be paid to the state
23 are those property taxes which make up the
24 consolidated tax levied on the qualified facility and
25 which are due and payable in the twelve-year period
26 beginning with the first fiscal year beginning on or
27 after the end of the owner's first taxable year for
28 which the credit is applied for. Upon approval of the
29 application, the board of supervisors shall notify the
30 county treasurer to state on the tax statement which
31 lists the taxes on the qualified facility that the
32 amount of the property taxes shall be paid to the
33 department. Payment of the designated property taxes
34 to the department shall be in the same manner as
35 required for the payment of regular property taxes and
36 failure to pay designated property taxes to the
37 department shall be treated the same as failure to pay
38 property taxes to the county treasurer.

39 c. Once the owner of the qualified facility
40 receives approval under paragraph "a", subsequent
41 approval under paragraph "a" is not required for the
42 same qualified facility for subsequent taxable years.

43 2. An owner of a qualified facility may apply to
44 the board for the wind energy production tax credit by
45 submitting to the board all of the following:

46 a. A completed application in a form prescribed by
47 the board.

48 b. A copy of the determination granting approval
49 of the facility as a qualified facility by the board.

50 c. A copy of a signed power purchase agreement or

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1 other agreement to purchase electricity.
2 d. Sufficient documentation that the electricity
3 has been generated by the qualified facility and sold
4 to a purchaser.
5 e. Any other information the board deems
6 necessary.
7 3. The board shall notify the department of the
8 amount of kilowatt-hours generated and purchased from
9 a qualified facility. The department shall calculate
10 the amount of the tax credit for which the applicant
11 is eligible and shall issue the tax credit certificate
12 for that amount or notify the applicant in writing of
13 its refusal to do so. An applicant whose application
14 is denied may file an appeal with the department
15 within sixty days from the date of the denial pursuant
16 to the provisions of chapter 17A.
17 4. Each tax credit certificate shall contain the
18 owner's name, address, and tax identification number,
19 the amount of tax credits, the first taxable year the
20 certificate may be used, the type of tax to which the
21 tax credits shall be applied, and any other
22 information required by the department. The tax
23 credit certificate shall only list one type of tax to
24 which the amount of the tax credit may be applied.
25 Once issued by the department, the tax credit
26 certificate shall not be terminated or rescinded.
27 5. If the tax credit application is filed by a
28 partnership, limited liability company, S corporation,
29 estate, trust, or other reporting entity all of the
30 income of which is taxed directly to its equity
31 holders or beneficiaries, for the taxes imposed under
32 chapter 422, division II or III, the tax credit
33 certificate shall be issued directly to equity holders
34 or beneficiaries of the applicant in proportion to
35 their pro rata share of the income of such entity.
36 The applicant shall, in the application made under
37 this section, identify its equity holders or
38 beneficiaries, and the percentage of such entity's
39 income that is allocable to each equity holder or
40 beneficiary. If the tax credit application is filed
41 by a partnership, limited liability company, S
42 corporation, estate, trust, or other reporting entity,
43 all of whose income is taxed directly to its equity
44 holders or beneficiaries for the taxes imposed under
45 chapter 422, division V, or under chapter 432, the tax
46 credit certificate shall be issued directly to the
47 partnership, limited liability company, S corporation,
48 estate, trust, or other reporting entity.
49 6. The department shall not issue a tax credit
50 certificate if the facility approved by the board as a

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1 qualified facility is not operational within eighteen
2 months after the approval is issued.

3 7. Once a tax credit certificate is issued
4 pursuant to this section, the tax credit may only be
5 claimed against the type of tax reflected on the
6 certificate.

7 8. A tax credit certificate shall not be used or
8 attached to a return filed for a taxable year
9 beginning prior to July 1, 2006.

10 Sec. __. Section 476B.7, unnumbered paragraph 1,
11 Code 2005, is amended to read as follows:

12 Wind energy production tax credit certificates
13 issued under this chapter may be transferred to any
14 person or entity. Within thirty days of transfer, the
15 transferee must submit the transferred tax credit
16 certificate to the ~~board~~ department along with a
17 statement containing the transferee's name, tax
18 identification number, and address, and the
19 denomination that each replacement tax credit
20 certificate is to carry and any other information
21 required by the department. Within thirty days of
22 receiving the transferred tax credit certificate and
23 the transferee's statement, the ~~board~~ department shall
24 issue one or more replacement tax credit certificates
25 to the transferee. Each replacement certificate must
26 contain the information required under section 476B.6
27 and must have the same effective taxable year and the
28 same expiration date that appeared in the transferred
29 tax credit certificate. Tax credit certificate
30 amounts of less than the minimum amount established by
31 rule of the board shall not be transferable. A tax
32 credit shall not be claimed by a transferee under this
33 chapter until a replacement tax credit certificate
34 identifying the transferee as the proper holder has
35 been issued.

36 Sec. __. Section 476B.8, Code 2005, is amended to
37 read as follows:

38 476B.8 USE OF TAX CREDIT CERTIFICATES.

39 To claim a wind energy production tax credit under
40 this chapter, a taxpayer must attach one or more tax
41 credit certificates to the taxpayer's tax return. A
42 tax credit certificate shall not be used or attached
43 to a return filed for a taxable year beginning prior
44 to July 1, ~~2005~~ 2006. The tax credit certificate or
45 certificates attached to the taxpayer's tax return
46 shall be issued in the taxpayer's name, expire on or
47 after the last day of the taxable year for which the
48 taxpayer is claiming the tax credit, and show a tax
49 credit amount equal to or greater than the tax credit
50 claimed on the taxpayer's tax return. Any tax credit

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1 in excess of the taxpayer's tax liability for the
2 taxable year may be credited to the taxpayer's tax
3 liability for the following seven taxable years or
4 until depleted, whichever is the earlier.

5 Sec. __. Section 476B.9, Code 2005, is amended to
6 read as follows:

7 476B.9 REGISTRATION OF TAX CREDIT CERTIFICATES.

8 ~~The board shall, in conjunction with the~~
9 department, shall develop a system for the
10 registration of the wind energy production tax credit
11 certificates issued or transferred under this chapter
12 and a system that permits verification that any tax
13 credit claimed on a tax return is valid and that
14 transfers of the tax credit certificates are made in
15 accordance with the requirements of this chapter. The
16 tax credit certificates issued under this chapter
17 shall not be classified as a security pursuant to
18 chapter 502.

19 Sec. __. NEW SECTION. 476B.10 RULES.

20 The department and the board may adopt rules
21 pursuant to chapter 17A for the administration and
22 enforcement of this chapter."

23 __. Page 48, by inserting after line 26, the
24 following:

25 "DIVISION
26 PROVISIONS RELATING TO THE PRACTICE OF PHARMACY

27 Sec. __. Section 155A.3, subsection 11, Code
28 2005, is amended to read as follows:

29 11. "Dispense" means to deliver a prescription
30 drug, device, or controlled substance to an ultimate
31 user or research subject by or pursuant to the lawful
32 prescription drug order or medication order of a
33 practitioner, including the prescribing,
34 administering, packaging, labeling, or compounding
35 necessary to prepare the substance for that delivery.

36 Sec. __. Section 155A.3, Code 2005, is amended by
37 adding the following new subsection:

38 NEW SUBSECTION. 22A. "Logistics provider" means
39 an entity that provides or coordinates warehousing,
40 distribution, or other services on behalf of a
41 manufacturer or other owner of a drug, but does not
42 take title to the drug or have general responsibility
43 to direct its sale or other disposition.

44 Sec. __. Section 155A.3, Code 2005, is amended by
45 adding the following new subsection:

46 NEW SUBSECTION. 23A. "Pedigree" means a recording
47 of each distribution of any given drug or device, from
48 the sale by the manufacturer through acquisition and
49 sale by any wholesaler, pursuant to rules adopted by
50 the board.

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1 Sec. __. Section 155A.3, subsection 33, paragraph
2 b, Code 2005, is amended to read as follows:

3 b. A drug or device that under federal law is
4 required, prior to being dispensed or delivered, to be
5 labeled with ~~either one~~ of the following statements:

6 (1) Caution: Federal law prohibits dispensing
7 without a prescription.

8 (2) Caution: Federal law restricts this drug to
9 use by or on the order of a licensed veterinarian.

10 (3) Caution: Federal law restricts this device to
11 sale by, or on the order of, a physician.

12 (4) Rx only.

13 Sec. __. Section 155A.3, subsection 35, Code
14 2005, is amended to read as follows:

15 35. "Proprietary medicine" or "over-the-counter
16 medicine" means a nonnarcotic drug or device that may
17 be sold without a prescription and that is labeled and
18 packaged in compliance with applicable state or
19 federal law.

20 Sec. __. Section 155A.3, subsection 38, Code
21 2005, is amended to read as follows:

22 38. "Wholesaler" means a person operating or
23 maintaining, either within or outside this state, a
24 manufacturing plant, wholesale distribution center,
25 wholesale business, or any other business in which
26 prescription drugs or devices, medicinal chemicals,
27 medicines, or poisons are sold, manufactured,
28 compounded, dispensed, stocked, exposed, distributed
29 from, or offered for sale at wholesale in this state.

30 "Wholesaler" does not include those wholesalers who
31 sell only proprietary or over-the-counter medicines.

32 "Wholesaler" also does not include a commercial
33 carrier that temporarily stores prescription drugs or
34 devices, medicinal chemicals, medicines, or poisons
35 while in transit.

36 Sec. __. Section 155A.4, subsection 2, paragraph
37 a, Code 2005, is amended to read as follows:

38 a. A ~~manufacturer or~~ wholesaler to distribute
39 prescription drugs or devices as provided by state or
40 federal law.

41 Sec. __. Section 155A.13, subsection 6,
42 unnumbered paragraph 1, Code 2005, is amended to read
43 as follows:

44 To qualify for a pharmacy license, the applicant
45 shall submit to the board a license fee as determined
46 by the board and a completed application on a form
47 prescribed by the board ~~that shall include the~~
48 following information and. The application shall
49 include the following and such other information as
50 required by rules of the board and shall be given

Page 38

1 under oath:

2 Sec. __. Section 155A.17, subsection 2, Code
3 2005, is amended to read as follows:

4 2. The board shall establish standards for drug
5 wholesaler licensure and may define specific types of
6 wholesaler licenses. The board may deny, suspend, or
7 revoke a drug wholesale license for failure to meet
8 the applicable standards or for a violation of the
9 laws of this state, another state, or the United
10 States relating to prescription drugs, devices, or
11 controlled substances, or for a violation of this
12 chapter, chapter 124, 124A, 124B, 126, or 205, or a
13 rule of the board.

14 Sec. __. Section 155A.17, subsection 3, Code
15 2005, is amended to read as follows:

16 3. The board shall adopt rules pursuant to chapter
17 17A on matters pertaining to the issuance of a
18 wholesale drug license. The rules shall provide for
19 conditions of licensure, compliance standards,
20 licensure fees, disciplinary action, and other
21 relevant matters. Additionally, the rules shall
22 establish provisions or exceptions for pharmacies,
23 chain pharmacy distribution centers, logistics
24 providers, and other types of wholesalers relating to
25 pedigree requirements, drug or device returns, and
26 other related matters, so as not to prevent or
27 interfere with usual, customary, and necessary
28 business activities.

29 Sec. __. Section 155A.19, subsection 1, paragraph
30 f, Code 2005, is amended by striking the paragraph and
31 inserting in lieu thereof the following:

32 f. Change of legal name or doing-business-as name.

33 Sec. __. Section 155A.19, Code 2005, is amended
34 by adding the following new subsection:

35 NEW SUBSECTION. 3. A wholesaler shall report in
36 writing to the board, pursuant to its rules, the
37 following:

38 a. Permanent closing or discontinuation of
39 wholesale distributions into this state.

40 b. Change of ownership.

41 c. Change of location.

42 d. Change of the wholesaler's responsible
43 individual.

44 e. Change of legal name or doing-business-as name.

45 f. Theft or significant loss of any controlled
46 substance on discovery of the theft or loss.

47 g. Disasters, accidents, and emergencies that may
48 affect the strength, purity, or labeling of drugs,
49 medications, devices, or other materials used in the
50 diagnosis or the treatment of injury, illness, and

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1 disease.

2 h. Other information or activities as required by
3 rule.

4 Sec. ___. Section 155A.20, subsection 1, Code
5 2005, is amended to read as follows:

6 1. A person, ~~other than a pharmacy or wholesaler~~
7 ~~licensed under this chapter~~, shall not display in or
8 on any store, ~~internet site~~, or place of business, ~~nor~~
9 ~~use in any advertising or promotional literature,~~
10 ~~communication, or representation~~, the word or words:
11 "apothecary", "drug", "drug store", or "pharmacy",
12 either in English or any other language, any other
13 word or combination of words of the same or similar
14 meaning, or any graphic representation in a manner
15 that would mislead the public ~~unless it is a pharmacy~~
16 ~~or drug wholesaler licensed under this chapter.~~

17 Sec. ___. Section 155A.21, Code 2005, is amended
18 to read as follows:

19 155A.21 UNLAWFUL POSSESSION OF PRESCRIPTION DRUG
20 OR DEVICE – PENALTY.

21 1. A person found in possession of a drug or
22 device limited to dispensation by prescription, unless
23 the drug or device was so lawfully dispensed, commits
24 a serious misdemeanor.

25 2. Subsection 1 does not apply to a licensed
26 pharmacy, licensed wholesaler, physician,
27 veterinarian, dentist, podiatric physician,
28 therapeutically certified optometrist, advanced
29 registered nurse practitioner, physician assistant, a
30 nurse acting under the direction of a physician, or
31 the board of pharmacy examiners, its officers, agents,
32 inspectors, and representatives, nor to a common
33 carrier, manufacturer's representative, or messenger
34 when transporting the drug or device in the same
35 unbroken package in which the drug or device was
36 delivered to that person for transportation.

37 Sec. ___. Section 155A.23, Code 2005, is amended
38 to read as follows:

39 155A.23 PROHIBITED ACTS.

40 A person shall not ~~perform or cause the performance~~
41 ~~of or aid and abet any of the following acts:~~

42 1. ~~Obtain or attempt~~ Obtaining or attempting to
43 obtain a prescription drug or device or ~~procure or~~
44 ~~attempt procuring or attempting~~ to procure the
45 administration of a prescription drug or device by:

46 a. ~~Fraud~~ Engaging in fraud, deceit,
47 misrepresentation, or subterfuge.

48 b. ~~Forgery or alteration of~~ Forging or altering a
49 written, electronic, or facsimile prescription or ~~of~~
50 any written, electronic, or facsimile order.

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- 1 c. ~~Concealment of Concealing~~ a material fact.
2 d. ~~Use of Using~~ a false name or ~~the~~ giving ~~o~~ a
3 false address.
- 4 2. Willfully ~~make~~ making a false statement in any
5 prescription, report, or record required by this
6 chapter.
- 7 3. For the purpose of obtaining a prescription
8 drug ~~or device~~, falsely ~~assume~~ assuming the title of
9 or ~~claim~~ claiming to be a manufacturer, wholesaler,
10 pharmacist, pharmacy owner, physician, dentist,
11 podiatric physician, veterinarian, or other authorized
12 person.
- 13 4. ~~Make or utter~~ Making or uttering any false or
14 forged oral, written, electronic, or facsimile
15 prescription or oral, written, electronic, or
16 facsimile order.
- 17 5. ~~Affix any false or forged label to a package or~~
18 ~~receptacle containing prescription drugs~~ Forging,
19 counterfeiting, simulating, or falsely representing
20 any drug or device without the authority of the
21 manufacturer, or using any mark, stamp, tag, label, or
22 other identification device without the authorization
23 of the manufacturer.
- 24 6. Manufacturing, repackaging, selling,
25 delivering, or holding or offering for sale any drug
26 or device that is adulterated, misbranded,
27 counterfeit, suspected of being counterfeit, or that
28 has otherwise been rendered unfit for distribution.
- 29 7. Adulterating, misbranding, or counterfeiting
30 any drug or device.
- 31 8. Receiving any drug or device that is
32 adulterated, misbranded, stolen, obtained by fraud or
33 deceit, counterfeit, or suspected of being
34 counterfeit, and delivering or proffering delivery of
35 such drug or device for pay or otherwise.
- 36 9. Adulterating, mutilating, destroying,
37 obliterating, or removing the whole or any part of the
38 labeling of a drug or device or committing any other
39 act with respect to a drug or device that results in
40 the drug or device being misbranded.
- 41 10. Purchasing or receiving a drug or device from
42 a person who is not licensed to distribute the drug or
43 device to that purchaser or recipient.
- 44 11. Selling or transferring a drug or device to a
45 person who is not authorized under the law of the
46 jurisdiction in which the person receives the drug or
47 device to purchase or possess the drug or device from
48 the person selling or transferring the drug or device.
- 49 12. Failing to maintain or provide records as
50 required by this chapter, chapter 124, or rules of the

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1 board.
2 13. Providing the board or any of its
3 representatives or any state or federal official with
4 false or fraudulent records or making false or
5 fraudulent statements regarding any matter within the
6 scope of this chapter, chapter 124, or rules of the
7 board.
8 14. Distributing at wholesale any drug or device
9 that meets any of the following conditions:
10 a. The drug or device was purchased by a public or
11 private hospital or other health care entity.
12 b. The drug or device was donated or supplied at a
13 reduced price to a charitable organization.
14 c. The drug or device was purchased from a person
15 not licensed to distribute the drug or device.
16 d. The drug or device was stolen or obtained by
17 fraud or deceit.
18 15. Failing to obtain a license or operating
19 without a valid license when a license is required
20 pursuant to this chapter or chapter 147.
21 16. Engaging in misrepresentation or fraud in the
22 distribution of a drug or device.
23 17. Distributing a drug or device to a patient
24 without a prescription drug order or medication order
25 from a practitioner licensed by law to use or
26 prescribe the drug or device.
27 18. Distributing a drug or device that was
28 previously dispensed by a pharmacy or distributed by a
29 practitioner except as provided by rules of the board.
30 19. Failing to report any prohibited act.
31 Information communicated to a physician in an
32 unlawful effort to procure a prescription drug or
33 device or to procure the administration of a
34 prescription drug shall not be deemed a privileged
35 communication.
36 Subsections 6 and 7 shall not apply to the
37 wholesale distribution by a manufacturer of a
38 prescription drug or device that has been delivered
39 into commerce pursuant to an application approved by
40 the federal food and drug administration.
41 Sec. __. Section 155A.24, Code 2005, is amended
42 to read as follows:
43 155A.24 PENALTIES.
44 1. A Except as otherwise provided in this section,
45 a person who violates a provision of section 155A.23
46 or who sells or offers for sale, gives away, or
47 administers to another person any prescription drug or
48 device in violation of this chapter commits a public
49 offense and shall be punished as follows:
50 a. If the prescription drug is a controlled

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1 substance, the person shall be punished pursuant to
2 ~~section 124.401, subsection 1, and section 124.411~~
3 ~~chapter 124, division IV.~~

4 b. If the prescription drug is not a controlled
5 substance, the person, upon conviction of a first
6 offense, is guilty of a serious misdemeanor. For a
7 second offense, or if in case of a first offense the
8 offender previously has been convicted of any
9 violation of the laws of the United States or of any
10 state, territory, or district thereof relating to
11 prescription drugs or devices, the offender is guilty
12 of an aggravated misdemeanor. For a third or
13 subsequent offense or if in the case of a second
14 offense the offender previously has been convicted two
15 or more times in the aggregate of any violation of the
16 laws of the United States or of any state, territory,
17 or district thereof relating to prescription drugs or
18 devices, the offender is guilty of a class "D" felony.

19 2. A person who violates any provision of this
20 chapter by selling, giving away, or administering any
21 prescription drug or device to a minor is guilty of a
22 class "C" felony.

23 3. A wholesaler who, with intent to defraud or
24 deceive, fails to deliver to another person, when
25 required by rules of the board, complete and accurate
26 pedigree concerning a drug prior to transferring the
27 drug to another person is guilty of a class "C"
28 felony.

29 4. A wholesaler who, with intent to defraud or
30 deceive, fails to acquire, when required by rules of
31 the board, complete and accurate pedigree concerning a
32 drug prior to obtaining the drug from another person
33 is guilty of a class "C" felony.

34 5. A wholesaler who knowingly destroys, alters,
35 conceals, or fails to maintain, as required by rules
36 of the board, complete and accurate pedigree
37 concerning any drug in the person's possession is
38 guilty of a class "C" felony.

39 6. A wholesaler who is in possession of pedigree
40 documents required by rules of the board, and who
41 knowingly fails to authenticate the matters contained
42 in the documents as required, and who nevertheless
43 distributes or attempts to further distribute drugs is
44 guilty of a class "C" felony.

45 7. A wholesaler who, with intent to defraud or
46 deceive, falsely swears or certifies that the person
47 has authenticated any documents related to the
48 wholesale distribution of drugs or devices is guilty
49 of a class "C" felony.

50 8. A wholesaler who knowingly forges,

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1 counterfeits, or falsely creates any pedigree, who
2 falsely represents any factual matter contained in any
3 pedigree, or who knowingly omits to record material
4 information required to be recorded in a pedigree is
5 guilty of a class "C" felony.

6 9. A wholesaler who knowingly purchases or
7 receives drugs or devices from a person not authorized
8 to distribute drugs or devices in wholesale
9 distribution is guilty of a class "C" felony.

10 10. A wholesaler who knowingly sells, barter,
11 brokers, or transfers a drug or device to a person not
12 authorized to purchase the drug or device under the
13 jurisdiction in which the person receives the drug or
14 device in a wholesale distribution is guilty of a
15 class "C" felony.

16 11. A person who knowingly manufactures, sells,
17 or delivers, or who possesses with intent to sell or
18 deliver, a counterfeit, misbranded, or adulterated
19 drug or device is guilty of the following:

20 a. If the person manufactures or produces a
21 counterfeit, misbranded, or adulterated drug or
22 device; or if the quantity of a counterfeit,
23 misbranded, or adulterated drug or device being sold,
24 delivered, or possessed with intent to sell or deliver
25 exceeds one thousand units or dosages; or if the
26 violation is a third or subsequent violation of this
27 subsection, the person is guilty of a class "C"
28 felony.

29 b. If the quantity of a counterfeit, misbranded,
30 or adulterated drug or device being sold, delivered,
31 or possessed with intent to sell or deliver exceeds
32 one hundred units or dosages but does not exceed one
33 thousand units or dosages; or if the violation is a
34 second or subsequent violation of this subsection, the
35 person is guilty of a class "D" felony.

36 c. All other violations of this subsection shall
37 constitute an aggravated misdemeanor.

38 12. A person who knowingly forges, counterfeits,
39 or falsely creates any label for a drug or device or
40 who falsely represents any factual matter contained on
41 any label of a drug or device is guilty of a class "C"
42 felony.

43 13. A person who knowingly possesses, purchases,
44 or brings into the state a counterfeit, misbranded, or
45 adulterated drug or device is guilty of the following:

46 a. If the quantity of a counterfeit, misbranded,
47 or adulterated drug or device being possessed,
48 purchased, or brought into the state exceeds one
49 hundred units or dosages; or if the violation is a
50 second or subsequent violation of this subsection, the

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1 person is guilty of a class "D" felony.
2 b. All other violations of this subsection shall
3 constitute an aggravated misdemeanor.
4 14. This section does not prevent a licensed
5 practitioner of medicine, dentistry, podiatry,
6 nursing, veterinary medicine, optometry, or pharmacy
7 from acts necessary in the ethical and legal
8 performance of the practitioner's profession.
9 15. Subsections 1 and 2 shall not apply to a
10 parent or legal guardian administering, in good faith,
11 a prescription drug or device to a child of the parent
12 or a child for whom the individual is designated a
13 legal guardian.
14 Sec. __. NEW SECTION. 155A.40 CRIMINAL HISTORY
15 RECORD CHECKS.
16 1. The board may request and obtain,
17 notwithstanding section 692.2, subsection 5, criminal
18 history data for any applicant for an initial or
19 renewal license or registration issued pursuant to
20 this chapter or chapter 147, any applicant for
21 reinstatement of a license or registration issued
22 pursuant to this chapter or chapter 147, or any
23 licensee or registrant who is being monitored as a
24 result of a board order or agreement resolving an
25 administrative disciplinary action, for the purpose of
26 evaluating the applicant's, licensee's, or
27 registrant's eligibility for licensure, registration,
28 or suitability for continued practice of the
29 profession. Criminal history data may be requested
30 for all owners, managers, and principal employees of a
31 pharmacy or drug wholesaler licensed pursuant to this
32 chapter. The board shall adopt rules pursuant to
33 chapter 17A to implement this section. The board
34 shall inform the applicant, licensee, or registrant of
35 the criminal history requirement and obtain a signed
36 waiver from the applicant, licensee, or registrant
37 prior to submitting a criminal history data request.
38 2. A request for criminal history data shall be
39 submitted to the department of public safety, division
40 of criminal investigation and bureau of
41 identification, pursuant to section 692.2, subsection
42 1. The board may also require such applicants,
43 licensees, and registrants to provide a full set of
44 fingerprints, in a form and manner prescribed by the
45 board. Such fingerprints may be submitted to the
46 federal bureau of investigation through the state
47 criminal history repository for a national criminal
48 history check. The board may authorize alternate
49 methods or sources for obtaining criminal history
50 record information. The board may, in addition to any

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1 other fees, charge and collect such amounts as may be
2 incurred by the board, the department of public
3 safety, or the federal bureau of investigation in
4 obtaining criminal history information. Amounts
5 collected shall be considered repayment receipts as
6 defined in section 8.2.

7 3. Criminal history information relating to an
8 applicant, licensee, or registrant obtained by the
9 board pursuant to this section is confidential. The
10 board may, however, use such information in a license
11 or registration denial proceeding. In a disciplinary
12 proceeding, such information shall constitute
13 investigative information under section 272C.6,
14 subsection 4, and may be used only for purposes
15 consistent with that section.

16 4. This section shall not apply to a manufacturer
17 of a prescription drug or device that has been
18 delivered into commerce pursuant to an application
19 approved by the federal food and drug administration.

20 Sec. __. NEW SECTION. 155A.41 CONTINUOUS
21 QUALITY IMPROVEMENT PROGRAM.

22 1. Each licensed pharmacy shall implement or
23 participate in a continuous quality improvement
24 program to review pharmacy procedures in order to
25 identify methods for addressing pharmacy medication
26 errors and for improving patient use of medications
27 and patient care services. Under the program, each
28 pharmacy shall assess its practices and identify areas
29 for quality improvement.

30 2. The board shall adopt rules for the
31 administration of a continuous quality improvement
32 program. The rules shall address all of the
33 following:

- 34 a. Program requirements and procedures.
- 35 b. Program record and reporting requirements.
- 36 c. Any other provisions necessary for the
37 administration of a program."

38 __. Page 48, by inserting after line 26, the
39 following:

40 "DIVISION

41 NEW RESIDENTIAL CONSTRUCTION DEFECT CASES

42 Sec. __. NEW SECTION. 657B.1 DEFINITIONS.

43 For the purposes of this chapter, the following
44 definitions shall apply:

- 45 1. "Builder" means a builder, developer, or
46 original seller of a new residential unit that is sold
47 on or after July 1, 2005.
- 48 2. "Claimant" includes an individual owner of a
49 single-family home, an individual unit owner of an
50 attached dwelling, and, in the case of a common

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1 interest development, an association, but does not
2 include any person or entity not in privity of
3 contract with a builder.

4 Sec. ___. NEW SECTION. 657B.2 NOTICE OF CLAIM.

5 1. Prior to filing an action for recovery of
6 property damages arising out of, or related to
7 deficiencies in, the residential construction, design,
8 specifications, survey, plan, supervision, testing, or
9 observation of construction against a builder, the
10 claimant shall provide written notice by certified
11 mail, overnight mail, or personal delivery to the
12 builder that the construction, design, specifications,
13 survey, plan, supervision, testing, or observation of
14 construction of the claimant's residence is deficient
15 or violates the applicable housing code or city
16 ordinance. The notice shall state the claimant's
17 name, address, and contact information, shall state
18 that the claimant alleges a violation against the
19 builder, and shall describe the nature of the claim in
20 sufficient detail in order to determine the nature and
21 location of the alleged violation. The document shall
22 have the same force and effect as a notice of
23 commencement of a lawsuit.

24 2. The notice requirements of this section do not
25 preclude a claimant from seeking redress through a
26 customer service procedure set forth in a contract,
27 warranty, or other document generated by the builder.

28 Sec. ___. NEW SECTION. 657B.3 BUILDER'S RECEIPT
29 OF CLAIM – ACKNOWLEDGMENT.

30 Within fourteen days of receipt of a claimant's
31 notice of claim, the builder shall provide a written
32 acknowledgment of receipt of the claim.

33 Sec. ___. NEW SECTION. 657B.4 REPAIRS.

34 Within fourteen days of the builder's
35 acknowledgment of receipt of a claimant's notice of
36 claim, the builder may offer in writing to repair a
37 deficiency, which shall include all of the following:

38 1. An offer to compensate the claimant for
39 property damages recoverable at law.

40 2. A detailed statement identifying the particular
41 deficiency to be repaired, an explanation of the
42 nature, scope, and location of the repair needed, and
43 the estimated completion date of the repair, which
44 shall occur within a reasonable period of time.

45 Sec. ___. NEW SECTION. 657B.5 WHEN ACTION FOR
46 DAMAGES ALLOWED.

47 A claimant may file an action seeking recovery of
48 damages against the builder under the following
49 circumstances:

50 1. If the builder fails to make an offer to

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1 repair, performs an inadequate repair, or does not
2 complete a repair within a reasonable period of time.

3 2. If the builder fails to strictly comply with
4 the requirements of this chapter.

5 Sec. __. NEW SECTION. 657B.6 STATUTE OF
6 LIMITATIONS.

7 The provision of a written notice under section
8 657B.2 tolls any applicable statute of limitations
9 from the date of the provision of the notice through
10 the estimated completion date of the repair pursuant
11 to section 657B.4.

12 Sec. __. NEW SECTION. 657B.7 NOTICE OF
13 ALTERNATIVE DISPUTE RESOLUTION PROCESS.

14 Prior to commencing construction of a residential
15 unit, the builder shall provide a written notice of
16 the alternative dispute resolution process contained
17 in this chapter to the claimant who shall acknowledge
18 in writing receipt of the notice."

19 __. Title page, line 1, by inserting after the
20 word "Act" the following: "relating to state and
21 local finances by providing for tax exemptions,
22 credits, tax credit transfers, and other tax-related
23 matters and by".

24 __. Title page, line 2, by inserting after the
25 word "fees," the following: "providing for wind
26 energy production tax credits,".

27 __. Title page, line 2, by inserting before the
28 word "properly" the following: "remedies and other".

29 __. Title page, line 2, by inserting after the
30 word "matters" the following: "and penalties".

31 11. By renumbering, relettering, or redesignating
32 and correcting internal references as necessary.

Dix of Butler offered the following amendment [H-1712](#), to amendment [H-1711](#), to the Senate amendment [H-1703](#) filed by him from the floor and moved its adoption:

[H-1712](#)

1 Amend the amendment, [H-1711](#), to the Senate
2 amendment, [H-1703](#), to [House File 882](#), as amended,
3 passed, and reprinted by the House, as follows:

4 1. Page 1, line 21, by inserting after the word
5 "management" the following: "after consultation with
6 the legislative services agency".

7 2. Page 1, by striking lines 26 through 29 and
8 inserting the following: "and shall be prioritized by
9 program or the results to be achieved. The estimates
10 shall be accompanied by performance measures for

11 evaluating the effectiveness of the programs or
12 results.””

Amendment [H-1712](#) was adopted.

On motion by Dix of Butler, amendment [H-1711](#), to the Senate amendment [H-1703](#) was adopted.

MOTION TO RECONSIDER AMENDMENT [H-1711](#)
([House File 882](#))

Dix of Butler asked and received unanimous consent to reconsider the vote that amendment [H-1711](#), to the Senate amendment [H-1703](#) was adopted.

T. Taylor of Linn offered the following amendment [H-1713](#), to amendment [H-1711](#) to the Senate amendment [H-1703](#) filed by him from the floor and moved its adoption:

[H-1713](#)

1 Amend the amendment, [H-1711](#), to the Senate
2 amendment, [H-1703](#), to [House File 882](#), as amended,
3 passed, and reprinted by the House, as follows:
4 1. Page 14, by striking lines 21 through 46 and
5 inserting the following:
6 "Sec. __. Section 692A.13, subsection 5, as
7 amended by 2005 Iowa Acts, [House File 619](#), if enacted,
8 is amended to read as follows:
9 5. Relevant information provided to the general
10 public may include the offender's name, address, a
11 photograph, ~~the results of any risk assessment,~~
12 locations frequented by the offender, relevant
13 criminal history information from the registry, and
14 any other relevant information. Relevant information
15 provided to the public shall not include the identity
16 of any victim. For purposes of inclusion in the sex
17 offender registry's web page or dissemination to the
18 general public, a conviction for incest shall be
19 disclosed as either a violation of section 709.4 or
20 709.8."
21 2. Page 14, by inserting after line 48 the
22 following:
23 "Sec. __. Section 692A.13A, if enacted by 2005
24 Iowa Acts, [House File 619](#), is repealed."

Amendment [H-1713](#) lost.

Dix of Butler offered the following amendment [H-1714](#), to amendment [H-1711](#), to the Senate amendment [H-1703](#), filed by him from the floor and moved its adoption:

[H-1714](#)

- 1 Amend the amendment, [H-1711](#), to the Senate
- 2 amendment, [H-1703](#), to [House File 882](#), as amended,
- 3 passed, and reprinted by the House, as follows:
- 4 1. By striking page 45, line 38, through page 47,
- 5 line 18.
- 6 2. Page 47, by striking lines 27 and 28.
- 7 3. By renumbering as necessary.

Amendment [H-1714](#) was adopted.

Dix of Butler moved the adoption of amendment [H-1711](#), to the Senate amendment [H-1703](#), as amended.

Amendment [H-1711](#), as amended, was adopted.

On motion by Dix of Butler, the House concurred in the Senate amendment [H-1703](#), as amended.

Dix of Butler moved that the bill, as amended by the Senate, further amended and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 882](#))

The ayes were, 96:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Chambers	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Foege	Ford
Freeman	Gaskill	Gipp	Granzow
Greiner	Heaton	Heddens	Hoffman
Horbach	Hunter	Huseman	Huser
Hutter	Jacobs	Jacoby	Jenkins
Jochum	Jones	Kaufmann	Kressig
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Mascher
May	McCarthy	Mertz	Miller
Murphy	Oldson	Olson, D.	Olson, R.

Olson, S.	Paulsen	Petersen	Pettengill
Quirk	Raecker	Rants, Spkr.	Rasmussen
Rayhons	Reasoner	Reichert	Roberts
Sands	Schickel	Schueller	Shoultz
Smith	Soderberg	Struyk	Swaim
Taylor, D.	Taylor, T.	Thomas	Tjepkes
Tomenga	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen J.K.	Van Fossen, J.R.	Watts	Wendt
Wessel-Kroeschell	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Zirkelbach	Carroll, Presiding

The nays were, 2:

Fallon Hogg

Absent or not voting, 2:

Frevert Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, adopted the conference committee report and passed [House File 816](#), a bill for an act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of cultural affairs, the department of education, and the state board of regents and providing an effective date.

MICHAEL E. MARSHALL, Secretary

Gipp of Winneshiek asked and received unanimous consent for the immediate consideration of [House Concurrent Resolution 19](#).

ADOPTION OF [HOUSE CONCURRENT RESOLUTION 19](#)

Eichhorn of Hamilton called up for consideration [House Concurrent Resolution 19](#), a concurrent resolution to recognize Joe Royce, the winner of the 2005 Dwight Ink Public Service Award at Iowa State University, and moved its adoption.

The motion prevailed and the resolution was adopted.

IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that [House File 882](#) and [House Concurrent Resolution 19](#) be immediately messaged to the Senate.

ADOPTION OF THE REPORT OF THE
CONFERENCE COMMITTEE
([House File 816](#))

Chambers of O'Brien called up for consideration the report of the conference committee on [House File 816](#) and moved the adoption of the conference committee report and the amendments contained therein as follows:

To the Speaker of the House of Representatives and the President of the Senate:

We the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on [House File 816](#), a bill for an Act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of cultural affairs, the department of education, and the state board of regents and providing an effective date, respectfully make the following report:

1. That the Senate recedes from its amendment [H-1635](#).
2. That [House File 816](#), as amended, passed, and reprinted by the House, is amended to read as follows:

1. Page 2, by inserting after line 12, the following:

"Sec. ___ COLLEGE STUDENT AID COMMISSION STUDY – STATE AID FOR STUDENTS ENROLLED IN ACCREDITED PRIVATE INSTITUTIONS. The college student aid commission shall develop, in consultation with representatives from accredited private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code, recommendations for a policy regarding the protection of educational consumers for inclusion in the definition of "accredited private institution" under section 261.9. It is the intent of the general assembly to consider such a policy as it might apply to private institutions whose income is not exempt, and those private institutions whose income is exempt, from taxation under section 501(c) of the Internal Revenue Code. In determining its recommendations, the commission shall include a review of information that includes, but is not limited to, the percent of students who are enrolled in each institution who have high school graduation diplomas, the percentage of students enrolled in each institution who have high school equivalency diplomas, the percentage of low-income students enrolled in each institution, the percentage of nontraditional students enrolled in each institution, the graduation and job placement rates of each institution, and each institution's official cohort default rate, which is released annually by the United States department of education. The commission shall submit its findings and recommendations to the governor and the general assembly by January 10, 2006."

2. Page 2, by striking lines 13 through 17, and inserting the following.

"Sec. ____ WORK-STUDY APPROPRIATION FOR FY 2005-2006. Notwithstanding section 261.85, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the amount appropriated from the general fund of the state to the college student aid commission for the work-study program under section 261.85 shall be \$140,000, and from the moneys appropriated in this section, \$76,365 shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in this section shall be allocated by the college student aid commission on the basis of need as determined by the portion of the federal formula for distribution for work-study funds that relates to the current need of institutions."

3. Page 3, by inserting after line 16, the following:

"6. GREAT PLACES

For salaries, support, maintenance, and miscellaneous purposes:

.....\$ 200,000

7. ARCHIVE IOWA GOVERNORS' RECORDS

For archiving the records of Iowa governors:

..... \$ 75,000"

4. Page 4, by striking line 18, and inserting the following:

"..... \$ 4,475,050"

5. Page 8, by striking line 25, and inserting the following:

"..... \$ 23,781,594"

6. Page 8, line 30, by inserting after the word "activities" the following: "and of that amount, not more than \$50,000 shall be used to administer the early childhood coordinator's position pursuant to section 28.3, subsection 6A, if enacted by 2005 Iowa Acts, [House File 761](#), and not more than \$50,000 shall be used to implement an early childhood Iowa website for wide dissemination of early care and early childhood learning information and assistance".

7. By striking page 9, line 35, through page 10, line 5.

8. Page 10, line 9, by striking the figure "3,000,000" and inserting the following: "4,650,000".

9. Page 10, by striking line 29 and inserting the following:

"..... \$ 69,593,894"

10 By striking page 10, line 33, through page 11, line 15, and inserting the following:

".....\$149,579,244

The funds appropriated in this subsection shall be Allocated as provided under section 260C.18C, as enacted by this Act, as follows:

- a. Merged Area I\$ 7,235,394
- b. Merged Area II\$ 8,293,881
- c. Merged Area III\$ 7,673,998
- d. Merged Area IV \$ 3,764,072
- e. Merged Area V\$ 8,129,369

f. Merged Area VI	\$ 7,299,114
g. Merged Area VII	\$ 10,652,239
h. Merged Area IX	\$ 13,139,157
i. Merged Area X	\$ 21,321,279
j. Merged Area XI	\$ 22,050,079
k. Merged Area XII	\$ 8,684,671
l. Merged Area XIII	\$ 8,819,900
m. Merged Area XIV	\$ 3,810,283
n. Merged Area XV	\$ 11,972,648
o. Merged Area XVI	\$ 6,733,160"

11. Page 14, by inserting after line 21, the following:

"Sec. ____ TRANSFER OF TECHNOLOGY PURCHASED FOR ACCREDITED NONPUBLIC SCHOOL STUDENTS. In the event that an accredited nonpublic school physically relocates to another school district, technology purchased prior to July 1, 2005, by a school district with state funds appropriated for purposes of making technology available to pupils attending the accredited nonpublic school shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school."

12. Page 15, by striking line 33, and inserting the following:

"..... \$ 14,969,288"

13. Page 17, line 30, by striking the figure "50,000" and inserting the following: "127,000".

14. Page 18, line 1, by inserting after the word "state." the following: "The Iowa state university of science and technology shall prepare a report on the operation of the veterinary diagnostic laboratory which shall include, but shall not be limited to, the following information:

(a) The current business structure of the veterinary diagnostic laboratory, along with a comparison to business structures of similar laboratories at other institutions of higher learning.

(b) Recent trends in fees for services charged by the veterinary diagnostic laboratory and by similar laboratories at other institutions of higher learning.

(c) The use of other funding sources, including state general fund appropriations for the veterinary diagnostic laboratory and a comparison to funding sources at similar laboratories at other institutions of higher learning.

(d) Recommendations for changes in the business structure and methods of funding for the veterinary diagnostic laboratory.

The report shall be submitted to the governor and the general assembly not later than October 1, 2005."

15. By striking page 27, line 16, through page 30, line 19, and inserting the following:

"Sec. ____ NEW SECTION 7K.1 INSTITUTE FOR TOMORROW'S WORKFORCE.

1. FINDINGS. The general assembly finds that Iowa's children are this state's greatest asset and to improve the future for Iowa's children, it is necessary to focus elementary, secondary, and postsecondary education efforts on what children need to know to be successful students and successful participants in Iowa's global workforce. Iowa's state community and business leaders are at the forefront of this ongoing conversation. The general assembly further finds that the creation of an institute for tomorrow's workforce provides a long-term forum for bold, innovative recommendations to improve Iowa's education system to meet the workforce needs of Iowa's new economy.

2. FOUNDATION CREATED – DUTIES. There is created a public body corporate and politic to be known as the "institute for tomorrow's workforce, an educational foundation". The foundation is an independent nonprofit quasi-public instrumentality and the exercise of the powers granted to the foundation as a corporation in this chapter is an essential government function. As used in this chapter, "foundation" means the "institute for tomorrow's workforce, an educational foundation". The foundation shall, at a minimum, do the following:

a. Review educational standards to determine relevance and rigor necessary for continuous improvement in student achievement and meeting workforce needs.

b. Identify jobs skills and corresponding high school coursework necessary to achieve success in the Iowa workforce.

c. Review the state's education accountability measures, including but not limited to student proficiency and individual and organization program accountability.

d. Identify state and local barriers to improved student achievement and student success as well as barriers to sharing among and within all areas of Iowa's education system.

e. Identify effective education structure and delivery models that promote optimum student achievement opportunities for all Iowa students that include, but are not limited to, the role of technology.

f. Serve as a clearinghouse for existing and emerging innovative educational sharing and collaborative efforts among and between Iowa's secondary education system as well as Iowa's postsecondary education system.

g. Promote partnerships between private sector business and all areas of Iowa's education system.

h. Promote partnerships between other Iowa governance structures including, but not limited to, cities and counties, and all areas of Iowa's education system.

i. Identify ways to reduce the achievement gap between white and non-white, non-Asian students.

j. The board of directors of the foundation, within the limits of the funds available to the foundation, shall do the following:

(1) Employ an executive director to direct the activities of the foundation.

(2) Execute contracts with public and private agencies to conduct research and development activities.

(3) Perform functions necessary to carry out the purposes of the foundation.

3. MEMBERSHIP. The board of directors of the foundation shall consist of fifteen members serving staggered three-year terms beginning on May 1 of the year of appointment who shall be appointed as follows:

a. Five members shall be appointed by the governor as follows:

(1) A school district superintendent from a school district with enrollment of one thousand one hundred forty-nine or fewer pupils.

(2) An individual representing an Iowa business employing more than two hundred fifty employees.

(3) A community college president.

(4) An individual representing labor and workforce interests.

(5) An individual representing an Iowa agriculture association.

b. Five members shall be appointed by the speaker of the house of representatives as follows:

(1) An individual representing the area education agencies.

(2) The president of an accredited private institution as defined in section 261.9.

(3) An individual representing an Iowa business employing more than fifty employees but not more than two hundred fifty employees.

(4) An individual representing urban economic development interests.

(5) An individual from an association representing Iowa businesses.

c. Five members shall be appointed by the president of the senate as follows:

(1) A school district superintendent from a school district with an enrollment of more than one thousand one hundred forty-nine pupils.

(2) A president of an institution of higher education under the control of the state board of regents.

(3) An individual representing an Iowa business employing fifty or fewer employees.

(4) An individual representing rural economic development interests.

(5) An individual representing a business that established itself in Iowa on or after July 1, 1999.

Members, except as provided in paragraph "c", subparagraph (2), shall not be employed by the state. One co-chairperson shall be appointed by the speaker of the house of representatives and one co-chairperson shall be appointed by the president of the senate.

4. MATCHING FUNDS REQUIREMENT. Moneys appropriated by the general assembly for purposes of the foundation shall be allocated only to the extent that the state moneys are matched from other sources by the foundation on a dollar-for-dollar basis.

5. REPORTING REQUIREMENTS. The foundation shall submit its findings and recommendations by January 15 annually in a report to the governor, the speaker of the house of representatives, the president of the senate, the state board of education, the state board of regents, the department of workforce development, the department of economic development, the Iowa association of community college trustees, the college student aid commission, the Iowa association of independent colleges and universities, and associations representing school boards, nonpublic schools, area education agencies, and teachers. The report shall include an accounting of the revenues and expenditures of the foundation.

6. This chapter is repealed effective July 1, 2015."

16. Page 31, by inserting after line 14, the following:

"Sec. NEW SECTION 256.24 VALUE-ADDED ASSESSMENT SYSTEM.

1. A value-added assessment system shall be established by the department to provide for multivariate longitudinal analysis of annual student test scores to determine the influence of a school district's educational program on student academic growth and to guide school district improvement efforts. The department shall select a value-added assessment system provider through a request for proposals process. The system provider selected by the department shall offer a value-added assessment system to calculate annually the academic growth of each student enrolled in grade levels three through eleven and tested in accordance with this section, and shall, at a minimum, meet all of the following criteria:

a. Use a mixed-model statistical analysis that has the ability to use all achievement test data for each student, including the data for students with missing test scores, that does not adjust downward expectations for student progress based on race, poverty, or gender, and that will provide the best linear unbiased predictions of school or other educational entity effects to minimize the impact of fortuitous accumulation of random errors.

b. Have the ability to work with test data from a variety of sources, including data that are not vertically scaled, and to provide support for school districts utilizing the system.

c. Have the capacity to receive and report results electronically and provide support for districts utilizing the system.

d. Have the ability to create for each school district a chart that reports grade-equivalent scores for grades three through eight and gains between consecutive pairs of

grades for each attendance center and that provides for a district-wide study of grade-equivalent scores.

2. Annually, each school district that administers the Iowa test of basic skills or the Iowa test of educational development shall, within thirty days of receiving the test scores from the American college testing program, inc., submit the test scores for each attendance center within the school district and each grade level tested, from grades three through eleven, to the system provider selected pursuant to subsection

3. The system provider shall provide analysis to school districts submitting test scores pursuant to subsection 2, and to the department of education. The analysis shall include, but not be limited to, attendance-center-level test results for the Iowa test of basic skills in the areas of reading and mathematics and other core academic areas when possible. The analysis shall also include, but not be limited to, the number of students tested, the number of test results used to compute the averages, the average standard score, the corresponding grade equivalent score, the average stanine score for the group, the normal curve equivalent of average standard scores, and percentile ranks based on student norms, as well as measures of student progress. The system provider shall create a chart for each school district in accordance with the criteria set forth in subsection 1, paragraphs "a" through "d".

4. Each school district shall have complete access to and full utilization of its own value-added assessment reports and charts generated by the system provider at the student level for the purpose of measuring student achievement at different educational entity levels.

5. Student academic growth determined pursuant to this section shall not be used in teacher evaluation and shall not be published if individual teacher effects can be surmised.

6. Information about student academic growth may be used by the school district, including school board members, administration, and staff, for defining student and district learning goals and professional development related to student learning goals across the school district. A school district may submit its academic growth measures in the annual report submitted pursuant to section 256.7, subsection 21, and may reference in the report state level norms for purposes of demonstrating school district performance. However, unless a school district chooses to submit its academic measures in the annual report submitted pursuant to section 256.7, such measures are not public records for the purposes of chapter 22.

7. The department may use student academic progress data to determine school improvement and technical assistance needs of school districts, and to identify school districts achieving exceptional gains. Beginning January 15, 2006, and by January 15 of each succeeding year, the department shall submit an annual progress report regarding the use of student academic growth information in the school improvement processes to the house and senate education committees and shall publish the progress report on its internet web site.

8. The department is encouraged to advocate that the United States department of education allow reporting of student academic progress as an additional valid measure of school performance, as an alternative for meeting federal safe harbor provisions, and

for establishing statewide progress under the federal No Child Left Behind Act of 2001, Pub. L. No. 107-110, and any federal regulations adopted pursuant to the federal Act.

9. A school district shall use the value-added assessment system established by the department pursuant to subsection 1 not later than the school year ending June 30, 2007. However, the director of educational services of an area education agency may grant a request made by a board of directors of a school district located within the boundaries of the area education agency stating its desire to use an alternative system to compute and report value-added scores that is statistically valid and reliable."

17. Page 31, by inserting before line 15, the following:

"Sec.____. Section 256.44, subsection 1, paragraph a, Code 2005, is amended to read as follows:

a. If a teacher registers for national board for professional teaching standards certification prior to June 30, ~~2005~~ 2006, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department of education within one year of registration, submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the teacher's certification achievement and submits any documentation requested by the department.

Sec.____. Section 256.44, subsection 1, paragraph b, subparagraph (2), Code 2005, is amended to read as follows:

(2) If the teacher registers for national board for professional teaching standards certification between January 1, 1999, and January 1, ~~2005~~ 2006, and achieves certification within three years from the date of initial score notification, an annual award in the amount of two thousand five hundred dollars upon achieving certification by the national board of professional teaching standards."

18. Page 31, by inserting after line 25, the following:

"Sec.____. Section 260C.2, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. "Department" means the department of education.

Sec. ____ NEW SECTION. 260C.18C STATE AID DISTRIBUTION FORMULA.

1. PURPOSE. A distribution plan for general state financial aid to Iowa's community colleges is established for the fiscal year commencing July 1, 2005, and succeeding fiscal years. Funds appropriated by the general assembly to the department for general financial aid to community colleges shall be allocated to each community college in the manner provided under this section.

2. DEFINITIONS. As used in this section, unless the context otherwise requires:

a. "Base funding allocation" means the amount of general state financial aid all community colleges received in the base year.

b. "Base year" means the fiscal year immediately preceding the budget year.

c. "Below-average support per FTEE" for a community college means the state-average combined support per FTEE minus the combined support per FTEE for the community college if the community college's combined support per FTEE is less than the state-average combined support per FTEE.

d. "Budget year" means the fiscal year for which moneys are appropriated by the general assembly.

e. "Combined support" for a community college means the total amount of moneys the community college received in general state financial aid in the base year plus the community college's general fund property tax revenue, including utility replacement, for the base year.

f. "Combined support per FTEE" for a community college means the community college's combined support divided by its three-year rolling average full-time equivalent enrollment for the three years prior to the base year.

g. "Contact hour" for a noncredit course equals fifty minutes of contact between an instructor and students in a scheduled course offering for which students are registered.

h. "Credit hour", for purposes of community college funding distribution, shall be as defined by the department by rule.

i. "Eligible credit courses" means all credit courses that are eligible for general state financial aid which are part of a department-approved program of study. The department shall review and provide a determination should a question of eligibility occur.

j. "Eligible growth support" for a community college is the community college's below-average support per FTEE multiplied times its three-year rolling average full-time equivalent enrollment.

k. "Eligible noncredit courses" means all noncredit courses eligible for general state financial aid which fall under one of the eligible categories for noncredit courses as defined by rule of the department. The department shall review and provide a determination should a question of eligibility occur.

l. "Eligible student" means a student enrolled in eligible credit or eligible noncredit courses. The department shall review and provide a determination should a question of eligibility occur.

m. "Fiscal year" means the period of twelve months beginning on July 1 and ending on June 30.

n. One "full-time equivalent enrollment (FTEE)" equals twenty-four credit hours for credit courses or six hundred contact hours for noncredit courses generated by all eligible students enrolled in eligible courses.

o. "General fund property tax revenue" means the amount of moneys a community college raised or could have raised from a property tax of twenty and one-fourth cents per thousand dollars of assessed valuation on all taxable property in its merged area collected for the base year.

p. "General state financial aid" means the amount of general state financial aid the community college received from the general fund.

q. "Inflation adjustment amount" means the inflation rate minus two percentage points multiplied times the base funding allocation. The inflation adjustment amount shall not be less than zero.

r. "Inflation rate" means the average of the preceding twelve-month percentage change, which shall be computed on a monthly basis, in the consumer price index for all urban consumers, not seasonally adjusted, published by the United States department of labor, bureau of labor statistics, calculated for the calendar year ending six months after the beginning of the base year.

s. "State-average combined support per FTEE" means the average of the combined support per FTEE for all community colleges in the state in the base year.

t. "Three-year rolling average full-time equivalent enrollment" means the average of the audited full-time equivalent enrollment for a community college over the three fiscal years prior to the base year as determined by the department.

u. "Total growth support amount" means the sum of the eligible growth support for all the community colleges.

3. DISTRIBUTION FORMULA. Moneys appropriated by the general assembly from the general fund to the department for community college purposes for general state financial aid for a budget year shall be allocated to each community college by the department as follows:

a. If the inflation rate is equal to two percent or less:

(1) BASE FUNDING ALLOCATION. The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) MARGINAL COST ADJUSTMENT. After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **EXTRAORDINARY GROWTH ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(5) **ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION.** If the increase in total state general aid exceeds four percent over the base funding allocation, all remaining moneys shall be distributed based upon each college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

b. If the inflation rate is greater than two percent but less than four percent:

(1) **BASE FUNDING ALLOCATION.** The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) **MARGINAL COST ADJUSTMENT.** After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **EXTRAORDINARY GROWTH ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equal the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(5) **INFLATION ADJUSTMENT.** If the increase in total state general aid exceeds four percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same proportion as the allocation of general state financial aid each community college received in the base year.

(6) **ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION.** If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

c. If the inflation rate equals or exceeds four percent:

(1) **BASE FUNDING ALLOCATION.** The moneys shall first be allocated in the amount of general state financial aid each community college received in the base year. If the appropriation is less than the total of the amount of general state financial aid each community college received in the base year, the moneys shall be allocated in the same proportion as the allocation of general state financial aid each community college received in the base year.

(2) **MARGINAL COST ADJUSTMENT.** After the base funding has been allocated, each community college shall be allocated up to an additional two percent of its base funding allocation. The community college's allocation shall be in the same proportion as the allocation of general state financial aid each community college received in the base year.

(3) **THREE-YEAR ROLLING AVERAGE OF FULL-TIME EQUIVALENT ENROLLMENT.** If the increase in the total state general aid exceeds two percent over the base funding allocation, an amount up to an additional one percent of the base funding allocation shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(4) **INFLATION ADJUSTMENT.** If the increase in total state general aid exceeds three percent over the base funding allocation, an amount up to the inflation adjustment amount shall be distributed to each community college in the same

proportion as the allocation of general state financial aid each community college received in the base year.

(5) EXTRAORDINARY GROWTH ADJUSTMENT. If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (4), an amount up to an additional one percent of the base funding allocation shall be based as follows:

(a) Forty percent of the moneys shall be allocated based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

(b) Sixty percent of the moneys shall be allocated to community colleges that have eligible growth support. The allocation shall be based upon the proportional share that each community college's eligible growth support bears to the total growth support amount. Once the moneys allocated under this subparagraph subdivision equals the total growth support amount, the remaining moneys allocated under this subparagraph shall be allocated as provided in subparagraph subdivision (a).

(6) ADDITIONAL THREE-YEAR ROLLING AVERAGE FTEE ALLOCATION. If there are remaining moneys to be distributed under this paragraph after distributing moneys under subparagraph (5), all remaining moneys shall be distributed based upon each community college's proportional share of the three-year rolling average full-time equivalent enrollments for all community colleges.

4. INFORMATION SUPPLIED BY COLLEGES AND ADOPTION OF RULES.

a. Each community college shall provide information in the manner and form as determined by the department. If a community college fails to provide the information as requested, the department shall estimate the full-time equivalent enrollment of that college.

b. Each community college shall complete and submit an annual student enrollment audit to the department. Adjustments to community college state general aid allocations shall be made based on student enrollment audit outcomes.

c. The department shall adopt rules under chapter 17A as necessary for the allocation of general state financial aid." 13, and inserting the following:

"Sec. ____. Section 261.25, subsection 1, Code 2005, is amended to read as follows:

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of ~~forty-seven~~ forty-nine million ~~one~~ six hundred ~~fifty-seven~~ seventy-three thousand five hundred ~~fifteen~~ seventy-five dollars for tuition grants. From the funds appropriated in this subsection, ~~not more than three million four hundred thousand dollars may be distributed to~~ an amount equal to ten percent of the funds appropriated in this subsection shall be reserved for distribution to students attending private institutions whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant moneys in the fiscal year beginning July 1, 2003. A for-profit institution which, effective March 9, 2005, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an

eligible institution under the Iowa tuition grant program. In the case of a qualified student who was enrolled in such accredited private institution that was purchased by the for-profit institution effective March 9, 2005, and who continues to be enrolled in the eligible institution in succeeding years, the amount the student qualifies for under this subsection shall be not less than the amount the student qualified for in the fiscal year beginning July 1, 2004.

Sec.____. Section 261.25, subsection 2, Code 2005, is amended by striking the subsection."

20. Page 33, by inserting after line 23, the following:

"Sec.____. Section 284.4, subsection 1, paragraph c, Code 2005, is amended to read as follows:

c. Provide, beginning in the fifth year of participation, the equivalent of ~~two~~ one additional contract ~~days~~ day, outside of instruction time, than ~~were~~ was provided in the school year preceding the first year of participation, to provide additional time for teacher career development that aligns with student learning and teacher development needs, including the integration of technology into curriculum development, in order to achieve attendance center and district-wide student achievement goals outlined in the district comprehensive school improvement plan. School districts are encouraged to develop strategies for restructuring the school calendar to provide for the most effective professional development, evaluate their current career development alignment with their student achievement goals and research-based instructional strategies, and implement district career development plans. A school district that provides the equivalent of ten or more contract days for career development is exempt from this paragraph.

Sec.____. Section 284.13, subsection 1, paragraphs a, d, and i, Code 2005, are amended by striking the paragraphs."

21. Page 33, lines 24 and 25, by striking the words "a" through" and inserting the following: "b and".

22. By striking page 33, line 26, through page 34, line 2

23. Page 34, line 7, by inserting after the figure "256.44." the following: "From the moneys allocated to the department pursuant to this paragraph, up to five thousand dollars shall be used for purposes of conducting a study of the impact the national board for professional teaching standards certification of Iowa's teachers has on student achievement and the advisability of continuing state funding pursuant to section 256.44. The department shall submit its findings and recommendations to the chairpersons and ranking members of the house and senate committees on education and the chairpersons and ranking members of the joint appropriations subcommittee on education by January 15, 2006."

24. Page 34, line 10, by striking the word "one" and inserting the following: "two".

25. By striking page 34, line 31, through page 35, line 7, and inserting the following:

"e. For the fiscal year beginning July 1, ~~2004~~ 2005, and ending June 30, ~~2005~~ 2006, up to ~~two~~ four hundred ~~fifty~~ eighty-five thousand dollars to the department of education for purposes of implementing the career development program requirements of section 284.6, ~~and~~ the review panel requirements of section 284.9, ~~and the evaluator training program in section 284.10.~~ From the moneys allocated to the department pursuant to this paragraph, not less than ~~seventy-five~~ ten thousand dollars shall be ~~used to administer the ambassador to education position in accordance with section 256.45 distributed to the board of educational examiners for purposes of convening an educator licensing review working group.~~ From the moneys allocated to the department pursuant to this paragraph, not less than eighty-five thousand dollars shall be used to administer the ambassador to education position in accordance with section 256.45. A portion of the funds allocated to the".

26. Page 35, by striking lines 16 through 30, and inserting the following:

"Sec. ____ Section 284.13, subsection 1, Code 2005, is amended by adding the following new paragraphs before paragraph h:

NEW PARAGRAPH. ga. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, up to ten million dollars to the department of education for use by school districts to add one additional teacher contract day to the school calendar. The department shall distribute funds allocated for the purpose of this paragraph based on the average per diem contract salary for each district as reported to the department for the school year beginning July 1, 2004, multiplied by the total number of full-time equivalent teachers in the base year. The department shall adjust each district's average per diem salary by the allowable growth rate established under section 257.8 for the fiscal year beginning July 1, 2005. The contract salary amount shall be the amount paid for their regular responsibilities but shall not include pay for extracurricular activities. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department".

27. Page 36, by inserting after line 1, the following:

NEW PARAGRAPH. gb. For the fiscal year beginning July 1, 2005, and ending June 30, 2006, up to six million six hundred twenty-five thousand dollars to the department of education for use by school districts for either salaries or professional development, or both, as determined by the school district. Funds received by a school district for purposes of this paragraph shall be distributed using the formula provided in paragraph "f" and are subject to the provisions of section 284.7, subsection 6. A school district shall submit a report to the department in a manner determined by the department describing its use of the funds received under this paragraph. The department shall submit a report on school district use of the funds distributed pursuant to this paragraph to the chairpersons and ranking members of the house and senate standing committees on education, the joint appropriations subcommittee on education, and the legislative services agency not later than January 15, 2006.

NEW PARAGRAPH. gc. For the fiscal year beginning July 1, 2005, and succeeding fiscal years, up to one million dollars to the department of education for purposes of the value-added assessment system established pursuant to section 256.24. The department shall allocate the moneys to school districts based upon the percentage of the budget enrollment of each school district for the fiscal year beginning July 1, 2004,

compared to the budget enrollment of all school districts in the state for the fiscal year beginning July 1, 2004. The department shall distribute the moneys to a school district upon demonstration by the school district to the department that the school district agrees to participate in a qualified value-added assessment system.

Sec. ____ . Section 301.1, subsection 2, Code 2005, is amended to read as follows:

2. Textbooks adopted and purchased by a school district shall, to the extent funds are appropriated by the general assembly, be made available to pupils attending accredited nonpublic schools upon request of the pupil or the pupil's parent under comparable terms as made available to pupils attending public schools. If the general assembly appropriates moneys for purposes of making textbooks available to accredited nonpublic school pupils, the department of education shall ascertain the amount available to a school district for the purchase of nonsectarian, nonreligious textbooks for pupils attending accredited nonpublic schools. The amount shall be in the proportion that the basic enrollment of a participating accredited nonpublic school bears to the sum of the basic enrollments of all participating accredited nonpublic schools in the state for the budget year. For purposes of this section, a "participating accredited nonpublic school" means an accredited nonpublic school that submits a written request on behalf of the school's pupils in accordance with this subsection, and that certifies its actual enrollment to the department of education by October 1, annually. By October 15, annually, the department of education shall certify to the director of the department of administrative services the annual amount to be paid to each school district, and the director of the department of administrative services shall draw warrants payable to school districts in accordance with this subsection. For purposes of this subsection, an accredited nonpublic school's enrollment count shall include only students who are residents of Iowa. The costs of providing textbooks to accredited nonpublic school pupils as provided in this subsection shall not be included in the computation of district cost under chapter 257, but shall be shown in the budget as an expense from miscellaneous income. Textbook expenditures made in accordance with this subsection shall be kept on file in the school district. In the event that a participating accredited nonpublic school physically relocates to another school district, textbooks purchased for the nonpublic school with funds appropriated for purposes of this chapter shall be transferred to the school district in which the nonpublic school has relocated and may be made available to the nonpublic school. Funds distributed to a school district for purposes of purchasing textbooks in accordance with this subsection which remain unexpended and available for the purchase of textbooks for the nonpublic school that relocated in the fiscal year in which the funds were distributed shall also be transferred to the school district in which the nonpublic school has relocated."

28. By renumbering, redesignating, and correcting internal references as necessary.

ON THE PART OF THE HOUSE:

Royd E. Chambers, Chairperson
Bill Dix
Mary Mascher
Jo Oldson
Jodi Tymeson

ON THE PART OF THE SENATE:

Nancy Boettger, Co-Chairperson
Wally Horn, Co-Chairperson
Jeff Angelo
Michael Gronstal
John P. Kibbie
Jeff Lamberti

The motion prevailed and the conference committee report was adopted.

Chambers of O'Brien moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 816](#))

The ayes were, 98:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Chambers	Cohoon	Dandekar	Davitt
De Boef	Dix	Dolecheck	Drake
Eichhorn	Elgin	Fallon	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Huser	Hutter	Jacobs
Jacoby	Jenkins	Jochum	Jones
Kaufmann	Kressig	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Mascher	May	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Olson, R.	Olson, S.	Paulsen
Petersen	Pettengill	Quirk	Raecker
Rants, Spkr.	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Carroll, Presiding		

The nays were, none.

Absent or not voting, 2:

Frevert Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 816](#) be immediately messaged to the Senate.

The House stood at ease at 8:35 p.m., until the fall of the gavel.

The House resumed session at 8:56 p.m., Speaker Rants in the chair.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, adopted the conference committee report and passed [House File 834](#) a bill for an act relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 868](#), a bill for an act relating to economic development, business, workforce, and regulatory assistance and tax credits, and to state developmental, research, and regulatory oversight, and including effective date and retroactive applicability provisions.

Also: That the Senate has on May 20, 2005, amended the House amendment, concurred in the House amendment as amended, and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 342](#), a bill for an act relating to appropriation matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, and providing effective and applicability date provisions.

MICHAEL E. MARSHALL, Secretary

ADOPTION OF THE REPORT OF THE
CONFERENCE COMMITTEE
([House File 834](#))

Struyk of Pottawattamie called up for consideration the report of the conference committee on [House File 834](#) and moved the adoption of the conference committee report and the amendments contained therein as follows:

REPORT OF THE CONFERENCE COMMITTEE
ON [HOUSE FILE 834](#)

To the Speaker of the House of Representatives and the President of the Senate:

We the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on [House File 834](#), a bill for an Act relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations, respectfully make the following report:

1. That the Senate recedes from its amendment, [H-1626](#).
2. That [House File 834](#), as passed by the House, is amended to read as follow:

1. Page 4, by inserting after line 30 the following:

"Sec. ___. STUDY. By January 1, 2006, the department of natural resources shall submit a written report to the general assembly regarding the land application and treatment of septage. The report shall include a county-by-county analysis of the amount of septage collected at sources in each county, the amount of septage applied to land in each county, and the treatment capacity of wastewater treatment facilities in each county. The report shall include an analysis of the environmental impact of land application of septage and the fiscal impact of a statewide prohibition of the land application of septage."

2. By renumbering as necessary.

ON THE PART OF THE HOUSE:

Douglas L. Struyk, Chair
Sandra H. Greiner
Geri D. Huser
Don Shultz
Jodi S. Tymeson

ON THE PART OF THE SENATE:

Jeff Danielson, Co-Chair
Pat Ward, Co-Chair
Dr. Joe Seng
Doug Shull
Mark Ziemann

The motion prevailed and the conference committee report was adopted.

Struyk of Pottawattamie moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 834](#))

The ayes were, 98:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cohoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon

Foege	Ford	Freeman	Gaskill
Gipp	Granzow	Greiner	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kaufmann	Kressig	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Mr. Speaker		
	Rants		

The nays were, none.

Absent or not voting, 2:

Frevert Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 834](#) be immediately messaged to the Senate.

MOTION TO RECONSIDER WITHDRAWN ([House File 810](#))

Gipp of Winneshiek asked and received unanimous consent to withdraw the motion to reconsider [House File 810](#), a bill for an act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and providing an effective date, filed by him on May 10, 2005.

MOTION TO RECONSIDER WITHDRAWN
([Senate File 390](#))

Gipp of Winneshiek asked and received unanimous consent to withdraw the motion to reconsider [Senate File 390](#), a bill for an act relating to the generation and purchase of renewable energy including establishing a renewable energy tax credit program administered by the utilities division of the department of commerce and the department of revenue, and providing an effective date, filed by him on May 16, 2005.

IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that the following bills be immediately messaged to the Senate: [House File 810](#) and [Senate File 390](#).

The House stood at ease at 9:05 p.m., until the fall of the gavel.

The House resumed session at 10:02 p.m., Speaker Rants in the chair.

SENATE AMENDMENT CONSIDERED

Dix of Butler called up for consideration [Senate File 342](#), a bill for an act relating to appropriation matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, and providing effective and applicability date provisions, amended by the House, further amended by the Senate and moved that the House concur in the following Senate amendment [H-1715](#) to the House amendment:

[H-1715](#)

- 1 Amend the House amendment, [S-3321](#), to Senate File
- 2 342, as amended, passed, and reprinted by the Senate,
- 3 as follows:
- 4 1. Page 1, by striking lines 3 and 4, and
- 5 inserting the following:
- 6 "___ By striking page 1, line 1, through page 2,
- 7 line 34."
- 8 2. Page 1, by inserting after line 6, the
- 9 following:
- 10 "___ Page 3, by inserting before line 31, the

11 following:

12 "DIVISION____
13 EDUCATION

14 Sec.____. STATE BOARD OF REGENTS – GENERAL FUND
15 ENDING BALANCE.

16 1. Prior to the appropriation of the surplus
17 existing in the general fund of the state at the
18 conclusion of the fiscal year beginning July 1, 2004,
19 pursuant to section 8.57, subsection 1, from
20 appropriations that remain unencumbered or unobligated
21 and would otherwise revert on August 31, 2005,
22 pursuant to section 8.33, up to \$2,800,000 shall be
23 transferred to the state board of regents.

24 2. The transfer made in subsection 1 shall be
25 distributed to the state board of regents in the
26 fiscal year beginning July 1, 2005, to be used as
27 additional funding for the fiscal year beginning July
28 1, 2005, for the institutions under the state board of
29 regents.""

30 3. Page 1, by inserting after line 6, the
31 following:

32 "____. Page 5, by inserting after line 22, the
33 following:

34 "Notwithstanding section 8.33, moneys appropriated
35 in this section that remain unencumbered or
36 unobligated at the close of the fiscal year shall not
37 revert but shall remain available for expenditure for
38 the purposes designated until the close of the
39 succeeding fiscal year.""

40 4. Page 1, by striking lines 7 through 11, and
41 inserting the following:

42 "____. By striking page 5, line 25, through page
43 9, line 17, and inserting the following:

44 "Sec.____. INDIGENT DEFENSE CLAIMS – TRANSFERS.

45 It is the intent of the general assembly that the
46 director of the department of management, with the
47 approval of the governor, shall utilize the transfer
48 authority available under section 8.39 to provide the
49 office of the state public defender of the department
50 of inspections and appeals with sufficient funding to

Page 2

1 satisfy all valid indigent defense claims under
2 section 232.141 and chapter 815 for the fiscal year
3 beginning July 1, 2004, and ending June 30, 2005.""

4 5. Page 7, line 37, by striking the word "either"
5 and inserting the following: "any".

6 6. Page 7, by inserting after line 43, the
7 following:

8 "b. The employee would incur fees charged to the
9 employee's account as a result of the direct deposit."

10 7. By renumbering, relettering, or redesignating
 11 and correcting internal references as necessary.

The motion prevailed and the House concurred in the Senate amendment [H-1715](#), to the House amendment.

Dix of Butler moved that the bill, as amended by the House, further amended by the Senate and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 342](#))

The ayes were, 97:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cphoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Foege
Ford	Freeman	Gaskill	Gipp
Granzow	Greiner	Heaton	Heddens
Hoffman	Hogg	Horbach	Hunter
Huseman	Huser	Hutter	Jacobs
Jacoby	Jenkins	Jochum	Jones
Kaufmann	Kressig	Kuhn	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Mascher	May	McCarthy
Mertz	Miller	Murphy	Oldson
Olson, D.	Olson, R.	Olson, S.	Paulsen
Petersen	Pettengill	Quirk	Raecker
Rasmussen	Rayhons	Reasoner	Reichert
Roberts	Sands	Schickel	Schueller
Shoultz	Smith	Soderberg	Struyk
Swaim	Taylor, D.	Taylor, T.	Thomas
Tjepkes	Tomenga	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wendt	Wessel-Kroeschell	Whitaker	Whitead
Wilderdyke	Winckler	Wise	Zirkelbach
Mr. Speaker			
Rants			

The nays were, none.

Absent or not voting, 3:

Fallon	Frevert	Shomshor
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 342](#) be immediately messaged to the Senate.

REMARKS BY MINORITY LEADER MURPHY

Murphy of Dubuque offered the following remarks:

I guess it's time for all of you now to go into Atomic Fireball withdrawal. I'm out of Atomic Fireballs, which must mean it's the end of session.

I just want to talk about the things that Democrats talked about when we came here in January. Democrats basically talked about three things that day – education, health care and creating jobs. And Democrats feel like we have accomplished a lot in this session to deal with those three issues and a few others as well.

With regard to jobs and economy, we created the Iowa Values Fund, fifty-million dollars a year for the next ten years. We did it in a very bipartisan way. Representative Hoffman worked very well with Representatives Olson and Thomas and other members of our caucus and I appreciate that. What we do with that legislation over the next ten years hopefully will keep a lot our young people in this state and give them the opportunities to stay here. So, I think that is something we need to feel proud about.

But, I also think that we did other things that affect the economy. We passed the telecommunications reform bill this year that helped address the digital divide. Eighty percent of Iowans now will have high-speed Internet capacity in the next 18 months. I know that there were a few people who opposed it, but generally everybody agreed that we need to bring that technology to all parts of Iowa. And the telecommunications reform bill did that.

When we talk about education, there are a number of accomplishments there as well. We talked in January about doing a 4 percent allowable growth rate for public schools and we got that done in almost record time, in the first two weeks we were in session.

Today we passed a little over twenty million dollars for early childhood development. It's a new program that's going to help our young people get the early start they need on education. Along with that we addressed the issue of teacher compensation and teacher quality and student achievement and expanding those opportunities. And community colleges had an unprecedented amount of funding at \$9.8 million of new spending.

When you take a look at what we did with health care this year, the Medicaid reform bill offers access to health care for thirty-thousand Iowans in the next year who currently do not have health insurance. With the Health & Human Services bill we

passed today we gave more kids access to the benefits of the Healthy and Well Kids of Iowa program.

We also passed a drug repository bill that allows people to have access to drugs that otherwise might have been discarded. We also created the ability for people to have access to cancer drugs, anti-rejection drugs. And that was another bipartisan effort that incorporated bills introduced both by Representative Carroll and by me as well as input from Iowans who called in and offered suggestions for other things to include in that legislation.

Some other issues arose during the legislative session. We created the smartest and toughest meth bill in the country. Again, a bipartisan effort created that legislation that will now make Iowa a much safer place, not just for law enforcement, but for our families and our children. We also had a terrible tragedy that led to us passing the toughest sexual predator law in the country.

We have a lot to feel proud about when we talk about this session. We have been mired in gridlock the last few weeks, but we had a governor of the state who showed leadership this week to bring all parties to the table. We had leaders in this chamber and in the Senate, both on the Republican side and Democratic side, who came to the table. They knew what their differences were, they found commonality on the things that they could agree with, they worked through their differences and today we passed almost the entire state budget and sent it to the governor. So, while people are sometimes frustrated by the process, the process works. And it has been around now for over two hundred years.

Now I've had the press already ask me what wasn't accomplished. Well, I'm usually a good one to ask because I'm a Cubs fan. And a Cubs fan always says "Well, wait 'til next year." I feel as if we have accomplished a lot of things this year. We need to focus on the good things that we did. Whether it was the issues I just recited or the race track for Newton or the destination park or other issues. I think we tried to address as many issues as we could this year.

Now, before I finish I want to also say thank you to my caucus and thank you to all the members of the House. It has been an honor to be elected as a leader by the Democrats in my caucus. I know we have had our ups and downs, but at the same time too it's always been an honor to lead you and I appreciate that.

I also want to thank our staff, because our staff has done an excellent job. The staff works every day to make everybody in this legislative body look good, whether it's the House or the Senate or the governor's office. They never see the credit or appear on the 6:00 and 10:00 news discussing the bills. They give us their good ideas and draft them for us. They tell us how to take our ideas and tweak them and make them better. They figure out how we can save money so that we can do more good for Iowans. So, I want to thank them.

I think there are a number of things that this legislature can be remembered for – education, economic opportunities, health care. And most of the things that we did focused on our families, our children, and our opportunities for the future. So, when we leave here tonight, I think we should let Iowans know what we did to help make this state and its citizens better, and the opportunities we've given our children for the future. Thank you.

Along with that though we talked about early childhood legislation and we passed that today with a little over twenty million dollars for early childhood development. A new program that's going to help our young people get the early start they need on education.

Along with that we addressed the issue of teacher compensation and teacher quality and student achievement and expanding those opportunities.

Along with that community colleges had, for the first, an unprecedented amount of funding at 9.8 million dollars of new spending.

And along with that we also addressed the areas of health care. And when you take a look at what we did with the Medicaid reform bill we are offering, thirty-thousand Iowan's in the next year will be able to get access to health insurance that they previously did not have. Plus with the health and human services bill that was passed today on the floor the opportunity existed so that more kids could get access to Healthy and Well Kids of Iowa.

Along with that we had the drug repository bill. That allowed the ability for people to get access to drugs that nursing homes otherwise would have discarded and thrown away. We also created the ability for people that have access to cancer drugs. The ability for anti-rejection drugs. And that was not just a bi-partisan effort, that was a bill that was introduced by Representative Carroll, a bill that was introduced by myself and then we also took concerns of Iowan's who called in and talked about other things we should include in that legislation.

So, we did a number of things to try to make Iowa a better place. But then along with that, the other things that came up this legislative session. The whole issue of meth. We created the toughest meth bill in the country. And it was a bipartisan effort that created that legislation that will now make Iowa a much safer place, not just for law enforcement, but for our families and our children.

Along with that, during session, we had some tragedies that occurred and over the last few weeks we passed the toughest sexual predator law in the country.

We have a lot to feel proud about when we talk about this session. I know a lot of people will talk about what has occurred over the last three weeks and the argument of gridlock, but I will tell you this we had a governor of the state that showed leadership this week to bring all parties to the table. We had leaders in this chamber, both on the Republican side and Democratic side, we had leaders in the Senate that came to the table. They knew what their differences were before, they found commonality on the things that they could agree with, worked through those differences and today we passed almost the entire state budget and sent it to the governor. So, I know people always argue about the process, but the process works. And it has been around now for over two hundred years. And, I think that is the part that we need to remind Iowan's about.

Now I've had the press already ask me what wasn't accomplished. Well, I'm usually a good one to ask because I'm a Cubs fan. And a Cub's fan always says "Well, wait till next year." I feel as if we have accomplished a lot of things this year. We need to focus on the good things that we did. Whether it was the issues I just mentioned or race

track for Newton, or for the other issues that we addressed. I think we tried to address as many issues as we could this year.

Now, before I finish I want to also say thank you to my caucus and thank you to all the members of the House. It has been an honor to be elected as a leader by the Democrats in my caucus. I know we have had our ups and downs, but at the same point too it's always been an honor to lead you and I appreciate that. I also want to thank our staff, because our staff has done an excellent job. The staff is what really makes everybody in this legislative body, whether it's the House or the Senate or the governor's office. It's the people behind the scenes that do the work every day that make us look good. They never see the credit, their never on the 6 and 10:00 news discussing the bills. Their never talking about their ideas, they just draft the good ideas. They tell us how to tweak them to make them better. They figure out how we can save money so that we can do more good for Iowan's. So, I want to thank them and I appreciate this opportunity and I think when we walk out of here tonight, hopefully yet tonight, not tomorrow morning, but if we do walk out of here tonight I think there are a number of things that this legislature can be remembered for whether it's education, whether it's economic opportunities, whether it's health care. And most of the things that we did focused on our families, our children, and our opportunities for the future. So, when we leave here tonight, I think the focus needs to be on what we did to help make this state better and the citizens of this state better and to give opportunity to them and to our children for the future. Thank you.

REMARKS BY MAJORITY LEADER GIPP

Gipp of Winneshiek offered the following remarks:

Thank you, Mr. Speaker! Mr. Speaker, Ladies and Gentlemen of the House. I will be brief!

As I said on January 10, each session brings new challenges – and new opportunities. Today, as we come to the end of the 1st Regular Session of the 81st General Assembly, I submit that we have met those challenges and seized the opportunities.

We were able to fund our priorities through a balanced, sustainable budget that does not include bonding or tax increases.

- We passed a 4% or \$82 million increase in K-12 funding and created a novel early childhood program. With this increase, Iowa now spends more than \$2 billion on K-12 education funding.
- We passed a model Medicaid reform bill. Iowa is now poised to set the standard for Medicaid in the 21st Century.
- We created a Prescription Drug Assistance Clearinghouse Program.
- We worked to ease the burden of Iowans by striking a balance between the need to provide coverage for the treatment of mental illnesses while keeping premium increases to a minimum.

- In response to the increasing deer population, we passed a bill that will reduce the deer population by 25% in four years.
- We constructed the smartest and toughest meth bill in the country.
- In light of the tragedies that took place in eastern Iowa and other parts of the country we responded by authoring an improved Iowa Sex Offender Registry Bill.
- We passed a bill that expands the child and dependent care tax credit.
- We passed legislation that deregulates Iowa's remaining rate regulated telecommunication providers. This will provide a level playing field for all companies providing telecommunications services in Iowa, while limiting the growth in customer rates.
- We passed legislation that will bring a racetrack and much needed vitality to a community that is being threatened with losing its largest employer.
- We passed legislation that will assist in the completion of Honey Creek Destination Park. This is another piece of economic development legislation that will revitalize our state.
- Finally, we reinstated the Iowa Values Fund. This Fund makes the statement that Iowa is open for business.

I am proud of our accomplishments and you should be too.

In closing and before the Speaker brings down the gavel for the last time this session, I would like to thank you for your hard work and for the time you have given to the people of Iowa. In addition, I would like to thank Susan, Marc and the rest of our hard working staff for all of the support they offered during the Session.

See you next year.

Thank you Mr. Speaker.

REMARKS BY SPEAKER RANTS

Speaker Rants offered the following remarks:

Ladies and gentlemen of the House,

To quote Yoda, "Do or do not, there is no try."

That quote from the Empire Strikes back is fitting, not just because the new "*Star Wars*" came out this week but because this was a legislative session that was about doing and accomplishing, not just trying.

Our accomplishments this legislative session will benefit generations to come. Our future generations – those who rely on us – will see a brighter tomorrow because of our

efforts; those who will build upon your legacy and extend forward the achievements this session.

For the Iowans of today, we began this year with the same challenging dynamics we have come to expect in many recent sessions, and we succeeded in our resolve to make Iowa a better place. As new challenges arose, you locked arms and stormed forward, tackling legislation for public safety, jobs, education and our seniors.

We battled our scariest adversaries – meth and sexual predators – by passing some of the toughest laws in the country.

We faced an ever-changing market and again responded by re-enacting the state's premier economic development program, one that brings envy from other states and interest from around the globe. Our telecommunications reform bill directly led to the creation of 500 jobs within days of enactment, and surely there will be more announcements to come.

Our education efforts began on day one. We achieved four percent K-12 allowable growth for the second year in a row, and significantly increased resources for our teachers and community colleges – whose funding saw its highest increase in my tenure in the Legislature, and the significant variety we offered to them.

We devoted time and energy to our seniors, with a new prescription drug program, our commitment to expanding long-term care options, and with our payback to the Senior Living Trust Fund.

Thanks to the hard work of this chamber, Iowa is leading the nation in exploring innovative ways to provide health care via Medicaid.

We approached this year's budget with three key principles: First – not raising taxes to fund our budget, second – without bonding on long-term annual expenses, and third – without placing ourselves into a worse budget condition next year. Next year we will be thankful we did. The budget we built is sensible and sustainable. We funded the priorities of all four caucuses, and will be able to continue doing so next session.

I would like to thank all of you and say congratulations on a job well done.

I would especially like to thank our great Republican House Caucus Staff. Your efforts each and every year continues to make this process a smooth one. Your work ethic and production is second-to-none, and you make our caucus proud each and every day.

A big thanks to the staff at the Legislative Services Agency. You work hard all year, and you always work extra hard to make sure this week is a success. This year was no exception.

Representative. Murphy, thank you for your cooperation today in getting me home in time for my wife's birthday tomorrow. Thanks to you, I won't be in the doghouse.

Teddy Roosevelt once said, "It is only through labor and painful effort, by grim energy and resolute courage that we move on to better things."

It is now time to move on, and as Roosevelt would say, your efforts have truly “moved us on to better things.”

May your drive home be safe, and your summer and fall relaxing. You all have earned it.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 222](#), a bill for an act relating to the nonpartisan election of township officers.

Also: That the Senate has on April 13, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 767](#), a bill for an act relating to a schedule established by the environmental protection commission for civil penalties.

Also: That the Senate has on May 3, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 809](#), a bill for an act relating to and making appropriations to the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board and related matters.

Also: That the Senate has on May 5, 2005, passed the following bill in which the concurrence of the Senate was asked:

[House File 881](#), a bill for an act relating to the compensation and benefits for public officials and employees and members of the general assembly, providing for related matters, making appropriations, and including effective and retroactive applicability date provisions.

Also: That the Senate has on May 20, 2005, concurred in the House amendment to the Senate amendment, and passed the following bill in which the concurrence of the Senate was asked:

[House File 882](#), a bill for an act making, reducing, and transferring appropriations, providing for fees, and providing for properly related matters and including effective and retroactive applicability date provisions.

Also: That the Senate has on May 20, 2005, adopted the following resolution in which the concurrence of the Senate was asked:

[House Concurrent Resolution 19](#), a concurrent resolution to recognize Joe Royce, the winner of the 2005 Dwight Ink Public Service Award at Iowa State University.

MICHAEL E. MARSHALL, Secretary

The House stood at ease at 10:30 p.m., until the fall of the gavel.

The House resumed session at 10:51 p.m., Speaker Rants in the chair.

ADOPTION OF THE REPORT OF THE
CONFERENCE COMMITTEE
([Senate File 200](#))

Greiner of Washington called up for consideration the report of the conference committee on [Senate File 200](#) and moved the adoption of the conference committee report and the amendments contained therein as follows:

REPORT OF THE CONFERENCE COMMITTEE
ON [SENATE FILE 200](#)

To the President of the Senate and the Speaker of the House of Representatives:

We the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on [Senate File 200](#), a bill for an Act relating to the administration of the department of agriculture and land stewardship, by providing for its powers and duties, respectfully make the following report:

1. That the Senate recedes from its amendment, [H-1630](#).
2. That the House amendment, [S-3208](#), to [Senate File 200](#), as passed by the Senate is amended to read as follows:
 1. By striking page 1, line 8, through page 4, line 33, and inserting the following:

"Sec. __. NEW SECTION. 466A.1 DEFINITIONS.

As used in the chapter, unless the context otherwise requires:

1. "Board" means the watershed improvement review board as established in section 466A.3.
2. "Committee" means a local watershed improvement committee as provided in section 466A.4.

3. "Division" means the division of soil conservation within the department of agriculture and land stewardship as established in section 161A.4.

4. "Fund" means the watershed improvement fund as created pursuant to section 466A.2.

Sec. __. NEW SECTION. 466A.2 WATERSHED IMPROVEMENT FUND.

1. A watershed improvement fund is created in the state treasury which shall be administered by the treasurer of state upon direction of the watershed improvement review board. Moneys appropriated to the fund and any other moneys available to and obtained or accepted by the treasurer of state for placement in the fund shall be deposited in the fund. Additionally, payments of interest, recaptures of awards, and other repayments to the fund shall be deposited in the fund. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the end of the fiscal year shall not revert, but shall remain available for the same purpose in the succeeding fiscal year. The moneys in the fund shall be used exclusively for carrying out the purposes of the fund as provided in this section. moneys appropriated to the treasurer of state and deposited in the fund shall not be used by the treasurer of state for administrative purposes.

2. The purposes of the watershed improvement fund are the following:

a. Enhancement of water quality in the state through a variety of impairment-based, locally directed watershed improvement grant projects.

b. Positively affecting the management and use of water for the purposes of drinking, agriculture, recreation, sport, and economic development in the state.

c. Ensuring public participation in the process of determining priorities related to water quality including but not limited to all of the following:

(1) Agricultural runoff and drainage.

(2) Stream bank erosion.

(3) Municipal discharge.

(4) Stormwater runoff.

(5) Unsewered communities.

(6) Industrial discharge.

(7) Livestock runoff.

Sec. __. NEW SECTION. 466A.3 WATERSHED IMPROVEMENT REVIEW BOARD.

1. A watershed improvement review board is established.

a. The board shall consist of all of the following voting members, appointed by the named entity or entities and approved by the governor:

- (1) One member of the agribusiness association of Iowa.
- (2) One member of the Iowa association of water agencies.
- (3) One member of the Iowa environmental council.
- (4) One member of the Iowa farm bureau federation.
- (5) One member of the Iowa pork producers association.
- (6) One member of the Iowa rural water association.
- (7) One member of the Iowa soybean association.
- (8) One member representing soil and water conservation districts of Iowa.
- (9) One member of the Iowa association of county conservation boards.
- (10) One person representing the department of agriculture and land stewardship.
- (11) One person representing the department of natural resources.

b. The board shall consist of four members of the general assembly who shall serve as voting members. Not more than one member from each house shall be from the same political party. Two state senators shall be appointed, one by the majority leader of the senate and one by the minority leader of the senate. Two state representatives shall be appointed, one by the speaker of the house of representatives and one by the minority leader of the house of representatives. A member may designate another person to attend a board meeting if the member is unavailable. Only the member is eligible for per diem and expenses as provided in section 2.10.

2. a. The voting members of the board shall serve three-year staggered terms commencing and ending as provided in section 69.19. If a vacancy occurs, a successor shall be appointed in the same manner and subject to the same qualifications as the original appointment, to serve the remainder of the term.

b. The voting members of the board shall elect a chairperson and vice chairperson annually from the voting membership of the board. A majority of the voting members of the board constitutes a quorum. If the chairperson and vice chairperson are unable to preside over the board due to absence or disability, a majority of the voting members present may elect a temporary chairperson by a majority vote providing a quorum is present.

3. The watershed improvement review board shall do all of the following:

a. Award local watershed improvement grants and monitor the progress of local watershed improvement projects awarded grants. A local watershed improvement grant may be awarded for a period not to exceed three years. Each local watershed improvement grant awarded shall not exceed ten percent of the moneys appropriated for the grants during a fiscal year.

- b. Assist with the development of monitoring plans for local watershed improvement projects.
 - c. Review monitoring results before, during, and after completion of a local watershed improvement project.
 - d. Review costs and benefits of mitigation practices utilized by a project.
 - e. By January 31, annually, submit an electronic report to the governor and the general assembly regarding the progress of the watershed improvement projects during the previous calendar year.
 - f. Elicit the expertise of other organizations for technical assistance in the work of the board.
 - g. Independently develop and adopt administrative rules pursuant to chapter 17A to administer this chapter.
4. A watershed improvement review board member who also serves on a local watershed improvement committee shall abstain from voting on a local watershed improvement grant application submitted by the same local watershed improvement committee of which the person is a member. A member of the general assembly shall abstain from participating on any issue relating to a watershed which is in the member's legislative district.

Sec. __. NEW SECTION. 466A.4 LOCAL WATERSHED IMPROVEMENT COMMITTEES.

1. A local watershed improvement committee shall be organized for the purposes of applying for a local watershed improvement grant and implementing a local watershed improvement project. Each local watershed improvement grant application shall include a methodology for attaining measurable, observable, and performance-based results. A majority of the members of the committee shall represent a cause for the impairment of the watershed. The committee shall be authorized as a not-for-profit organization by the secretary of state. Soil and water conservation districts may also be eligible and apply for and receive local watershed improvement grants.

2. A local watershed improvement committee shall be responsible for application for and implementation of an approved local watershed improvement grant, including providing authorization for project bids and project expenditures under the grant. A portion of the grant moneys may be used to engage engineering expertise related to the project. The committee shall monitor local performance throughout the local watershed grant project and shall submit a report at six-month intervals regarding the progress and findings of the project as required by the committee.

Sec. __. NEW SECTION. 466A.5 ADMINISTRATION.

The soil conservation division of the department of agriculture and land stewardship shall provide administrative support to the board. Not more than one percent of the total moneys deposited in the watershed improvement fund on July 1 of a fiscal year or fifty thousand dollars, whichever is less, is appropriated each fiscal year to the division

for the purposes of assisting the watershed improvement review board in administering this chapter."

___ . Title page, by striking lines 1 through 3 and inserting the following: "An Act relating to agriculture by providing for the powers and duties of the department of agriculture and land stewardship and watershed improvement.""

2. By renumbering as necessary.

ON THE PART OF THE SENATE

Dennis H. Black, Co-Chair
Steve Kettering, Co-Chair
Hubert M. Houser
David Johnson
Amanda Ragan
Brian Schoenjahn

ON THE PART OF THE HOUSE

Sandra H. Greiner, Chair
Robert M. Hogg
James M. Kurtenbach
Dolores M. Mertz
Daniel J. Rasmussen

The motion prevailed and the conference committee report was adopted.

Greiner of Washington moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 200](#))

The ayes were, 98:

Alons	Anderson	Arnold	Baudler
Bell	Berry	Boal	Bukta
Carroll	Chambers	Cphoon	Dandekar
Davitt	De Boef	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon
Foege	Ford	Freeman	Gaskill
Gipp	Granzow	Greiner	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Hutter
Jacobs	Jacoby	Jenkins	Jochum
Jones	Kaufmann	Kressig	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Mascher	May
McCarthy	Mertz	Miller	Murphy
Oldson	Olson, D.	Olson, R.	Olson, S.
Paulsen	Petersen	Pettengill	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Reichert	Roberts	Sands	Schickel
Schueller	Shoultz	Smith	Soderberg
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tomenga	Tymeson

Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Wessel-Kroeschell	Whitaker
Whitead	Wilderdyke	Winckler	Wise
Zirkelbach	Mr. Speaker		
	Rants		

The nays were, none.

Absent or not voting, 2:

Frevert Shomshor

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 200](#) be immediately messaged to the Senate.

MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on May 20, 2005, adopted the following resolution in which the concurrence of the House is asked:

[Senate Concurrent Resolution 18](#), a senate concurrent resolution to provide for adjournment sine die.

MICHAEL E. MARSHALL, Secretary

ADOPTION OF [SENATE CONCURRENT RESOLUTION 18](#)

Gipp of Winneshiek asked and received unanimous consent for the immediate consideration of [Senate Concurrent Resolution 18](#) and moved its adoption.

- 1 [Senate Concurrent Resolution 18](#)
- 2 By: Committee on Rules and Administration
- 3 A Senate Concurrent Resolution to provide for
- 4 adjournment sine die.
- 5 *Be It Resolved By The Senate, The House Concurring,*
- 6 That when adjournment is had on Friday, May 20, 2005,
- 7 it be the final adjournment of the 2005 Regular
- 8 Session of the Eighty-first General Assembly.

The motion prevailed and the resolution was adopted.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate Concurrent Resolution 18](#) be immediately messaged to the Senate.

REPORT OF CHIEF CLERK OF THE HOUSE

MR. SPEAKER: Pursuant to House Rule 42, I report that in engrossing bills the following corrections were made:

[House File 810](#)

1. Page 6, line 23 – Add period after the word “TRAVEL”.
2. Page 6, line 24 – Move paragraph up to preceding line.
3. Page 16, line 3 – Delete period after the word “REPORTING”.

MARGARET A. THOMSON
Chief Clerk of the House

EXPLANATION OF VOTE

I was necessarily absent from the House chamber on May 20, 2005. Had I been present, I would have voted "aye" on House Files 807, 811, 825, 868, 875 and [Senate File 200](#).

CHAMBERS of O'Brien

BILLS ENROLLED, SIGNED AND SENT TO GOVERNOR

The Chief Clerk of the House submitted the following report:

Mr. Speaker: The Chief Clerk of the House respectfully reports that the following bills have been examined and found correctly enrolled, signed by the Speaker of the House and the President of the Senate, and presented to the Governor for his approval on this 20th day of May 20, 2005: House Files 222, 440, 619, 674, 682, 739, 742, 761, 767, 770, 805, 807, 808, 809, 810, 811, 816, 821, 825, 828, 831, 834, 858, 862, 868, 869, 875, 879, 881, 882 and 883.

MARGARET A. THOMSON
Chief Clerk of the House

Report adopted.

BILLS SIGNED BY THE GOVERNOR

A communication was received from the Governor announcing that on May 20, 2005, he approved and transmitted to the Secretary of State the following bills:

[House File 685](#), an Act establishing the Child Identification and Protection Act, which prohibits the fingerprinting of children, and providing for exceptions.

[House File 718](#), an Act allowing a refund of unexpired motor vehicle registration fees to a vehicle owner who moves out of state.

[House File 856](#), an Act providing a sales and use tax exemption for certain nonprofit organizations that build or repair low-income dwellings.

[House File 859](#), an Act relating to the establishment of a form of business association referred to as a cooperative, and providing for fees and tax credits, providing penalties, and providing an effective date.

CERTIFICATES OF RECOGNITION

MR. SPEAKER: The Chief Clerk of the House respectfully reports that certificates of recognition have been issued as follows.

MARGARET A. THOMSON
Chief Clerk of the House

- 2005\1573 Jo Wilson, Winthrop – For celebrating her 90th birthday.
- 2005\1574 Wayne and Elsie Paulsen, Elk Horn – For celebrating their 60th wedding anniversary.
- 2005\1575 Larry and Vera Kenyon, Guthrie Center – For celebrating their 50th wedding anniversary.
- 2005\1576 Marvin and Dorothy Finnegan, Guthrie Center – For celebrating their 50th wedding anniversary.
- 2005\1577 Dallas and Vera Roy, Sioux City – For celebrating their 60th wedding anniversary.
- 2005\1578 Carol Groth, Rock Valley – For her 26 years of dedicated service as a teacher at Starkweather Elementary School.
- 2005\1579 Anna Kraayenbrink, Sioux Center – For receiving the Bausch and Lomb Science Award.
- 2005\1580 Joel and Tracey Dykstra, Hull – For celebrating their 60th wedding anniversary.

- 2005\1581 Tillie Bobeldyk, Inwood – For celebrating her 90th birthday.
- 2005\1582 Gilbert Van Noort, Rock Valley – For celebrating his 90th birthday.
- 2005\1583 Elvin and Eunice Norman, Sioux Center – For celebrating their 65th wedding anniversary.
- 2005\1584 Al Mews, Inwood – For his 33 years of dedicated service as a teacher for West Lyon Community School.
- 2005\1585 Myra Nelson, Alvord – For her 20 years of dedicated service as a teacher and librarian for West Lyon Community School.
- 2005\1586 Raymond Johnson, Alvord – For his 22 years of dedicated service as a bus driver for West Lyon Community School.
- 2005\1587 Kenneth and Evelyn Vagts, Eldorado – For celebrating their 50th wedding anniversary.
- 2005\1588 Robert and Ina Davis, Dundee – For celebrating their 50th wedding anniversary.
- 2005\1589 Richard and Carol Bradley, Manchester – For celebrating their 50th wedding anniversary.
- 2005\1590 Virginia Benson, Madrid – For celebrating her 80th birthday.
- 2005\1591 Marjorie Buck, Ames – For celebrating her 80th birthday.
- 2005\1592 Raymond Lawson, Ames – For celebrating her 80th birthday.
- 2005\1593 Thomas Wheelock, Ames – For celebrating his 80th birthday.
- 2005\1594 Hilda Hilker, Ames – For celebrating her 80th birthday.
- 2005\1595 Wilma Munson, Ames – For celebrating her 80th birthday.
- 2005\1596 Henry Hayes, Ames – For celebrating his 80th birthday.
- 2005\1597 Alice Jones, Ames – For celebrating her 80th birthday.
- 2005\1598 Gail Johnson, Ames – For celebrating her 80th birthday.
- 2005\1599 Phyllis Ketcham, Ames – For celebrating her 80th birthday.
- 2005\1600 Jack Barrow, Ames – For celebrating his 85th birthday.
- 2005\1601 Kenneth Lange, Ames – For celebrating his 85th birthday.
- 2005\1602 Jean Baldner, Ames – For celebrating her 85th birthday.
- 2005\1603 Elizabeth Welder, Madrid – For celebrating her 85th birthday.

- 2005\1604 Dorothy Patota, Ames – For celebrating her 90th birthday.
- 2005\1605 Mr. and Mrs. Max Hammer, Glenwood – For celebrating their 50th wedding anniversary.
- 2005\1606 Lars and Fran Tjelta, Story City – For celebrating their 50th wedding anniversary.
- 2005\1607 Clive and Peggy Johnston, Johnston – For celebrating their 50th wedding anniversary.
- 2005\1608 Marjorie Funke, Clemons – For celebrating her 80th birthday.
- 2005\1609 Geraldine and Murl Biery, Iowa Falls – For celebrating their 50th wedding anniversary.
- 2005\1610 Mary Rose and Bert Brown, Iowa Falls – For celebrating their 60th wedding anniversary.
- 2005\1611 Addie Campbell, North Scott High School – For receiving the Herbert Hoover Uncommom Student Award.
- 2005\1612 Jacqueline Lambert, Monticello – For being selected as one of the 100 Top Nurses in Iowa.
- 2005\1613 Byron Manternach, Monticello – For winning 1st in Class 2A 3200 Meter Run at the Boys State Track Meet.
- 2005\1614 Carrie Witt, What Cheer – For celebrating her 90th birthday.
- 2005\1615 Jan Heetland, Brooklyn – For being named Wal-Mart's Teacher of the Year.
- 2005\1616 Nancy Bell, What Cheer – Upon her retirement, for her 30 years of dedicated service as a teacher at Tri-County School.
- 2005\1617 Elvina and Pete Petersen, Williamsburg – For celebrating their 60th wedding anniversary.
- 2005\1618 Charles Allen Grimm, Brooklyn – Upon his retirement, for 26 years of dedicated service as a teacher at BGM Community Schools.
- 2005\1619 Don Hilligas, Brooklyn – Upon his retirement, for his 23 years of dedicated service as a custodian at BGM Community Schools.
- 2005\1620 Tyler Moeller, Mt. Pleasant – For being selected to the Boys Allstate Team.
- 2005\1621 Tyler Leichty, Mt. Pleasant – For being selected to the Boys Allstate Team.
- 2005\1622 Levon Mullin, Winfield – For being selected to the Boys Allstate Team.
- 2005\1623 Keith and Dixie Meyers, Keosauqua – For celebrating their 50th wedding anniversary.

- 2005\1624 Fraternal Order of Eagles, Dubuque – For their dedicated support to the Dubuque Area Council for Prevention of Child Abuse, a volunteer organization of concerned citizens.
- 2005\1625 Kurt Kruger, Sheldon – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.
- 2005\1626 Bradley Youngs, Sheldon – For attaining the rank of Eagle Scout, the highest rank in the Boy Scouts of America.

FINAL ADJOURNMENT

By virtue of [Senate Concurrent Resolution 18](#), duly adopted, the day of May 20, 2005 having arrived, the Speaker of the House of Representatives declared the 2005 Regular Session of the Eighty-first General Assembly adjourned sine die at 10:58 p.m.

SUPPLEMENT TO HOUSE JOURNAL**BILLS APPROVED, VETOED, OR ITEM VETOED
SUBSEQUENT TO ADJOURNMENT**

The following is a record of the action of the Governor on bills passed by the 2005 Regular Session of the Eighty-first General Assembly and which action was had subsequent to the date of final adjournment.

- [H.F. 222](#)— Relating to the nonpartisan election of township officers. Approved 6-26-05.
- [H.F. 440](#)— Relating to sanctioning the motor vehicle operating privileges of a person upon a second or a subsequent conviction for motor fuel theft from a retail dealer. Approved 6-3-05.
- [H.F. 619](#)— Relating to criminal sentencing, victim notification, and the sex offender registry, by establishing a special sentence for certain offenders, requiring DNA testing of certain offenders and lengthening the time an information or indictment may be found in certain offenses where DNA evidence is available, requiring sex offender treatment in order to accumulate earned time, restricting certain persons from residing with sex offenders, establishing a sex offender treatment and supervision task force, providing penalties, and providing effective dates. Approved 6-14-05.
- [H.F. 674](#)— Relating to distribution of secondary and farm-to-market road funds. Approved 6-3-05.
- [H.F. 682](#)— Relating to the assessment of a civil penalty and criminal penalty surcharge, and creating a criminalistics laboratory fund. Approved 6-3-05.
- [H.F. 739](#)— Relating to education technology, including the creation of an Iowa Learning Technology Commission and pilot programs, and the establishment of a research triangle and clearinghouse, and providing for contingent effectiveness. Approved 6-3-05.
- [H.F. 742](#)— Relating to the Iowa Early Intervention Block Grant program by changing the reporting requirements, extending the repeal of the chapter establishing the program, and providing an effective date. Approved 6-6-05.
- [H.F. 761](#)— Relating to improvement of the early care, child care services, education, health, and human services systems, revising development tax credit, and providing an applicability date. Approved 6-6-05.

- [H.F. 767](#)— Relating to a schedule established by the Environmental Protection Commission for civil penalties. Vetoed 6-10-05. See Governor's Veto Message.
- [H.F. 770](#)— Providing for the Iowa Department of Public Health to administer the hotel sanitation code, regulation of home food establishments, Iowa Food Code, regulation of egg handlers, and inspection of cosmetology and barbering licensees in place of the Department of Inspections and Appeals. Vetoed 6-10-05. See Governor's Veto Message.
- [H.F. 805](#)— Relating to agricultural production including animal feeding operations, by providing for the regulation of open feedlot operations, and agricultural production liens, and providing for penalties. Approved 5-23-05.
- [H.F. 807](#)— Relating to and making appropriations to the judicial branch, and providing an effective date. Approved 6-14-05 with the exception of Section 11. See Governor's Item Veto Message.
- [H.F. 808](#)— Relating to and making appropriations involving state government, including provisions effecting agriculture and natural resources, and provisions relating to a wind energy production tax credit, and providing for fees. Approved 6-14-05
- [H.F. 809](#)— Relating to and making appropriations to the Department of Economic Development, the Office of the Treasurer of State, and certain board of regents institutions, the Department of Workforce Development, and the Public Employee Relations Board, related matters, and providing an effective date. Approved 6-9-05 with the exception of Section 2, subsection 3e. See Governor's Item Veto Message.
- [H.F. 810](#)— Relating to and making appropriations to certain state department, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and providing an effective date. Approved 6-14-05 with the exception of Section 17, subsection 1, 2nd unnumbered paragraph. See Governor's Item Veto Message.
- [H.F. 811](#)— Relating to and making appropriations to the justice system, revising pretrial release requirements for certain criminal offenses, and providing effective date. Approved 6-14-05 with the exception of Division I, Section 6, subsection 1h, 1st unnumbered paragraph; Division I, Section 14, subsection 5b, 1st unnumbered paragraph. See Governor's Item Veto Message.
- [H.F. 816](#)— Relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents and providing an effective date. Approved 6-6-05 with the exception of Section 9; Section 12, subsection 1, paragraph a, 1st unnumbered paragraph;

Section 19; Section 31, paragraph b; Section 33, 3rd unnumbered paragraph. See Governor's Item Veto Message.

- [H.F. 821](#)— Relating to the establishment of a prescription drug assistance program by the commissioner of insurance, and providing for a contingent appropriation. Approved 6-10-05 with the exception of Section 2, subsection 2. See Governor's Item Veto Message.
- [H.F. 825](#)— Relating to and making appropriations to the Department of Human Services, the Department of Elder Affairs, the Iowa Department of Public Health, the Commission of Veterans Affairs and the Iowa Veterans Home, and the Department of Inspections and Appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates. Approved 6-14-05 with the exception of Section 9, subsection 14; Section 24, subsection 6. See Governor's Item Veto Message.
- [H.F. 828](#)— Relating to aquatic regulations and activities, including aquatic invasive species, the regulation and registration of certain vessels, the operation of certain vessels by minors, inspections of certain vessels, the operation of vessels for hire of commercial vessels, providing for penalties, and appropriating the moneys collected from certain registration fee increases to the state fish and game protection fund. Approved 5-23-05.
- [H.F. 831](#)— Relating to tax credits for equity investments in qualifying businesses or community-based seed capital funds. Approved 6-13-05.
- [H.F. 834](#)— Relating to persons commercially cleaning toilet units and private sewage disposal facilities by providing regulations, fees, and civil penalties, and making appropriations. Approved 6-10-05.
- [H.F. 858](#)— Establishing a state wide work-based learning intermediary network program and creating a fund. Approved 6-10-05.
- [H.F. 862](#)— Relating to and making appropriations from the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund. Approved 6-14-05 with the exception of Section 1, subsection 3, paragraph f. See Governor's Item Veto Message.
- [H.F. 868](#)— Relating to economic development, business, workforce, and regulatory assistance and tax credits, property tax assessment, to excise taxes on E-85 gasoline, to issuance of revenue bonds, and to state developmental, research, and regulatory oversight, and including effective and retroactive applicability provisions. Approved 6-9-05.
- [H.F. 869](#)— Relating to credits provided for the purpose of acquiring agriculture assets by beginning farmers and providing effective and applicability dates. Vetoed 6-10-05. See Governor's Veto Message.

- [H.F. 875](#)— Relating to and making appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund, Environment First Fund, Tobacco Settlement Trust Fund, vertical infrastructure fund, general fund of the state, and related matters and creating the Honey Creek premier destination park bond program and authority and providing for the issuance of tax-exempt bonds and including effective and retroactive applicability date provisions. Approved 6-15-05.
- [H.F. 879](#)— Relating to the regulation of snowmobiles and establishing fees. Approved 5-23-05.
- [H.F. 881](#)— Relating to the compensation and benefits for public officials and employees and members of the general assembly, providing for related matters, making appropriations, and including effective and retroactive applicability dates provisions. Approved 6-14-05.
- [H.F. 882](#)— Relating to state and local finances by providing for tax exemptions, credits, tax credit transfers, and other tax-related matters and making, reducing, and transferring appropriations, providing for fees, providing for wind energy production tax credits, and providing for properly related matters and penalties and including effective and retroactive applicability date provisions. Approved 6-16-05 with the exception of Section 65; Section 81; Section 94, subsection b; Section 106; Section 143. See Governor's Item Veto Message.
- [H.F. 883](#)— To legalize actions taken and proceedings conducted by the State of Iowa, Linn County, the City of Cedar Rapids, and three school districts including the Cedar Rapids Community School District, the College Community School District, and the Linn-Mar Community School District, which relate to erroneously established boundaries, and providing an effective date. Approved 6-10-05.
- [S.F. 176](#)— Entering Iowa into the Midwestern Higher Education Compact. Approved 6-6-05.
- [S.F. 200](#)— Relating to agriculture by providing for the powers and duties of the department of agriculture and land stewardship and watershed improvement. Approved 6-15-05.
- [S.F. 201](#)— Providing for veterinary emergency preparedness and response by the department of agriculture and land stewardship. Approved 6-10-05.
- [S.F. 206](#)— Relating to deer population management and providing penalties and appropriations. Approved 6-3-05.
- [S.F. 245](#)— Relating to a secondary school core curriculum, including requiring the state board of education to determine a model core curriculum and set a statewide core curriculum completion rate goal, requiring school districts to develop a core curriculum plan for eighth grade students and to report student core curriculum progress annually,

requiring school districts and schools to report core curriculum completion percentages annually, and providing for the coordination of an educational data definitions working group. Approved 6-7-05.

[S.F. 342](#)–

Relating to financial and regulatory matters by making and increasing appropriations for the fiscal year beginning July 1, 2004, making penalties applicable and providing effective and applicability date provisions. Approved 6-3-05.

[S.F. 389](#)–

Providing individual and corporate income tax credits for soy-based cutting tool oil and including an applicability date provision. Approved 6-6-05.

[S.F. 390](#)–

Relating to the generation and purchase of renewable energy including establishing a renewable energy tax credit program administered by the utilities division of the department of commerce and the department of revenue, and providing an effective date. Approved 6-15-05.

[S.F. 413](#)–

Relating to sales and use tax changes, excise taxes on rental of rooms and sleeping quarters, and the sale and use of construction equipment, and relating to the policy and administration of other taxes and tax-related matters and including effective and retroactive applicability date provisions. Approved 6-3-05.

GOVERNOR'S VETO MESSAGES

June 10, 2005

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 767](#), an Act relating to a schedule established by the Environmental Protection Commission for civil penalties.

This bill increases the maximum administrative penalty that the Environmental Protection Commission may impose for environmental violations from \$10,000 to \$25,000. Under this legislation, only cases involving violations of more than \$25,000 would be referred to the Attorney General's Office for prosecution and recovery of civil penalties. Attorney General Tom Miller has conveyed deep concern that this legislation will reduce the intensity of environmental enforcement in Iowa, and this is a policy I cannot support.

The current maximum administrative penalty is consistent with that of surrounding states. Nebraska and Minnesota both have a \$10,000 limit for resolving violations by administrative penalties—same as Iowa. All clean water and clean air violations are referred to the Attorney General's Office in Wisconsin. Illinois has a similar law that requires all environmental violations to be referred to the Attorney General except for certain landfill violations, and Missouri had referred all but three violations for action by the Attorney General.

The quality of our water and air contribute to the high quality of life Iowans value and expect, and now is not the time to relax environmental enforcement when we are working aggressively to clean-up Iowa's 211 impaired waterways. The State holds the responsibility of ensuring our water and air are safe. This bill would compromise our ability to do so.

For the above reasons, I respectfully disapprove [House File 767](#).

Sincerely,
Thomas J. Vilsack
Governor

June 10, 2005

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 770](#), an Act providing for the Iowa Department of Public Health to administer the hotel sanitation code, regulation of home food establishments, Iowa Food Code, regulation of egg handlers, and inspection of cosmetology and barbering licensees in place of the Department of Inspections and Appeals.

I have serious concerns about the policy change established by this bill relating to food regulation. Moving this program from the Department of Inspections and Appeals to the Department of Public Health is inconsistent with the philosophy of my administration of separating the steering and rowing functions of government. The action to move a regulatory function from a regulatory agency to an agency of advocacy is counterproductive and an inefficient use of government resources. My administration has worked hard to align activities of agencies with their core functions to provide better service to Iowans while improving efficiency. There is no efficiency to be gained by simply transferring regulatory oversight between departments.

The Department of Inspections and Appeals recommended two policy changes to improve the food regulation program that I encourage the Legislature to consider during the next session. Both are supported by the Department of Public Health, local public health agencies, and the Iowa Environmental Health Association. These changes are necessary steps in working toward a food inspection program that will better protect the health security of Iowans.

First, Iowa policy should recognize the latest scientific advances by keeping the Iowa Food Code up to date with the most recent version of the FDA Food Code. The Iowa Food Code currently references the outdated 1997 FDA edition and needs to be amended by the Legislature.

Second, license fees must be increased to cover the full cost of food inspections. It takes a well-educated, well-trained, well-equipped and dedicated workforce completing regular inspections to provide the public with confidence that the food they purchase at a restaurant or grocery store is safe. For nearly all food inspection agencies in Iowa, license fees currently fall short of covering the cost of a fully implemented inspection program by over \$800,000. The result is that local governments are forced to make up for the difference with taxpayer dollars. Failure to address this inequity will likely result in some counties discontinuing contracts to provide this service, thereby turning the responsibility for food inspection back over to the State. This cost should be borne by inspection fees, and I encourage the Legislature to take action.

For the above reasons, I respectfully disapprove [House File 770](#).

Sincerely,
Thomas J. Vilsack
Governor

June 10, 2005

The Honorable Chester Culver
Secretary of State
State Capitol Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 869](#), an Act relating to credits provided for the purpose of acquiring agriculture assets by beginning farmers and providing effective and applicability dates.

[House File 869](#) provided income tax credits to a farmer that sells or leases land or other agricultural assets to a new farmer. This bill was originally introduced to provide incentives for existing farmers to assist beginning farmers in acquiring land and starting their operations, and I support the original intent of this bill.

However, during the legislative process, another provision was attached to this bill that expands the sales tax exemption for farm machinery and equipment used in livestock production. The Department of Revenue has a number of cases under protest regarding the items contained in this bill, and one of the cases is currently pending before the Iowa Supreme Court. At this time, approval of [House File 869](#) would not be appropriate because the Supreme Court has yet to issue a ruling on the matter of the sales tax exemption.

I am unable to approve [House File 869](#) due to the inclusion of Section 5-7. I encourage legislators to pass a bill during the next legislative session that meets the original intent of [House File 869](#) by providing an incentive to assist beginning farmers and is consistent with the decision ultimately reached by the Iowa Supreme Court on this issue.

For the above reasons, I respectfully disapprove [House File 869](#).

Sincerely,
Thomas J. Vilsack
Governor

GOVERNOR'S ITEM VETO MESSAGES

A copy of the following communication was received and placed on file:

June 6, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 816](#), an Act relating to the funding of, the operation of, and appropriation of moneys to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents and providing an effective date.

During my Condition of the State address in January, I asked the legislature to seize an historic opportunity to work together as one—no Republican agenda, no Democrat agenda, only one shared agenda—an Iowa agenda. Today we can be proud that we started with education. Our children deserve and need a world-class education that prepares them for the challenge of global competition. Our children need the best if they hope to succeed with that competition and in life.

The best legislative efforts at the Iowa State Capitol occur when people work together. Clearly, no other issue facing Iowa is as important as education. The cornerstone of our society, education has received its rightful attention in recent years. Despite sluggish revenue growth, legislators and the Executive Branch have endeavored to improve student achievement, tie that achievement to teacher pay and reduce class sizes. This year marks the first significant infusion of dollars into Student Achievement/Teacher Quality program since its inception. Teachers' salaries will move from 39th to 35th as a result with increased dollars flowing to local districts to support continued development of classroom teachers' skills – the hallmark of the original program design.

Continuing opportunity in our outstanding community college and regents system is critical to our state's economic future. Increased funding will allow higher education in Iowa to remain both high-quality and affordable. At the same time, we support the transformational process being undertaken by the Board of Regents with a significant investment of state resources and increase support to community colleges that signifies the value of educational opportunity provided by our great community college system throughout the state.

This bill increases funding to all sectors of education and gives our children every opportunity for success by ensuring our earliest learners get a strong start by making a significant down payment on early care, health and education system for our youngest Iowans. More children will have access to high quality programs, more parents will receive education and support, and more children will be ready to succeed in school.

[House File 816](#) is approved on this date, with the following exceptions which I hereby disapprove:

I am unable to approve the item designated as Section 9 in its entirety. This section requires the Board of Educational Examiners to convene a working group to review current teacher and administrator preparation and licensing processes and make recommendations for improvement. Given that the Legislature failed to provide adequate funding for the Board of Educational Examiners it is inadvisable to add additional responsibilities to the Board at this time.

I am unable to approve the designated portion of Section 12, subsection 1, paragraph a, first unnumbered in its entirety. This sentence specifies that the Board of Regents, the Department of Management and the Legislative Service Agency shall cooperate to determine the amount to be appropriated for tuition replacement. This language is outdated and unnecessary as the Board of Regents now relies on a financial advisor to calculate figures for tuition replacement.

I am unable to approve the item designated as Section 19 in its entirety. Section 190 directs the Department of Education to establish a value-added assessment system to provide for multivariate longitudinal analysis of annual student test scores to determine the influence of a school district's education program on student academic growth. The creation of a value-added assessment system is redundant and unnecessary in light of the assessment models that Iowa school districts have already implemented for continuous school improvement programs and to meet the requirements of the federal No Child Left Behind statute. Implementing this new system could have long-range unintended effects on existing local and state assessment systems.

I am unable to approve the item designated as a portion of Section 31, paragraph b. This section requires that \$5,000 from the Student Achievement and Teacher Quality allocation for National Board Certification Awards be used to conduct a study of the impact the national board for professional teaching standards certification of Iowa's teachers has on student achievement. This section requires a research design that would cost far more than the \$5,000 in resources provided to complete the study. In addition the various studies underway nationally will provide sufficient information for decision-makers in Iowa to debate continuation of this program.

I am unable to approve the item designated as Section 33, third unnumbered paragraph in its entirety. The third unnumbered paragraph of Section 33 allocates up to \$1,000,000 from the Student Achievement and Teacher Quality appropriation for the value-added assessment system. This appropriation is unnecessary with the veto of Section 19. In addition, investment in Iowa's high quality teaching staff will pay more dividends than creating another assessment data base.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 816](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 9, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 809](#), an Act relating to and making appropriations to the Department of Economic Development, the Office of the Treasurer of State, and certain board of regents institutions, the Department of Workforce Development, and the Public Employee Relations Board, related matters, and providing an effective date.

[House File 809](#) is approved on this date with the following exception. I am unable to approve the item designated as Section 2, Subsection 3e in its entirety. It is critically important that the state's interstate welcome centers remain open seven days a week and allowed to serve the nearly 250,000 travelers that visit those centers annually. Currently over 50 percent of the brochure enrollment revenue comes from non-profit organizations. Without that, the centers would be closed several days a week.

For the above reasons, I respectfully disapprove this item in accordance with Article 3, Section 16 of the Constitution of the State of Iowa. All other items in [House File 809](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 10, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 821](#), an Act relating to the establishment of a prescription drug assistance program by the commissioner of insurance, and providing for a contingent appropriation.

Assisting all Iowans with access to lower cost prescription drugs continues to be one of my top priorities. Prescription drug assistance programs similar to the one established in [House File 821](#) have been valuable tools in other states, and this program is estimated to save Iowans between \$6 and \$10 million. Furthermore, [House File 821](#) will compliment the initiatives of the new IowaCare Act ([House File 841](#)). I have directed the Insurance Commissioner to work with the Department of Human Services during the implementation process to ensure an efficient and effective use of resources in providing prescription drug assistance to Iowans.

[House File 821](#) is approved on this date with the following exception, which I hereby disapprove. I am unable to approve the item designated as Section 2, Subsection 2 in its entirety. I remain concerned that this section unnecessarily diverts resources away from the Senior Living Trust, which provided seniors vital health care and living option services. This section also implies the program is targeted towards older Iowans when its benefits should serve all Iowans who need assistance accessing prescription drugs to protect their health security. If necessary, any future appropriation should come from the state general fund. I cannot and will not support an unnecessary diversion of resources from the Senior Living Trust.

For the above reasons, I respectfully disapprove of the designated item in accordance Article III, Section 16, of the Constitution of the State of Iowa. All other items in [House File 821](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 14, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 807](#), an Act relating to and making appropriations to the judicial branch, and providing an effective date.

[House File 807](#) is approved on this date, with the following exception, which I hereby disapprove:

I am unable to approve the item designated as Section 11 in its entirety. This section deals with a reference to a contingent appropriation from the Microsoft settlement and would have it be effective upon enactment. The language is making the contingent appropriation was removed during session, thereby making the section unnecessary.

For the above reasons, I respectfully disapprove this item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 807](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 14, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 810](#), an Act relating to and making appropriations to certain state department, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters, and providing an effective date.

[House File 810](#) is approved on this date, with the following exception, which I hereby disapprove:

I am unable to approve the item designated as Section 17, Subsection 1, 2nd unnumbered paragraph in its entirety. This paragraph requires the Department of Administrative Services to provide data processing services to the Secretary of State's Office to support voter registration file maintenance and storage at no charge. When the Department of Administration Services was created, it was designed to bring an entrepreneurial management model to state government to generate more efficient services and a more accountable government. Exempting a single agency from paying for services it receives is counter to the business model, causes rates for all other customers of the Department to increase, and created a federal over-recovery issue for the Department. This is a policy I cannot support.

For the above reasons, I respectfully disapprove this item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 810](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 14, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 811](#), an Act relating to and making appropriations to the justice system, revising pretrial release requirements for certain criminal offenses, and providing effective date.

[House File 811](#) is approved on this date, with the following exception, which I hereby disapprove:

I am unable to approve the item designated as Division I, Section 6, Subsection 1h, 1st unnumbered paragraph in its entirety. This paragraph deals with a reference to the establishment of a community panel drug court in the eighth judicial district department of correctional service, which during the final days, the funding was removed, however the language remained due to an oversight. Since the funding was removed this language becomes unnecessary.

I am unable to approve the item designated as Division I, Section 14, Subsection 5b, 1st unnumbered paragraph in its entirety. This paragraph deals with a reference to the allocation of \$200 for the mailing of notice to all affected agencies or emergency services providers informing the agencies or providers about the requirement of an autopsy under section 144.56A. Unfortunately, the wording may actually serve as a barrier to proper notification. The cost of mailing notices to hundreds of public safety agencies, professional organizations, and other relevant parties, including county medical examiners, may substantially exceed the \$200 amount. As such, I want to ensure that the Department of Public Safety is not hindered or unduly limited in their ability to provide notice by multiple means, including mailing notices even if the cost of such mailings exceeds \$200.

I have instructed the Department of Public Safety, in cooperation with the State Medical Examiner, to fully inform agencies whose employees and volunteers are subject to the provisions of the new Iowa Code Section 144.56A of this provision as well as families of the deceased. The Department of Public Safety will enlist various means of providing notification, through presentations at conferences of organizations representing public safety officers, articles and notices in those organizations' newsletters, and notices by U.S. mail or electronic mail, when available, to those organizations and agencies with covered employees or volunteers.

For the above reasons, I respectfully disapprove these items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 811](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 14, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 825](#), an Act relating to and making appropriations to the Department of Human Services, the Department of Elder Affairs, the Iowa Department of Public Health, the Commission of Veterans Affairs and the Iowa Veterans Home, and the Department of Inspections and Appeals, providing for fee increases, and including other related provisions and appropriations, and providing effective dates.

At the beginning of the legislative session, I challenged the Legislature to take action to protect the health security of Iowans. This bill takes a number of noteworthy steps to accomplish that goal.

This bill includes an increase of almost \$10 million to increase reimbursement for child care providers and to expand eligibility for low income families to qualify for state child care assistance, a key piece of our early childhood initiative. This bill

complements those efforts with a \$4.5 million increase for the children's health insurance program (HAWK-I), to provide health coverage for increasing numbers of children.

During the past several years of difficult budget times, other states have had to cut services or reduce eligibility to maintain their Medicaid programs. Iowa has managed to avoid cutting services to our most vulnerable and found a way to actually improve services and provide health coverage for an additional 30,000 Iowans through this bill and [House File 841](#), the IowaCare Act. Today, we take steps to improve health security by providing \$6 million in Medicaid funding to pay for health services in the home and community for almost 2,500 ill or disabled Iowans. We also provide funding for a three percent reimbursement rate increase for all medical providers under the Medicaid program to maintain the high quality of care in our health care system.

Despite the good efforts highlighted above, I have several concerns with this budget. Although I am pleased that the Legislature did not cut Medicaid services and did increase provider reimbursement rates, based on current estimates, the Medicaid program was still not fully funded. Legislators will need to address this through a supplemental for Medicaid when they return next January.

This budget also continues to rely heavily on the Senior Living Trust to fund essential health care services. This year we made a step to reduce that reliance. However, in order to continue protecting the health security of Iowans, we will need to further reduce the reliance on the Senior Living Trust while taking steps to pay back and strengthen the Trust.

I am also disappointed that the Legislature did not take action to save lives by increasing the tobacco tax, which in turn would reduce cigarette consumption, particularly among children. Children are particularly likely to stop smoking, or not start in the first place, when the price is increased. Increasing the tobacco tax by \$0.80 will lead to an estimated 15.6 percent decrease in youth smoking rates and a 4.2 percent decrease in adult smoking rates. Estimates also indicate that in the first five years alone, a tobacco tax increase will lead to \$8.5 million in health care cost savings for heart and stroke illnesses and \$5.9 million in health care savings by avoiding low birth weight births. I am hopeful that the Legislature will take action on the tobacco tax to save lives and protect the health security of Iowans next year.

[House File 825](#) is approved on this date, with the following exceptions, which I hereby disapprove:

I am unable to approve the item designated as Section 9, Subsection 14, in its entirety. This subsection prescribes requirements that the Department of Human Services would be required to abide by in order to implement the cost saving provisions of Iowa's preferred drug list (PDL) in the Medicaid program. These requirements are impractical and would create an unnecessary barrier to the effective implementation of the PDL. The requirements also seek to give drug manufacturers preferential treatment. Currently, the Department posts the agenda of the Pharmaceutical and Therapeutics Committee including drugs to be considered 30 days in advance for all interested parties, not just pharmaceutical manufacturers, to review. Current practice also allows all interested parties to comment. I believe that the process should provide timely notice to and opportunity for comment from all interested parties. The current practice accomplishes this.

I am unable to approve the item designated as Section 24, Subsection 6, in its entirety. This subsection directs the Department of Human Services to continue contracting with current service providers for mental health services provided to the homeless rather than requesting competitive bids as required under federal law. I believe that it is a good government practice to get the best value and best service possible; therefore, I support using a competitive bidding process.

For the above reasons, I respectfully disapprove of the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 825](#) are hereby approved this date.

Sincerely,
Thomas J. Vilsack
Governor

June 14, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 862](#), an Act relating to and making appropriations from the Healthy Iowans Tobacco Trust and the Tobacco Settlement Trust Fund.

[House File 862](#) is approved on this date, with the following exceptions which I hereby disapprove:

I am unable to approve the item designated as a portion of Section 1, subsection 3, paragraph f. This language requires allocation of funds for the implementation of a treatment program at the Iowa Correctional Institution for Women in Mitchellville. A similar value-based treatment program at the Newton Correctional Facility is the subject of a constitutional challenge currently before the U.S. District Court. In order to avoid confusion, state appropriations for value-based treatment programming should not be expanded to other correctional institutions until the courts resolve this issue and provide clear direction as to what is and is not permissible.

For the above reasons, I respectfully disapprove of the designated item in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 862](#) are hereby approved as of this date.

Sincerely,
Thomas J. Vilsack
Governor

June 16, 2005

The Honorable Chester Culver
Secretary of State
State Capital Building
L O C A L

Dear Mr. Secretary:

I hereby transmit [House File 882](#), an Act relating to state and local finances by providing for tax exemptions, credits, tax credit transfers, and other tax-related matters and making, reducing, and transferring appropriations, providing for fees, providing for wind energy production tax credits, and providing for properly related matters and penalties and including effective and retroactive applicability date provisions.

[House File 882](#) is approved on this date, with the following exceptions, which I hereby disapprove:

I am unable to approve the item designated as Section 65 in its entirety. This section provides a sales tax exemption for construction of residential treatment facilities and is expected to impact two facilities currently under development. Both facilities are receiving \$250,000 direct state appropriation through [House File 875](#), and I support and approved the state appropriation for construction of both facilities. However, I do not support providing special tax status to two specific projects. This represents bad tax policy and creates a fairness issue with the thousands of other non-profit organizations with equally worthy missions throughout Iowa.

I am unable to approve the item designates as Section 81 in its entirety. This section provides the effective date for the sales tax exemption contained in Section 65, which is vetoed. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 94, Subsection b, in its entirety. The expansion of the good cause definition for late open enrollment applications was intended to accompany a change to move the authority for determining good cause to the resident district. This bill does not make the change back to the resident district thereby creating a situation that open enrollment decisions may not be based on the beat interest of the student. My administration is committed to working with legislators and stakeholders during the next legislative session to ensure changes to this policy will positively impact all constituents.

I am unable to approve the item designated as Section 106 in its entirety. This section is contingent upon enactment of [House File 770](#), which was vetoed. Therefore, this section is unnecessary.

I am unable to approve the item designated as Section 143 in its entirety. This section makes the effective date of Section 106 contingent upon enactment of [House File 770](#), which was vetoed. Therefore this section is unnecessary.

For the above reasons, I respectfully disapprove the designated items in accordance with Article III, Section 16 of the Constitution of the State of Iowa. All other items in [House File 882](#) are hereby approved this date.

Sincerely,
Thomas J. Vilsack
Governor