

FILED FEB 08 2006

SENATE FILE 2176

BY BOLKCOM

EDUCATION

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the administrative duties of the state board
2 of regents and providing a premium tax exemption for regents'
3 employee insurance policies.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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EDUCATION

SF 2176

1 Section 1. Section 15H.3, subsection 1, paragraph e, Code
2 Supplement 2005, is amended to read as follows:

3 e. The executive ~~secretary~~ director of the state board of
4 regents, or the executive ~~secretary's~~ director's designee.

5 Sec. 2. Section 91A.3, subsection 3, Code Supplement 2005,
6 is amended by adding the following new unnumbered paragraph:

7 NEW UNNUMBERED PARAGRAPH. The state board of regents and
8 institutions under its jurisdiction may require, as a
9 condition of employment, an employee to sign up for direct
10 deposit of the employee's wage in a financial institution of
11 the employee's choice.

12 Sec. 3. Section 262.7, subsection 1, Code 2005, is amended
13 to read as follows:

14 1. The state university of Iowa, including the university
15 of Iowa hospitals and clinics.

16 Sec. 4. Section 262.8, Code 2005, is amended to read as
17 follows:

18 262.8 MEETINGS.

19 The board shall meet four times a year. Special meetings
20 may be called by the board, by the president of the board, or
21 by the ~~secretary~~ executive director of the board upon written
22 request of any five members thereof.

23 Sec. 5. Section 262.11, Code 2005, is amended to read as
24 follows:

25 262.11 RECORD -- ACTS AFFECTING PROPERTY.

26 All acts of the board relating to the management, purchase,
27 disposition, or use of lands and other property of said
28 institutions shall be entered of record, which shall show the
29 members present, and how each voted upon each proposition.
30 The board may, in its discretion, delegate to each university
31 the authority to approve leases.

32 Sec. 6. Section 262.34A, Code 2005, is amended to read as
33 follows:

34 262.34A BID REQUESTS AND TARGETED SMALL BUSINESS
35 PROCUREMENT.

1 1. The state board of regents shall request bids and
2 proposals for materials, products, supplies, provisions, and
3 other needed articles to be purchased at public expense, from
4 Iowa state industries as defined in section 904.802,
5 subsection 2, when the articles are available in the requested
6 quantity and at comparable prices and quality.

7 2. Notwithstanding section 73.16, subsection 2, the board
8 may issue electronic bid notices for distribution to the
9 targeted small business internet site through internet links
10 to each of the regents institutions.

11 3. Notwithstanding section 73.17, the board shall notify
12 the director of the department of economic development of
13 regents institutions' targeted small business purchases on an
14 annual basis.

15 Sec. 7. Section 262.58, Code 2005, is amended to read as
16 follows:

17 262.58 RATES AND TERMS OF BONDS OR NOTES.

18 Such bonds or notes may bear such date or dates, may bear
19 interest at such rate or rates, payable semiannually, may
20 mature at such time or times, may be in such form, carry such
21 registration privileges, may be payable at such place or
22 places, may be subject to such terms of redemption prior to
23 maturity with or without premium, if so stated on the face
24 thereof, and may contain such terms and covenants all as may
25 be provided by the resolution of the board authorizing the
26 issuance of the bonds or notes. In addition to the estimated
27 cost of construction, the cost of the project shall be deemed
28 to include interest upon the bonds or notes during
29 construction and for six months after the estimated completion
30 date, the compensation of a fiscal agent or adviser, and
31 engineering, administrative and legal expenses. Such bonds or
32 notes shall be executed by the president of the state board of
33 regents and attested by the secretary-thereof executive
34 director of the state board of regents and the coupons thereto
35 attached shall be executed with the original or facsimile

1 signatures of said president and secretary executive director.
2 Any bonds or notes bearing the signatures of officers in
3 office on the date of the signing thereof shall be valid and
4 binding for all purposes, notwithstanding that before delivery
5 thereof any or all such persons whose signatures appear
6 thereon shall have ceased to be such officers. Each such bond
7 or note shall state upon its face the name of the institution
8 on behalf of which it is issued, that it is payable solely and
9 only from the net rents, profits and income derived from the
10 operation of residence halls or dormitories, including dining
11 and other incidental facilities, at such institution as
12 hereinbefore provided, and that it does not constitute a
13 charge against the state of Iowa within the meaning or
14 application of any constitutional or statutory limitation or
15 provision. The issuance of such bonds or notes shall be
16 recorded in the office of the treasurer of the institution on
17 behalf of which the same are issued, and a certificate by such
18 treasurer to this effect shall be printed on the back of each
19 such bond or note.

20 Sec. 8. Section 262A.6, Code 2005, is amended to read as
21 follows:

22 262A.6 FORM AND CONDITION OF BONDS.

23 Such bonds may bear such date or dates, may bear interest
24 at such rate or rates, payable semiannually, may mature at
25 such time or times, may be in such form and denominations, may
26 carry such registration privileges, may be payable at such
27 place or places, may be subject to such terms of redemption
28 prior to maturity with or without premium, if so stated on the
29 face thereof, and may contain such terms and covenants,
30 including the establishment of reserves, all as may be
31 provided by the resolution of the board authorizing the
32 issuance of the bonds. In addition to the estimated cost of
33 construction, including site costs, the cost of the project
34 may include interest upon the bonds during construction and
35 for six months after the estimated completion date, the

1 compensation of a fiscal agent or adviser, engineering,
2 architectural, administrative and legal expenses and provision
3 for contingencies. Such bonds shall be executed by the
4 president of the state board of regents and attested by the
5 executive secretary director, secretary or other official
6 thereof performing the duties of secretary executive director,
7 and the coupons thereto attached shall be executed with the
8 original or facsimile signatures of said president, executive
9 secretary director, secretary or other official; provided,
10 however, that the facsimile signature of either of such
11 officers executing such bonds may be imprinted on the face of
12 the bonds in lieu of the manual signature of such officer, but
13 at least one of the signatures appearing on the face of each
14 bond shall be a manual signature. Any bonds bearing the
15 signatures of officers in office on the date of the signing
16 thereof shall be valid and binding for all purposes,
17 notwithstanding that before delivery thereof any or all such
18 persons whose signatures appear thereon shall have ceased to
19 be such officers. Each such bond shall state upon its face
20 the name of the institution on behalf of which it is issued,
21 that it is payable solely and only from the student fees and
22 charges and institutional income received by such institution
23 as hereinbefore provided, and that it does not constitute a
24 debt of or charge against the state of Iowa within the meaning
25 or application of any constitutional or statutory limitation
26 or provision. The issuance of such bonds shall be recorded in
27 the office of the treasurer of the institution on behalf of
28 which the same are issued, and a certificate by such treasurer
29 to this effect shall be printed on the back of each such bond.

30 Sec. 9. Section 263A.4, Code 2005, is amended to read as
31 follows:

32 263A.4 BONDS OR NOTES PROVISIONS.

33 Such bonds or notes may bear such date or dates, may bear
34 interest at such rate or rates, payable semiannually, may
35 mature at such time or times, may be in such form and

1 denominations, carry such registration privileges, may be
2 payable at such place or places, may be subject to such terms
3 of redemption prior to maturity with or without premium, if so
4 stated on the face thereof, and may contain such terms and
5 covenants, including the establishment of reserves, all as may
6 be provided by the resolution of the board authorizing the
7 issuance of the bonds or notes. In addition to the estimated
8 cost of construction, including site costs, the cost of the
9 project may include interest upon the bonds or notes during
10 construction and for six months after the estimated completion
11 date, the compensation of a fiscal agent or adviser,
12 engineering, architectural, administrative, and legal expenses
13 and provision for contingencies. Such bonds or notes shall be
14 executed by the president of the state board of regents and
15 attested by the executive secretary director, secretary, or
16 other official thereof performing the duties of secretary
17 executive director, and the coupons thereto attached shall be
18 executed with the original or facsimile signatures of said
19 president, executive secretary director, secretary, or other
20 official; provided, however, that the facsimile signature of
21 either of such officers executing such bonds may be imprinted
22 on the face of the bonds in lieu of the manual signature of
23 such officer, but at least one of the signatures appearing on
24 the face of each bond shall be a manual signature. Any bonds
25 or notes bearing the signatures of officers in office on the
26 date of the signing thereof shall be valid and binding for all
27 purposes, notwithstanding that before delivery thereof any or
28 all such persons whose signatures appear thereon shall have
29 ceased to be such officers. Each such bond or note shall
30 state upon its face the name of the institution on behalf of
31 which it is issued, that it is payable solely and only from
32 hospital income received by such institution as provided in
33 this chapter, and that it does not constitute a debt of or
34 charge against the state of Iowa within the meaning or
35 application of any constitutional or statutory limitation or

1 provision. The issuance of such bonds or notes shall be
2 recorded in the office of the treasurer of the institution,
3 and a certificate by such treasurer to this effect shall be
4 printed on the back of each such bond or note.

5 Sec. 10. Section 432.13, Code 2005, is amended to read as
6 follows:

7 432.13 PREMIUM TAX EXEMPTION -- HAWK-I PROGRAM -- STATE
8 EMPLOYEE BENEFITS.

9 Premiums collected by participating insurers under chapter
10 514I are exempt from premium tax.

11 Premiums received for benefits acquired by the department
12 of administrative services on behalf of state employees
13 pursuant to section 8A.402, subsection 1, and by the state
14 board of regents on behalf of regents' employees, are exempt
15 from premium tax.

16 Sec. 11. Section 262.29, Code 2005, is repealed.

17 EXPLANATION

18 This bill contains a number of amendments relating to the
19 administration of institutions under the control of the state
20 board of regents.

21 Current law allows employers to demand the direct deposit
22 of payroll checks to a financial institution for newly hired
23 employees. The bill allows institutions under the control of
24 the board of regents to require direct deposit for all
25 employees.

26 The bill modifies, for institutions under the control of
27 the board of regents, a general provision requiring state
28 agencies to issue electronic project bid notices for
29 distribution to the targeted small business internet site if
30 that notice is provided in an electronic format through
31 internet links.

32 Current law requires state agencies to notify the
33 department of economic development, on a quarterly basis, of
34 anticipated purchases and procurements designated to satisfy
35 the targeted small business procurement goal. The bill changes

1 the reporting period to annual reporting for institutions
2 under the control of the board of regents.

3 The bill adds the university of Iowa hospitals and clinics
4 to the enumeration of institutions under the governance of the
5 board of regents.

6 The bill empowers the board to delegate to each university
7 the authority to approve leases.

8 The bill allows the board to file all claims for the
9 actual, necessary expenses in the same manner as claims for
10 similar expenses by state officers, eliminating the role of
11 the department of administrative services.

12 Code chapter 432 currently exempts the department of
13 administrative services from paying a tax on premiums paid to
14 purchase life and disability insurance policies on its
15 employees. The bill also exempts the institutions under the
16 control of the board of regents from paying the premium tax.

17 The bill changes the name of the chief executive officer of
18 the board from executive secretary to executive director.

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