



Iowa General Assembly  
Daily Bills, Amendments, Study Bills, LSA Fiscal Notes & Bill Analysis  
January 29, 2007

**House File 150 - Introduced**

HOUSE FILE  
BY KAUFMANN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

**A BILL FOR**

- 1 An Act relating to the regulation of electric scooters by cities
- 2 and providing a penalty.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1481YH 82
- 5 dea/je/5



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1 1 Section 1. Section 321.1, Code 2007, is amended by adding  
1 2 the following new subsection:  
1 3 NEW SUBSECTION. 20C. "Electric scooter" means a tandem  
1 4 two=wheeled device that is designed to be stood upon or sat  
1 5 upon by the operator, with handlebars for steering control,  
1 6 and powered by an electric motor that is capable of propelling  
1 7 the device with or without human propulsion. "Electric  
1 8 scooter" also means a device powered by an electric motor and  
1 9 designed with a single seat for the operator mounted on a  
1 10 three=wheeled or four=wheeled platform, with controls on a  
1 11 column positioned in front of the seat. "Electric scooter"  
1 12 does not include a motorcycle, motorized bicycle, motor  
1 13 scooter, or all=terrain vehicle. An electric scooter is not a  
1 14 motor vehicle for purposes of this chapter.

1 15 Sec. 2. NEW SECTION. 321.246 ELECTRIC SCOOTERS ==  
1 16 OPERATION ON CITY STREETS == PENALTY.

1 17 1. The governing body of a city may allow and regulate the  
1 18 operation of electric scooters on city streets by persons  
1 19 possessing a valid driver's license. An electric scooter  
1 20 operated on a city street shall be equipped with adequate  
1 21 brakes and shall meet any other safety requirements imposed by  
1 22 the governing body. Electric scooters are not subject to the  
1 23 registration provisions of this chapter.

1 24 2. A person convicted of a violation of this section is  
1 25 guilty of a simple misdemeanor punishable as a scheduled  
1 26 violation under section 805.8A, subsection 3, paragraph "f".

1 27 Sec. 3. Section 805.8A, subsection 3, paragraph f, Code  
1 28 2007, is amended to read as follows:

1 29 f. For violations under sections 321.234A, 321.246,  
1 30 321.247, 321.381, and 321.381A, the scheduled fine is fifty  
1 31 dollars.

1 32 EXPLANATION

1 33 This bill authorizes a city to allow and regulate the  
1 34 operation of electric scooters on streets within the city.  
1 35 The bill provides a definition of "electric scooter" that



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2 1 includes a tandem two-wheeled device stood upon or sat upon by  
2 2 the operator and controlled by means of handlebars. The  
2 3 definition also includes a device with a single seat for the  
2 4 operator mounted on a three-wheeled or four-wheeled platform  
2 5 and facing a control column.

2 6 The bill specifies that a person operating an electric  
2 7 scooter on city streets must be a licensed driver. The  
2 8 electric scooter must be equipped with adequate brakes and  
2 9 meet any other safety requirements imposed by the city.  
2 10 Electric scooters are not subject to vehicle registration with  
2 11 the department of transportation.

2 12 The bill provides that a person who violates the electric  
2 13 scooter provisions commits a simple misdemeanor punishable by  
2 14 a scheduled fine of \$50.

2 15 LSB 1481YH 82

2 16 dea:nh/je/5



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House File 151

HOUSE FILE  
BY JOCHUM

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
Approved

**A BILL FOR**

- 1 An Act relating to the establishment of stormwater treatment
- 2 demonstration projects.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1676HH 82
- 5 tm/es/88



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House File 151 continued

PAG LIN

1 1 Section 1. STORMWATER TREATMENT DEMONSTRATION PROJECTS.  
1 2 1. The department of natural resources shall establish  
1 3 three stormwater treatment demonstration projects using unique  
1 4 and innovative landscape architecture and site design in  
1 5 stormwater treatment including but not limited to porous  
1 6 pavements for sidewalks and parking lots, rain gardens,  
1 7 vegetative infiltration beds, green roofs, and tree canopies,  
1 8 and using the nonpotable source of water for purposes such as  
1 9 cooling systems, irrigation, and toilet flushing.

1 10 2. a. One demonstration project shall be located in a  
1 11 city that experiences frequent flooding due to stormwater  
1 12 runoff.

1 13 b. One demonstration project shall be located on  
1 14 state-owned property.

1 15 c. One demonstration project shall be conducted in  
1 16 cooperation with the state department of transportation using  
1 17 porous pavement in highway construction and reconstruction.

1 18 EXPLANATION

1 19 This bill relates to the establishment of stormwater  
1 20 treatment demonstration projects.

1 21 The bill requires the department of natural resources to  
1 22 establish three stormwater treatment demonstration projects  
1 23 using unique and innovative landscape architecture and site  
1 24 design in stormwater treatment. The bill provides that one  
1 25 demonstration project shall be located in a city that  
1 26 experiences frequent flooding due to stormwater runoff, one  
1 27 demonstration project shall be located on state-owned  
1 28 property, and one demonstration project shall be conducted in  
1 29 cooperation with the state department of transportation using  
1 30 porous pavement in highway construction and reconstruction.

1 31 LSB 1676HH 82

1 32 tm:nh/es/88



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## House Resolution 7 - Introduced

PAG LIN

1 1 HOUSE RESOLUTION NO. \_\_\_\_  
1 2 BY McCARTHY and RANTS  
1 3 A Resolution to commemorate the twentieth anniversary  
1 4 of the World Food Prize.  
1 5 WHEREAS, Dr. Norman E. Borlaug, winner of the Nobel  
1 6 Peace Prize in 1970 for his work in world agriculture,  
1 7 envisioned a prize that would honor those who have  
1 8 made significant and measurable contributions to  
1 9 improving the world's food supply; and  
1 10 WHEREAS, that dream became a reality in 1986 with  
1 11 the creation of the World Food Prize, now celebrating  
1 12 its twentieth anniversary; and  
1 13 WHEREAS, the prize is the foremost international  
1 14 award for achievements that significantly increase the  
1 15 quality, quantity, or availability of food in the  
1 16 world; and  
1 17 WHEREAS, in two decades the World Food Prize has  
1 18 honored outstanding individuals throughout the world,  
1 19 from Bangladesh, Brazil, China, Cuba, Denmark, India,  
1 20 Mexico, Sierra Leone, Switzerland, the United Kingdom,  
1 21 the United States, and the United Nations; and  
1 22 WHEREAS, in 1990, Des Moines businessman,  
1 23 philanthropist, and visionary John Ruan assumed  
1 24 sponsorship of the prize and established the World  
1 25 Food Prize Foundation to ensure its future, and now  
1 26 his son, John Ruan III, has succeeded his father as  
1 27 chairman of the World Food Prize; and  
1 28 WHEREAS, the World Food Prize Laureate Award  
1 29 Ceremony has in recent years been held in the  
1 30 magnificent nineteenth century Iowa State Capitol in a



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House Resolution 7 - Introduced continued

2 1 ceremony that rivals that of the Nobel Prize; NOW  
2 2 THEREFORE,  
2 3 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
2 4 That the House of Representatives celebrates the  
2 5 twentieth anniversary of the World Food Prize and  
2 6 applauds Dr. Norman E. Borlaug for his vision and  
2 7 dedication in making the World Food Prize a reality,  
2 8 as well as John Ruan and John Ruan III for their  
2 9 philanthropy and ongoing efforts in making the prize a  
2 10 truly major world event.  
2 11 LSB 1933HH 82  
2 12 jr:rj/gg/14.1



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**House Study Bill 100**

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON  
 LABOR BILL BY CHAIRPERSON  
 OLSON)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
                   Approved

**A BILL FOR**

- 1 An Act requiring additional workers' compensation payments for
- 2 scheduled injuries that result in a reduction in the injured
- 3 employee's earning capacity.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 1821YC 82
- 6 av/gg/14



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House Study Bill 100 continued

PAG LIN

1 1 Section 1. Section 85.34, subsection 2, paragraph v, Code  
1 2 2007, is amended to read as follows:  
1 3 v. In all cases of permanent partial disability described  
1 4 or referred to in paragraphs "a" through "t" which cause a  
1 5 reduction in the employee's earning capacity greater than the  
1 6 weeks compensated in paragraphs "a" through "t", compensation  
1 7 shall be paid during the number of weeks in relation to five  
1 8 hundred weeks as the reduction in the employee's earning  
1 9 capacity caused by the disability bears in relation to the  
1 10 earning capacity that the employee possessed when the injury  
1 11 occurred.

1 12 ~~v.~~ w. If it is determined that an injury has produced a  
1 13 disability less than that specifically described in the  
1 14 schedule described in paragraphs "a" through "t", compensation  
1 15 shall be paid during the lesser number of weeks of disability  
1 16 determined, as will not exceed a total amount equal to the  
1 17 same percentage proportion of said scheduled maximum  
1 18 compensation.

1 19 EXPLANATION  
1 20 This bill amends Code section 85.34 to provide that for  
1 21 purposes of workers' compensation, a scheduled injury  
1 22 resulting in permanent partial disability that also results in  
1 23 a reduction in earning capacity greater than the weeks  
1 24 compensated in the schedule for that injury, shall be  
1 25 compensated in the same way as an unscheduled injury that  
1 26 results in permanent partial disability. In that case  
1 27 compensation shall be paid during the number of weeks in  
1 28 relation to 500 weeks as the reduction in the employee's  
1 29 earning capacity caused by the disability bears in relation to  
1 30 the earning capacity that the employee possessed when the  
1 31 injury occurred.

1 32 LSB 1821YC 82

1 33 av:rj/gg/14



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# House Study Bill 101

HOUSE FILE  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON JOCHUM)

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

### A BILL FOR

- 1 An Act providing a credit for a buyback of service under the Iowa
- 2 public employees' retirement system and including an
- 3 implementation provision.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 2041HC 82
- 6 ec/es/88



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House Study Bill 101 continued

PAG LIN

1 1 Section 1. Section 97B.80C, subsection 3, Code 2007, is  
1 2 amended by adding the following new paragraph:  
1 3 NEW PARAGRAPH. e. For a member making contributions for a  
1 4 purchase of permissive service credit for qualified service as  
1 5 described in subsection 1, paragraph "c", subparagraph (1),  
1 6 subparagraph subdivision (h), in which the member received a  
1 7 refund of the member's accumulated contributions prior to July  
1 8 1, 1998, the member shall receive a credit against the  
1 9 actuarial cost of the service purchase equal to the amount of  
1 10 the member's employer's accumulated contributions which were  
1 11 not paid to the member as a refund pursuant to section 97B.53  
1 12 plus interest as calculated pursuant to section 97B.70.

1 13 Sec. 2. IMPLEMENTATION PROVISION. Notwithstanding any  
1 14 provision of section 97B.65 to the contrary, the provisions of  
1 15 this Act shall be enacted and implemented by the Iowa public  
1 16 employees' retirement system upon the effective date of this  
1 17 Act.

1 18 EXPLANATION

1 19 This bill provides that a member buying back service under  
1 20 the Iowa public employees' retirement system (IPERS) can  
1 21 receive a credit for the cost of purchasing that prior service  
1 22 equal to the amount of the member's employer's accumulated  
1 23 contributions that were not paid when the member received a  
1 24 refund for that service plus interest as calculated in Code  
1 25 section 97B.70 if the member received the refund prior to July  
1 26 1, 1998.

1 27 The bill shall be enacted and implemented upon the  
1 28 effective date of the bill.

1 29 LSB 2041HC 82

1 30 ec:rj/es/88



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House Study Bill 102

SENATE/HOUSE FILE  
 BY (PROPOSED DEPARTMENT OF  
 CULTURAL AFFAIRS BILL)

Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved

Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

A BILL FOR

- 1 An Act relating to the use of moneys in the Iowa cultural trust
- 2 grant account by the board of trustees of the Iowa cultural
- 3 trust.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TL5B 1210XD 82
- 6 kh/sh/8



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House Study Bill 102 continued

PAG LIN

1 1 Section 1. Section 303A.7, subsection 3, Code 2007, is  
1 2 amended to read as follows:  
1 3 3. ~~For the fiscal period beginning July 1, 2003, and~~  
1 4 ~~ending June 30, 2005~~ At any time when the principal balance in  
1 5 the trust fund equals or exceeds three million dollars, the  
1 6 board may use moneys in the grant account for a statewide  
1 7 educational program to promote participation in, expanded  
1 8 support of, and local endowment building for, Iowa nonprofit  
1 9 arts, history, and sciences and humanities organizations.

1 10

EXPLANATION

1 11 This bill makes changes to the authority once given to the  
1 12 board of trustees of the Iowa cultural trust over the use of  
1 13 moneys deposited in the Iowa cultural trust grant account.  
1 14 The Iowa cultural trust grant account was created in the  
1 15 Code to receive interest attributable to the investment of the  
1 16 trust fund moneys. From July 1, 2003, through June 30, 2005,  
1 17 the Code authorized the board to use moneys in the grant  
1 18 account for a statewide educational program to promote  
1 19 participation in, expanded support of, and local endowment  
1 20 building for, Iowa nonprofit arts, history, and sciences and  
1 21 humanities organizations. The bill reauthorizes the board to  
1 22 use the grant account moneys for those purposes, but only when  
1 23 the principal balance in the Iowa cultural trust fund equals  
1 24 or exceeds \$3 million.

1 25 LSB 1210XD 82

1 26 kh:rj/sh/8



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**House Study Bill 103**

SENATE/HOUSE FILE  
 BY (PROPOSED DEPARTMENT OF  
 INSPECTIONS AND APPEALS  
 BILL)

Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
           Approved

Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the licensing and inspection of hotels, home  
 2 food establishments, and food establishments and processing  
 3 plants, providing and increasing fees, making penalties  
 4 applicable, making an appropriation, and providing an  
 5 effective date.  
 6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
 7 TL5B 1378XD 82  
 8 nh/je/5



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1 1 Section 1. Section 137C.6, Code 2007, is amended to read  
1 2 as follows:  
1 3 137C.6 AUTHORITY TO ENFORCE.  
1 4 1. The director shall regulate, license, and inspect  
1 5 hotels and enforce the Iowa hotel sanitation code in Iowa.  
1 6 Municipal corporations shall not regulate, license, inspect,  
1 7 or collect license fees from hotels except as provided for in  
1 8 the Iowa hotel sanitation code.  
1 9 2. If a municipal corporation wants its local board of  
1 10 health to license, inspect, and otherwise enforce the Iowa  
1 11 hotel sanitation code within its jurisdiction, the municipal  
1 12 corporation may enter into an agreement to do so with the  
1 13 director. The director may enter into the agreement if the  
1 14 director finds that the local board of health has adequate  
1 15 resources to perform the required functions. A municipal  
1 16 corporation may only enter into an agreement to enforce the  
1 17 Iowa hotel sanitation code if it also agrees to enforce the  
1 18 ~~Iowa food code~~ rules setting minimum standards to protect  
1 19 consumers from foodborne illness adopted pursuant to section  
1 20 ~~137F.3~~ 137F.2.  
1 21 3. A local board of health that is responsible for  
1 22 enforcing the Iowa hotel sanitation code within its  
1 23 jurisdiction pursuant to an agreement, shall make an annual  
1 24 report to the director providing the following information:  
1 25 ~~1.~~ a. The total number of hotel licenses granted or  
1 26 renewed during the year.  
1 27 ~~2.~~ b. The number of hotel licenses granted or renewed  
1 28 during the year broken down into the following categories:  
1 29 ~~a.~~ (1) Hotels containing fifteen guest rooms or less.  
1 30 ~~b.~~ (2) Hotels containing more than fifteen but less than  
1 31 thirty=one guest rooms.  
1 32 ~~c.~~ (3) Hotels containing more than thirty but less than  
1 33 seventy=six guest rooms.  
1 34 ~~d.~~ (4) Hotels containing more than seventy=five but less  
1 35 than one hundred fifty guest rooms.



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2 1 ~~e.~~ (5) Hotels containing one hundred fifty or more guest  
2 2 rooms.  
2 3 ~~3.~~ c. The amount of money collected in license fees  
2 4 during the year.  
2 5 ~~4.~~ d. Other information the director requests.  
2 6 4. The director shall monitor local boards of health to  
2 7 determine if they are enforcing the Iowa hotel sanitation code  
2 8 within their respective jurisdictions. If the director  
2 9 determines that the Iowa hotel sanitation code is enforced by  
2 10 a local board of health, such enforcement shall be accepted in  
2 11 lieu of enforcement by the department in that jurisdiction.  
2 12 If the director determines that the Iowa hotel sanitation code  
2 13 is not enforced by a local board of health, the director may  
2 14 rescind the agreement after reasonable notice and an  
2 15 opportunity for a hearing. If the agreement is rescinded, the  
2 16 director shall assume responsibility for enforcement in the  
2 17 jurisdiction involved.  
2 18 Sec. 2. Section 137C.9, Code 2007, is amended to read as  
2 19 follows:  
2 20 137C.9 LICENSE FEES.  
2 21 1. Either the department or the municipal corporation  
2 22 shall collect the following annual license fees:  
2 23 ~~1.~~ a. For a hotel containing fifteen guest rooms or less,  
2 24 ~~twenty~~ forty dollars.  
2 25 ~~2.~~ b. For a hotel containing more than fifteen but less  
2 26 than thirty-one guest rooms, ~~thirty~~ sixty dollars.  
2 27 ~~3.~~ c. For a hotel containing more than thirty but less  
2 28 than seventy-six guest rooms, ~~forty~~ eighty dollars.  
2 29 4. d. For a hotel containing more than seventy-five but  
2 30 less than one hundred fifty guest rooms, ~~fifty~~ one hundred  
2 31 dollars.  
2 32 ~~5.~~ e. For a hotel containing one hundred fifty or more  
2 33 guest rooms, ~~seventy-five~~ one hundred fifty dollars.  
2 34 2. Fees collected by the department shall be deposited in  
2 35 the general fund of the state. Fees collected by a municipal



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3 1 corporation shall be retained by it and for its use.  
3 2 Sec. 3. Section 137D.2, subsection 1, Code 2007, is  
3 3 amended to read as follows:  
3 4 1. A person shall not open or operate a home food  
3 5 establishment until a license has been obtained from the  
3 6 department of inspections and appeals. The department shall  
3 7 collect a fee of ~~twenty-five~~ fifty dollars for a license.  
3 8 After collection, the fees shall be deposited in the general  
3 9 fund of the state. A license shall expire one year from date  
3 10 of issue. A license is renewable.  
3 11 Sec. 4. Section 137F.1, subsection 7, Code 2007, is  
3 12 amended by striking the subsection.  
3 13 Sec. 5. Section 137F.1, subsection 8, unnumbered paragraph  
3 14 1, Code 2007, is amended to read as follows:  
3 15 "Food establishment" means an operation that stores,  
3 16 prepares, packages, serves, vends, or otherwise provides food  
3 17 for human consumption and includes a food service operation in  
3 18 a salvage or distressed food operation, school, summer camp,  
3 19 residential service substance abuse treatment facility,  
3 20 halfway house substance abuse treatment facility, correctional  
3 21 facility operated by the department of corrections, the state  
3 22 training school, or the Iowa juvenile home. "Food  
3 23 establishment" does not include the following:  
3 24 Sec. 6. Section 137F.2, Code 2007, is amended by striking  
3 25 the section and inserting in lieu thereof the following:  
3 26 137F.2 ADOPTION BY RULE.  
3 27 The department shall, in accordance with chapter 17A, adopt  
3 28 rules setting minimum standards for entities covered under  
3 29 this chapter to protect consumers from foodborne illness. In  
3 30 so doing, the department may adopt by reference, with or  
3 31 without amendment, the United States food and drug  
3 32 administration food code, which shall be specified by title  
3 33 and edition, date of publication, or similar information. The  
3 34 rules and standards shall be formulated in consultation with  
3 35 municipal corporations under agreement with the department,



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4 1 affected state agencies, and industry, professional, and  
4 2 consumer groups.  
4 3 Sec. 7. Section 137F.3, Code 2007, is amended to read as  
4 4 follows:  
4 5 137F.3 AUTHORITY TO ENFORCE.  
4 6 1. The director shall regulate, license, and inspect food  
4 7 establishments and food processing plants and enforce this  
4 8 chapter pursuant to rules adopted by the department in  
4 9 accordance with chapter 17A. Municipal corporations shall not  
4 10 regulate, license, inspect, or collect license fees from food  
4 11 establishments and food processing plants, except as provided  
4 12 in this section.  
4 13 2. A municipal corporation may enter into an agreement  
4 14 with the director to provide that the municipal corporation  
4 15 shall license, inspect, and otherwise enforce this chapter  
4 16 within its jurisdiction. The director may enter into the  
4 17 agreement if the director finds that the municipal corporation  
4 18 has adequate resources to perform the required functions. A  
4 19 municipal corporation may only enter into an agreement to  
4 20 enforce the ~~Iowa food code~~ rules setting minimum standards to  
4 21 protect consumers from foodborne illness adopted pursuant to  
4 22 this section 137F.2 if it also agrees to enforce the Iowa  
4 23 hotel sanitation code pursuant to section 137C.6. However,  
4 24 the department shall license and inspect all food processing  
4 25 plants which manufacture, package, or label food products. A  
4 26 municipal corporation may license and inspect, as authorized  
4 27 by this section, food processing plants whose operations are  
4 28 limited to the storage of food products.  
4 29 3. If the director enters into an agreement with a  
4 30 municipal corporation as provided by this section, the  
4 31 director shall provide that the inspection practices of a  
4 32 municipal corporation are spot-checked on a regular basis.  
4 33 4. A municipal corporation that is responsible for  
4 34 enforcing this chapter within its jurisdiction pursuant to an  
4 35 agreement shall make an annual report to the director



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5 1 providing the following information:

5 2 ~~1.~~ a. The total number of licenses granted or renewed by  
5 3 the municipal corporation under this chapter during the year.

5 4 ~~2.~~ b. The number of licenses granted or renewed by the  
5 5 municipal corporation under this chapter during the year in  
5 6 each of the following categories:

5 7 ~~a.~~ (1) Food establishments.

5 8 ~~b.~~ (2) Food processing plants.

5 9 ~~c.~~ (3) Mobile food units and pushcarts.

5 10 ~~d.~~ (4) Temporary food establishments.

5 11 ~~e.~~ (5) Vending machines.

5 12 ~~3.~~ c. The amount of money collected in license fees  
5 13 during the year.

5 14 ~~4.~~ d. Other information the director requests.

5 15 5. The director shall monitor municipal corporations which  
5 16 have entered into an agreement pursuant to this section to  
5 17 determine if they are enforcing this chapter within their  
5 18 respective jurisdictions. If the director determines that  
5 19 this chapter is not enforced by a municipal corporation, the  
5 20 director may rescind the agreement after reasonable notice and  
5 21 an opportunity for a hearing. If the agreement is rescinded,  
5 22 the director shall assume responsibility for enforcement in  
5 23 the jurisdiction involved.

5 24 Sec. 8. Section 137F.3A, Code 2007, is amended to read as  
5 25 follows:

5 26 137F.3A MUNICIPAL CORPORATION INSPECTIONS == CONTINGENT  
5 27 APPROPRIATION.

5 28 1. If a municipal corporation operating pursuant to a  
5 29 chapter 28E agreement with the department of inspections and  
5 30 appeals to enforce this chapter and chapters 137C and 137D  
5 31 either fails to renew the agreement effective after July 1,  
5 32 2005, ~~but before July 1, 2007,~~ or discontinues ~~prior to July~~  
~~5 33 1, 2007,~~ enforcement activities in one or more jurisdictions  
5 34 during the agreement time frame, or the department of  
5 35 inspections and appeals cancels an agreement ~~prior to July 1,~~



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~~6 1 2007, due to noncompliance with the terms of the agreement,~~  
6 2 the department of inspections and appeals may employ  
6 3 additional full-time equivalent positions ~~for the fiscal years~~  
~~6 4 ending prior to July 1, 2007, to enforce the provisions of the~~  
6 5 chapters, with the approval of the department of management.  
6 6 Before approval is given, the director of the department of  
6 7 management shall determine that the expenses exceed the funds  
6 8 budgeted by the general assembly for food inspections to the  
6 9 department of inspections and appeals. The department of  
6 10 inspections and appeals may hire no more than one full-time  
6 11 equivalent position for each six hundred inspections required  
6 12 pursuant to this chapter and chapters 137C and 137D.  
6 13 2. Notwithstanding chapter 137D, and sections 137C.9 and  
6 14 137F.6, if the conditions described in this section are met,  
6 15 fees imposed pursuant to that chapter and those sections shall  
6 16 be retained by and are appropriated to the department of  
6 17 inspections and appeals ~~for the each fiscal years ending prior~~  
~~6 18 to July 1, 2007, year to provide for salaries, support,~~  
6 19 maintenance, and miscellaneous purposes associated with the  
6 20 additional inspections.  
6 21 ~~3. This section is repealed July 1, 2007.~~  
6 22 Sec. 9. Section 137F.6, Code 2007, is amended to read as  
6 23 follows:  
6 24 137F.6 LICENSE == REINSPECTION == PLAN REVIEW FEES.  
6 25 1. The regulatory authority shall collect the following  
6 26 annual license fees:  
6 27 ~~1. a.~~ a. For a mobile food unit or pushcart, ~~twenty one~~  
6 28 hundred dollars.  
6 29 ~~2. b.~~ b. For a temporary food establishment per fixed  
6 30 location, ~~twenty-five~~ fifty dollars.  
6 31 ~~3. c.~~ c. For a vending machine, twenty dollars for the first  
6 32 machine and five dollars for each additional machine.  
6 33 ~~4. d.~~ d. For a food establishment which prepares or serves  
6 34 food for individual portion service intended for consumption  
6 35 on-the-premises, the annual license fee shall correspond to



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7 1 the annual gross food and beverage sales of the food  
7 2 establishment, as follows:  
7 3     ~~a.~~ (1) Annual gross sales of under fifty thousand  
7 4 dollars, ~~fifty~~ one hundred dollars.  
7 5     ~~b.~~ (2) Annual gross sales of at least fifty thousand  
7 6 dollars but less than one hundred thousand dollars,  
7 7 ~~eighty-five~~ one hundred seventy dollars.  
7 8     ~~c.~~ (3) Annual gross sales of at least one hundred  
7 9 thousand dollars but less than two hundred fifty thousand  
7 10 dollars, ~~one hundred seventy-five~~ three hundred fifty dollars.  
7 11     ~~d.~~ (4) Annual gross sales of two hundred fifty thousand  
7 12 dollars but less than five hundred thousand dollars, ~~two~~ four  
7 13 hundred dollars.  
7 14     ~~e.~~ (5) Annual gross sales of five hundred thousand  
7 15 dollars or more, ~~two hundred twenty-five~~ four hundred fifty  
7 16 dollars.  
7 17     ~~5.~~ e. For a food establishment which sells food or food  
7 18 products to consumer customers intended for preparation or  
7 19 consumption off-the-premises, the annual license fee shall  
7 20 correspond to the annual gross food and beverage sales of the  
7 21 food establishment, as follows:  
7 22     ~~a.~~ (1) Annual gross sales of under ten thousand dollars,  
7 23 ~~thirty~~ sixty dollars.  
7 24     ~~b.~~ (2) Annual gross sales of at least ten thousand  
7 25 dollars but less than two hundred fifty thousand dollars,  
7 26 ~~seventy-five~~ one hundred fifty dollars.  
7 27     ~~c.~~ (3) Annual gross sales of at least two hundred fifty  
7 28 thousand dollars but less than five hundred thousand dollars,  
7 29 ~~one hundred fifteen~~ two hundred thirty dollars.  
7 30     ~~d.~~ (4) Annual gross sales of at least five hundred  
7 31 thousand dollars but less than seven hundred fifty thousand  
7 32 dollars, ~~one hundred fifty~~ three hundred dollars.  
7 33     ~~e.~~ (5) Annual gross sales of seven hundred fifty thousand  
7 34 dollars or more, ~~two hundred twenty-five~~ four hundred fifty  
7 35 dollars.



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8 1 ~~6.~~ f. For a food processing plant, the annual license fee  
8 2 shall correspond to the annual gross food and beverage sales  
8 3 of the food processing plant, as follows:  
8 4 ~~a.~~ (1) Annual gross sales of under fifty thousand  
8 5 dollars, ~~fifty~~ one hundred dollars.  
8 6 ~~b.~~ (2) Annual gross sales of at least fifty thousand  
8 7 dollars but less than two hundred fifty thousand dollars, ~~one~~  
8 8 two hundred dollars.  
8 9 ~~c.~~ (3) Annual gross sales of at least two hundred fifty  
8 10 thousand dollars but less than five hundred thousand dollars,  
8 11 ~~one hundred fifty~~ three hundred dollars.  
8 12 ~~d.~~ (4) Annual gross sales of five hundred thousand  
8 13 dollars or more, ~~two hundred fifty~~ five hundred dollars.  
8 14 ~~7.~~ g. For a farmers market where potentially hazardous  
8 15 food is sold or distributed, one seasonal license fee of one  
8 16 hundred dollars for each vendor on a countywide basis.  
8 17 ~~A food establishment covered by subsections 4 and 5 shall~~  
~~8 18 be assessed license fees not to exceed seventy-five percent of~~  
~~8 19 the total fees applicable under both subsections.~~  
8 20 h. Upon transfer of ownership of an existing food  
8 21 establishment or food processing plant subject to a license  
8 22 fee under paragraph "d", "e", or "f", the new owner shall pay  
8 23 the last license fee amount paid by the previous owner for the  
8 24 first year of licensure. In subsequent years, the licensee  
8 25 shall pay the fee specified for the licensee's annual gross  
8 26 sales.  
8 27 i. A new applicant subject to a license fee under  
8 28 paragraph "d", "e", or "f" shall pay the license fee based on  
8 29 projected gross sales under each of the applicable paragraphs  
8 30 for the first year of licensure. In subsequent years, the  
8 31 licensee shall pay the fee specified for the licensee's annual  
8 32 gross sales.  
8 33 j. For a food establishment or food processing plant that  
8 34 is being remodeled or newly constructed and that is subject to  
8 35 a license fee under paragraph "d", "e", or "f", the applicant  
9 1 shall pay, in addition to any other fees assessed under this  
9 2 chapter, a plan review fee of up to two hundred fifty dollars,  
9 3 as determined by the regulatory authority.  
9 4 k. For a food establishment or food processing plant that  
9 5 is being remodeled and that is subject to a license fee under  
9 6 paragraph "d", "e", or "f", the licensee shall pay, in  
9 7 addition to any other fees assessed under this chapter, a plan  
9 8 review fee of up to two hundred fifty dollars, as determined  
9 9 by the regulatory authority.  
9 10 l. If a routine inspection or a complaint investigation of  
9 11 a food establishment or food processing plant subject to a  
9 12 license fee under paragraph "d", "e", or "f" reveals the  
9 13 presence of one or more critical violations and requires one  
9 14 or more physical reinspections, a reinspection fee equal to  
9 15 fifty dollars shall be assessed for each reinspection.  
9 16 Failure to pay the reinspection fee shall subject a food  
9 17 establishment or food processing plant to suspension or  
9 18 revocation of the food establishment's or food processing  
9 19 plant's license pursuant to section 137F.7 and to the penalty  
9 20 provisions of section 137F.17.  
9 21 2. All fees imposed pursuant to this chapter shall be



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9 22 increased annually in an amount equal to the greater of five  
9 23 dollars, or the consumer price index for all urban consumers  
9 24 for the immediately preceding calendar year, as published in  
9 25 the federal register by the United States department of  
9 26 labor's bureau of labor statistics and rounded to the nearest  
9 27 increment of five dollars.

9 28 3. Fees collected by the department shall be deposited in  
9 29 the general fund of the state. Fees collected by a municipal  
9 30 corporation shall be retained by the municipal corporation for  
9 31 regulation of food establishments and food processing plants  
9 32 licensed under this chapter.

9 33 4. Each vending machine licensed under this chapter shall  
9 34 bear a readily visible identification tag or decal provided by  
9 35 the licensee, containing the licensee's business address and



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10 1 phone number, and a company license number assigned by the  
10 2 regulatory authority.

10 3 Sec. 10. Section 331.756, subsection 32, Code 2007, is  
10 4 amended to read as follows:

10 5 32. Assist the department of inspections and appeals in  
10 6 the enforcement of the ~~Iowa food code~~ rules setting minimum  
10 7 standards to protect consumers from foodborne illness adopted  
10 8 pursuant to section 137F.2 and the Iowa hotel sanitation code,  
10 9 as provided in sections 137F.19 and 137C.30.

10 10 Sec. 11. FOOD CODE APPLICABILITY == TEMPORARY PROVISIONS.  
10 11 Pending the adoption of rules pursuant to section 137F.2, as  
10 12 amended by this Act, the 1997 edition of the United States  
10 13 food and drug administration food code, with the amendments or  
10 14 exceptions thereto in effect prior to the effective date of  
10 15 this Act, shall continue in effect.

10 16 Sec. 12. EFFECTIVE DATE. This Act, being deemed of  
10 17 immediate importance, takes effect upon enactment.

10 18 EXPLANATION

10 19 This bill makes changes regarding the licensing and  
10 20 inspection of hotels, home food establishments, and food  
10 21 establishments.

10 22 The bill provides for an increase in the license fees  
10 23 imposed on hotels pursuant to Code section 137C.9, for home  
10 24 food establishments pursuant to Code section 137D.2, and for  
10 25 food establishments and food processing plants pursuant to  
10 26 Code section 137F.6. Except in the case of a mobile food unit  
10 27 or pushcart licensed pursuant to Code section 137F.6,  
10 28 subsection 1, whose fee is increased from \$20 to \$100, all  
10 29 other fees are doubled in amount.

10 30 The bill provides for the deletion of a specific reference  
10 31 to the adoption of the "food code" in Code section 137F.2,  
10 32 statutory amendments or exceptions to the food code, providing  
10 33 instead for the adoption of rules setting minimum standards to  
10 34 protect consumers from foodborne illness. The bill provides  
10 35 that the rules may incorporate by reference, with or without



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11 1 amendment, the United States food and drug administration food  
11 2 code, which if incorporated shall be specified by title and  
11 3 edition, date of publication, or similar information, and that  
11 4 the rules and standards shall be formulated in consultation  
11 5 with municipal corporations under agreement with the  
11 6 department, affected state agencies, and industry,  
11 7 professional, and consumer groups. Conforming changes are  
11 8 made to other Code provisions currently referencing the "food  
11 9 code" as referred to in Code chapter 137F. The bill specifies  
11 10 that until the rules are adopted, the 1997 edition of the  
11 11 United States food and drug administration food code, with the  
11 12 amendments or exceptions in effect prior to the effective date  
11 13 of the bill, shall continue to apply.

11 14 The bill includes in the definition of a "food  
11 15 establishment" in Code section 137F.1 a salvage or distressed  
11 16 food operation.

11 17 Code section 137F.3A, enacted in 2006, is amended to  
11 18 provide that the department of inspections and appeals may  
11 19 retain fees imposed on hotels, home food establishments, and  
11 20 on certain food establishments, each fiscal year and use the  
11 21 fees retained for costs associated with having the department  
11 22 conduct food inspections in jurisdictions where the applicable  
11 23 municipal corporation fails to conduct the inspections on or  
11 24 after July 1, 2005. Current law allows the department to  
11 25 retain and use such fees between July 1, 2005, and July 1,  
11 26 2007. The bill eliminates the future repeal of the provision  
11 27 on July 1, 2007.

11 28 The bill provides for new categories of fees for  
11 29 reinspection and plan review relating to food establishments  
11 30 under Code chapter 137F. The bill provides that if a transfer  
11 31 of ownership of a certain type of existing food establishment  
11 32 or food processing plant licensed under Code section 137F.6  
11 33 occurs, which would include a food establishment which  
11 34 prepares or serves food for individual portion service  
11 35 intended for consumption on=the=premises, a food establishment



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12 1 which sells food or food products to consumer customers  
12 2 intended for preparation or consumption off-the-premises, or a  
12 3 food processing plant, the new owner shall pay the highest  
12 4 license fee for the first year of licensure, and in subsequent  
12 5 years, the fee specified for their annual gross sales.

12 6 The bill additionally provides that an applicant for  
12 7 certain new licenses under Code section 137F.6 shall pay the  
12 8 license fee based on projected gross sales or the previous  
12 9 owner's license fee, whichever is applicable to the applicant,  
12 10 for the first year of licensure and, in subsequent years, the  
12 11 fee specified for their annual gross sales.

12 12 Further, for certain food establishments and food  
12 13 processing plants to be licensed under Code section 137F.6  
12 14 that are being newly constructed or remodeled, or for an  
12 15 existing licensee undergoing remodeling, the bill provides  
12 16 that the applicant or licensee shall pay, in addition to any  
12 17 other fees assessed, a plan review fee of up to \$250, as  
12 18 determined by the regulatory authority.

12 19 Additionally, the bill provides that if a routine  
12 20 inspection or a complaint investigation of certain food  
12 21 establishments and food processing plants licensed under Code  
12 22 section 137F.6 reveals the presence of one or more critical  
12 23 violations and requires one or more physical reinspections, a  
12 24 reinspection fee equal to \$50 shall be assessed for each  
12 25 reinspection. The bill specifies that failure to pay the  
12 26 reinspection fee shall subject a licensee to suspension or  
12 27 revocation of the license pursuant to Code section 137F.7, and  
12 28 the penalty provisions of Code section 137F.17.

12 29 The bill provides that all fees imposed pursuant to Code  
12 30 chapter 137F shall be increased annually in an amount equal to  
12 31 the greater of \$5, or the consumer price index for all urban  
12 32 consumers for the immediately preceding calendar year, as  
12 33 published in the federal register by the United States  
12 34 department of labor's bureau of labor statistics and rounded  
12 35 to the nearest increment of \$5.



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13 1 The bill takes effect upon enactment.  
13 2 LSB 1378XD 82  
13 3 nh:rj/je/5.1



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**House Study Bill 104**

SENATE/HOUSE FILE  
 BY (PROPOSED DEPARTMENT OF  
 MANAGEMENT BILL)

Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
           Approved

Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

**A BILL FOR**

1 An Act relating to changes in the utility replacement tax law by  
 2 redefining a new electric power generating plant, extending  
 3 the life of the utility replacement tax task force, and  
 4 requiring notification by the taxpayer to the department of  
 5 revenue and local taxing district upon transfer of utility  
 6 property.  
 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
 8 TLSB 1282XD 82  
 9 mg/je/5



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1 1 Section 1. Section 437A.3, subsection 11, unnumbered  
1 2 paragraph 2, Code 2007, is amended to read as follows:

1 3 "New electric power generating plant" means ~~an~~ any of the  
1 4 following:

1 5 a. An electric power generating plant that is owned by or  
1 6 leased to an electric company, electric cooperative, or  
1 7 municipal utility, and that initially generates electricity  
1 8 subject to replacement generation tax under section 437A.6 on  
1 9 or after January 1, 2003.

1 10 b. An electric power generating plant that is owned by or  
1 11 leased to an electric company, electric cooperative, or  
1 12 municipal utility, that initially generated electricity  
1 13 subject to replacement generation tax under section 437A.6  
1 14 before January 1, 2003, and that is sold, leased, or  
1 15 transferred, in full or in part, on or after January 1, 2003.  
1 16 If any portion of an electric power generating plant is sold,  
1 17 the entire plant shall be treated as if it were a new electric  
1 18 power generating plant.

1 19 Sec. 2. Section 437A.15, subsection 7, unnumbered  
1 20 paragraph 2, Code 2007, is amended to read as follows:

1 21 The task force shall study the effects of the replacement  
1 22 tax on local taxing authorities, local taxing districts,  
1 23 consumers, and taxpayers through January 1, ~~2007~~ 2010. If the  
1 24 task force recommends modifications to the replacement tax  
1 25 that will further the purposes of tax neutrality for local  
1 26 taxing authorities, local taxing districts, taxpayers, and  
1 27 consumers, consistent with the stated purposes of this  
1 28 chapter, the department of management shall transmit those  
1 29 recommendations to the general assembly.

1 30 Sec. 3. Section 437A.19, subsection 1, paragraph a, Code  
1 31 2007, is amended to read as follows:

1 32 a. A taxpayer whose property is subject to the statewide  
1 33 property tax shall report to the director by July 1, 1999, and  
1 34 by May 1 of each subsequent tax year, on forms prescribed by  
1 35 the director, the book value, as of the beginning and end of



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2 1 the preceding calendar year, of all of the following:

2 2 (1) The local amount of any major addition by local taxing  
2 3 district.

2 4 (2) The statewide amount of any major addition without  
2 5 notation of location.

2 6 (3) Any building in Iowa at acquisition cost of more than  
2 7 ten million dollars ~~which that~~ was originally placed in  
2 8 service by the taxpayer prior to January 1, 1998, and ~~which~~  
2 9 that was transferred or disposed of in the preceding calendar  
2 10 year, ~~without notation of location by local taxing district.~~

2 11 (4) Any electric power generating plant in Iowa at  
2 12 acquisition cost of more than ten million dollars ~~which that~~  
2 13 was originally placed in service by the taxpayer prior to  
2 14 January 1, 1998, and ~~which that~~ was transferred or disposed of  
2 15 in the preceding calendar year, ~~without notation of location~~  
2 16 by local taxing district.

2 17 (5) All other taxpayer property without notation of  
2 18 location.

2 19 (6) The local amount of any major addition eligible for  
2 20 the urban revitalization exemption provided for in chapter  
2 21 404, by situs.

2 22 (7) All other transferred taxpayer property, in addition  
2 23 to any transferred property reported under subparagraphs (3)  
2 24 and (4), by local taxing district.

2 25 Sec. 4. Section 437A.19, subsection 2, paragraphs b and c,  
2 26 Code 2007, are amended to read as follows:

2 27 b. ~~(1)~~ Adjust the assessed value of taxpayer property in  
2 28 each local taxing district by allocating the change in book  
2 29 value during the preceding calendar year of the statewide  
2 30 amount and all other taxpayer property described in subsection  
2 31 1, paragraph "a", subparagraph (5), to the assessed value of  
2 32 all taxpayer property in the state pro rata according to its  
2 33 preadjustment value. Any value for a taxpayer owning, or  
2 34 owning an interest in, a new electric power generating plant  
2 35 in excess of a local amount, where such taxpayer owns no other



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~~3 1 taxpayer property in this state, shall not be allocated to any  
3 2 local taxing districts.~~

~~3 3 (2) If, during the preceding calendar year, a taxpayer  
3 4 transferred an electric power generating plant or an interest  
3 5 in an electric power generating plant to a taxpayer who owned  
3 6 no other taxpayer property in this state as of the end of such  
3 7 preceding calendar year, in lieu of the adjustment provided in  
3 8 subparagraph (1), the director shall allocate the transferee  
3 9 taxpayer's change in book value of the statewide amount during  
3 10 such preceding calendar year, if any, among local taxing  
3 11 districts in proportion to the allocation of the transferor's  
3 12 assessed value among local taxing districts as of the end of  
3 13 such preceding calendar year.~~

~~3 14 c. In the case of taxpayer property described in  
3 15 subsection 1, paragraph "a", subparagraphs (3), and (4), and  
3 16 (7), decrease the assessed value of taxpayer property in each  
3 17 local taxing district by the taxable assessed value of such  
3 18 property within each such local taxing district on January 1,  
3 19 1998 reported within such local taxing district.~~

3 20 EXPLANATION

3 21 This bill contains recommendations made by the utility  
3 22 replacement tax task force.

3 23 The bill adds to the definition of "new electric power  
3 24 generating plant" an electric power generating plant that was  
3 25 subject to the utility replacement tax prior to January 1,  
3 26 2003, and that is sold or transferred in whole or in part on  
3 27 or after January 1, 2003. By operation of the definition of  
3 28 "local amount", this will result in the first \$44,444,445 of  
3 29 taxable value and associated taxes on such a power generating  
3 30 plant remaining with the local taxing authorities where the  
3 31 site of the plant is located. Current law would have kept  
3 32 only a fraction of that amount with the local taxing  
3 33 authorities where the site is located. Taxes owed by such a  
3 34 taxpayer, with no other Iowa operating property, that are in  
3 35 excess of the local amount will be deposited into the property



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4 1 tax relief fund created in Code chapter 426B, the same as  
4 2 currently happens with new electric power generating plants  
4 3 initially subject to replacement generation tax on or after  
4 4 January 1, 2003, where such owner has no other Iowa operating  
4 5 property.

4 6 The bill also provides that for a taxpayer, with no other  
4 7 Iowa operating property, owning an interest in a new electric  
4 8 power generating plant valued in excess of \$44,444,445, such  
4 9 excess valuation is not to be allocated to any local taxing  
4 10 district.

4 11 The bill also requires that, as part of the notification  
4 12 reporting requirements, a taxpayer notify the department of  
4 13 revenue, with notation of the local taxing district, of  
4 14 property sold or transferred.

4 15 The bill also extends the statutory existence of the  
4 16 utility replacement tax task force for an additional three  
4 17 years until January 1, 2010.

4 18 LSB 1282XD 82

4 19 mg:rj/je/5.2



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House Study Bill 105

HOUSE FILE  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL  
BY CHAIRPERSON JOCHUM)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

A BILL FOR

1 An Act relating to campaign finance by requiring electronic  
2 filing of certain reports and by establishing an Iowa  
3 voter-owned clean elections Act, providing for funding of the  
4 Act, including an income tax checkoff and a sales tax imposed  
5 on political advertising, and providing an income tax  
6 exemption, penalties, and an effective date.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
8 TL5B 1668HC 82  
9 jr/gg/14



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1 1 Section 1. NEW SECTION. 68A.401A ELECTRONIC FILING.  
1 2 Reports filed with the board pursuant to the requirements  
1 3 of section 68A.401 shall be filed in an electronic format if a  
1 4 candidate or committee accepts contributions in excess of  
1 5 twenty thousand dollars in the aggregate, makes expenditures  
1 6 in excess of twenty thousand dollars in the aggregate, or  
1 7 incurs indebtedness in excess of twenty thousand dollars in  
1 8 the aggregate. The board shall establish a system to verify  
1 9 the identity of the person filing the report.  
1 10 Sec. 2. NEW SECTION. 68A.401B MEDIA REPORTS.  
1 11 1. a. Publishers of print and electronic media shall  
1 12 record all purchases of print media space and electronic media  
1 13 time or space related to advertisements that expressly  
1 14 advocate the election or defeat of a clearly identified  
1 15 candidate or the passage or defeat of a clearly identified  
1 16 ballot issue.  
1 17 b. Publishers shall file monthly reports of activity  
1 18 covered by this section with the board, due at the board or  
1 19 postmarked by the fifth day of each month following any month  
1 20 in which media space or time has been purchased related to  
1 21 advertisements that expressly advocate the election or defeat  
1 22 of a clearly identified candidate or the passage or defeat of  
1 23 a ballot issue.  
1 24 c. The reports shall contain a detailed listing of at  
1 25 least the following information:  
1 26 (1) Identification of the persons buying the media space  
1 27 or time.  
1 28 (2) Identification of the candidate or ballot issue that  
1 29 is clearly identified in the advertisement.  
1 30 (3) Description of the position advocated by the persons  
1 31 buying the media space or time with regard to the clearly  
1 32 identified candidate or ballot issue.  
1 33 (4) The dates on which the purchase took place, and the  
1 34 dates for which the media space or time was purchased.  
1 35 (5) The cost of the media space or time.



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2 1 2. The filing requirements of this section shall apply in  
2 2 addition to any other applicable filing requirements under  
2 3 this chapter.

2 4 3. The board shall develop, prescribe, furnish, and  
2 5 distribute forms for the media reports.

2 6 Sec. 3. Section 68A.403, subsection 1, Code 2007, is  
2 7 amended to read as follows:

2 8 1. A Unless filed in an electronic format according to  
2 9 section 68A.401, a report or statement required to be filed  
2 10 under this chapter shall be signed by the person filing the  
2 11 report.

2 12 Sec. 4. Section 68A.603, Code 2007, is amended to read as  
2 13 follows:

2 14 68A.603 RULES PROMULGATED.

2 15 The ethics and campaign disclosure board shall administer  
2 16 the provisions of sections 68A.601 ~~through 68A.609~~, 68A.602,  
2 17 and 68A.604 through 68A.610 and shall promulgate all necessary  
2 18 rules in accordance with chapter 17A.

2 19 Sec. 5. NEW SECTION. 68A.610 CHECKOFF == INCOME TAX ==  
2 20 IOWA VOTER=OWNED CLEAN ELECTIONS FUND.

2 21 A person whose state income tax liability for any taxable  
2 22 year is five dollars or more may direct that five dollars of  
2 23 that liability be paid over to the Iowa voter=owned clean  
2 24 elections fund, as established in section 68A.823, when  
2 25 submitting the person's state income tax return to the  
2 26 department of revenue. In the case of a joint return of  
2 27 husband and wife having a state income tax liability of ten  
2 28 dollars or more, each spouse may direct that five dollars be  
2 29 paid to the fund. The director of revenue shall provide space  
2 30 for the Iowa voter=owned clean elections fund income tax  
2 31 checkoff on the income tax form. An explanation shall be  
2 32 included which clearly states that this checkoff does not  
2 33 constitute an additional tax liability. The action taken by a  
2 34 person for the checkoff is irrevocable.

2 35 Sec. 6. NEW SECTION. 68A.801 DEFINITIONS.



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- 3 1 For the purposes of this subchapter:
- 3 2 1. "Allowable contribution" means a qualifying  
3 3 contribution or a seed money contribution.
- 3 4 2. "Board" means the Iowa ethics and campaign disclosure  
3 5 board established under section 68B.32.
- 3 6 3. "Clean election qualifying period" means the period  
3 7 during which candidates are permitted to collect qualifying  
3 8 contributions in order to qualify for clean money campaign  
3 9 funding. The period begins ninety days before the beginning  
3 10 of the primary election campaign period and ends thirty days  
3 11 before the beginning of the primary election campaign period.
- 3 12 4. "Coordination" means a payment made for a communication  
3 13 or anything of value that is for the purpose of influencing  
3 14 the outcome of an election and that is made by a person  
3 15 according to at least one of the following:
- 3 16 a. In cooperation, consultation, or concert with, at the  
3 17 request or suggestion of, or pursuant to, a particular  
3 18 understanding with a candidate, a candidate's committee, or an  
3 19 agent acting on behalf of a candidate or candidate's  
3 20 committee.
- 3 21 b. For the dissemination, distribution, or republication,  
3 22 in whole or in part, of any broadcast or any written, graphic,  
3 23 or other form of campaign material prepared by a candidate, a  
3 24 candidate's committee, or an agent of a candidate or  
3 25 candidate's committee.
- 3 26 c. Based on specific information about the candidate's  
3 27 plans, projects, or needs provided to the person making the  
3 28 payment by the candidate or the candidate's agent who provides  
3 29 the information with a view toward having the payment made.
- 3 30 d. If, in the same election cycle in which the payment is  
3 31 made, the person making the payment is serving or has served  
3 32 as a member, employee, fundraiser, or agent of the candidate  
3 33 or candidate's committee in an executive or policymaking  
3 34 position.
- 3 35 e. If the person making the payment has served in any



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4 1 formal policy or advisory position with the candidate's  
4 2 campaign or has participated in strategic or policymaking  
4 3 discussions with the candidate's campaign relating to the  
4 4 candidate's pursuit of nomination for election, or election,  
4 5 to office, in the same election cycle as the election cycle in  
4 6 which the payment is made.

4 7 f. If the person making the payment retains the  
4 8 professional services of an individual or person who, in a  
4 9 nonministerial capacity, has provided or is providing  
4 10 campaign-related services in the same election cycle to a  
4 11 candidate who is pursuing the same nomination or election as  
4 12 any of the candidates to whom the communication refers. For  
4 13 purposes of this section, "professional services" includes  
4 14 services in support of a candidate's pursuit of nomination for  
4 15 election or election to office such as polling, media advice,  
4 16 direct mail, fundraising, or campaign research services.

4 17 5. "Electioneering communication" means any communication  
4 18 that refers to a clearly identified candidate for elected  
4 19 public office, if the communication has the effect of  
4 20 encouraging or discouraging a vote for the candidate,  
4 21 regardless of whether the communication expressly advocates a  
4 22 vote for or against the candidate.

4 23 6. "Excess expenditure amount" means the amount of money  
4 24 spent or obligated to be spent by a nonparticipating candidate  
4 25 in excess of the clean money amount available to a  
4 26 participating candidate running for the same office.

4 27 7. "Express advocacy" means the same as defined in section  
4 28 68A.102.

4 29 8. "General election campaign period" means the period  
4 30 beginning the day after the primary election and ending on the  
4 31 day of the general election.

4 32 9. "Independent candidate" means a candidate who does not  
4 33 represent a political party that has been granted ballot  
4 34 status and that holds a primary election to choose its nominee  
4 35 for the general election.



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5 1       10. "Independent expenditure" means an expenditure made by  
5 2 a person or group of persons other than a candidate or  
5 3 candidate's committee that meets both of the following  
5 4 conditions:

5 5       a. The expenditure is made for a communication that  
5 6 contains express advocacy.

5 7       b. The expenditure is made without the participation or  
5 8 cooperation of and without coordination with a candidate or a  
5 9 candidate's committee.

5 10       11. "Nonparticipating candidate" means a candidate who is  
5 11 on the ballot but has chosen not to apply for clean election  
5 12 campaign funding, or a candidate who is on the ballot and has  
5 13 applied for but has not satisfied the requirements for  
5 14 receiving clean election campaign funding.

5 15       12. "Participating candidate" means a candidate who  
5 16 qualifies for clean election campaign funding. Such  
5 17 candidates are eligible to receive clean election campaign  
5 18 funding during primary or general election campaign periods.

5 19       13. "Party candidate" means a candidate who represents a  
5 20 political party as defined by section 43.2.

5 21       14. "Primary election campaign period" means the period  
5 22 beginning ninety days before the primary election and ending  
5 23 on the day of the primary election.

5 24       15. "Qualifying contribution" means a contribution of five  
5 25 dollars that is received during the designated clean election  
5 26 qualifying period by a candidate seeking to become eligible  
5 27 for clean election campaign funding and that is acknowledged  
5 28 by a written receipt identifying the contributor.

5 29       16. "Seed money contribution" means a contribution of no  
5 30 more than one hundred dollars made by an individual adult  
5 31 during the seed money period, but specifically excludes all of  
5 32 the following:

5 33       a. Payments by a membership organization for the costs of  
5 34 communications to its members.

5 35       b. Payments by a membership organization for the purpose



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6 1 of facilitating the making of qualifying contributions.  
6 2 c. The cash value of volunteer activity, including the  
6 3 payment of incidental expenses of volunteers.  
6 4 17. "Seed money period" means the period beginning the day  
6 5 following the previous general election for that office and  
6 6 ending on the last day of the clean election qualifying  
6 7 period. This is the exploratory period during which  
6 8 candidates who wish to become eligible for clean election  
6 9 campaign funding for the next elections are permitted to raise  
6 10 and spend a limited amount of private seed money, from  
6 11 contributions of up to one hundred dollars per individual, for  
6 12 the purpose of determining whether to become a candidate and  
6 13 fulfilling the clean election eligibility requirements.  
6 14 Sec. 7. NEW SECTION. 68A.802 ELIGIBILITY FOR PARTY  
6 15 CANDIDATES.  
6 16 1. A party candidate qualifies as a participating  
6 17 candidate for the primary election campaign period if the  
6 18 candidate does both of the following:  
6 19 a. The candidate files a declaration with the board that  
6 20 the candidate has complied and will comply with all of the  
6 21 requirements of this subchapter, including the requirement  
6 22 that during the seed money period and the clean election  
6 23 qualifying period the candidate not accept or spend private  
6 24 contributions from any source other than seed money  
6 25 contributions and clean election qualifying contributions,  
6 26 unless the provisions of section 68A.804 apply.  
6 27 b. The candidate meets both of the following qualifying  
6 28 contribution requirements before the close of the clean  
6 29 election qualifying period:  
6 30 (1) A party candidate must collect both qualifying  
6 31 contributions and signatures as follows:  
6 32 (a) For the office of governor, from five hundred  
6 33 registered voters in each congressional district.  
6 34 (b) For statewide office other than governor, from two  
6 35 hundred fifty registered voters in each congressional



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7 1 district.

7 2 (c) For the Iowa senate, from two hundred registered  
7 3 voters in the senate candidate's electoral district.

7 4 (d) For the Iowa house of representatives, from one  
7 5 hundred registered voters in the house candidate's electoral  
7 6 district.

7 7 (2) Each qualifying contribution must meet all  
7 8 requirements of this section.

7 9 2. Contributors shall be registered voters who reside  
7 10 within the candidate's electoral district and who are  
7 11 therefore eligible to vote for that candidate.

7 12 3. Qualifying contributions shall be:

7 13 a. Made in cash, check, money order, or credit or debit  
7 14 card.

7 15 b. Gathered by the candidate personally or by volunteers  
7 16 who do not receive compensation.

7 17 c. Acknowledged by a receipt to the contributor, with a  
7 18 copy to be kept by the candidate and a third copy to be  
7 19 submitted to the board. The receipt shall include a signed  
7 20 statement that the contributor understands that the purpose of  
7 21 the contribution is to help the candidate qualify for campaign  
7 22 funding and that the contribution is made without coercion or  
7 23 reimbursement. The receipt shall include the contributor's  
7 24 signature, printed name, home address, and telephone number,  
7 25 and the name of the candidate on whose behalf the contribution  
7 26 is made.

7 27 d. Turned over to the board for deposit in the Iowa  
7 28 voter-owned clean elections fund established under section  
7 29 68A.823, with the signed and completed receipt, according to a  
7 30 schedule and procedure to be determined by the board. A  
7 31 contribution submitted as a qualifying contribution that does  
7 32 not include the signed and completed receipt shall not be  
7 33 counted as a qualifying contribution.

7 34 4. A party candidate qualifies as a participating  
7 35 candidate for the general election campaign period when the



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8 1 candidate does both of the following:

8 2 a. The candidate has met all of the applicable  
8 3 requirements of this subchapter and filed a declaration with  
8 4 the board that the candidate has fulfilled and will fulfill  
8 5 all of the requirements of a participating candidate as stated  
8 6 in this subchapter.

8 7 b. As a participating candidate during the primary  
8 8 election campaign period, the candidate had the highest number  
8 9 of votes of the candidates contesting the primary election  
8 10 from the candidate's respective party and won the party's  
8 11 nomination.

8 12 Sec. 8. NEW SECTION. 68A.803 ELIGIBILITY FOR INDEPENDENT  
8 13 CANDIDATES.

8 14 1. An independent candidate qualifies as a participating  
8 15 candidate for the primary election campaign period if the  
8 16 candidate does both of the following:

8 17 a. The candidate files a declaration with the board that  
8 18 the candidate has complied and will comply with all of the  
8 19 requirements of this subchapter, including the requirement  
8 20 that during the seed money period and the clean election  
8 21 qualifying period the candidate not accept or spend private  
8 22 contributions from any source other than seed money  
8 23 contributions and clean election qualifying contributions,  
8 24 unless the provisions of section 68A.804 apply.

8 25 b. The candidate meets the following qualifying  
8 26 contribution requirements before the close of the clean  
8 27 election qualifying period:

8 28 (1) An independent candidate shall collect the same number  
8 29 of qualifying contributions as required of a party candidate  
8 30 for the same office under section 68A.802.

8 31 (2) Each qualifying contribution must meet all  
8 32 requirements of this section.

8 33 2. Contributors shall be registered voters who reside  
8 34 within the candidate's electoral district and who are  
8 35 therefore eligible to vote for that candidate.

9 1 3. Qualifying contributions shall be:

9 2 a. Made in cash, check, money order, or credit or debit  
9 3 card.

9 4 b. Gathered by the candidate personally or by volunteers  
9 5 who do not receive compensation.

9 6 c. Acknowledged by a receipt to the contributor, with a  
9 7 copy to be kept by the candidate and a third copy to be  
9 8 submitted to the board. The receipt shall include a signed  
9 9 statement that the contributor understands that the purpose of  
9 10 the contribution is to help the candidate qualify for clean  
9 11 election campaign funding and that the contribution is made  
9 12 without coercion or reimbursement. The receipt shall include  
9 13 the contributor's signature, printed name, home address, and  
9 14 telephone number, and the name of the candidate on whose  
9 15 behalf the contribution is made.

9 16 d. Turned over to the board for deposit in the Iowa  
9 17 voter-owned clean elections fund established under section  
9 18 68A.823, with the signed and completed receipt, according to a  
9 19 schedule and procedure to be determined by the board. A  
9 20 contribution submitted as a qualifying contribution that does  
9 21 not include the signed and completed receipt shall not be



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9 22 counted as a qualifying contribution.

9 23     4. An independent candidate qualifies as a participating  
9 24 candidate for the general election campaign period when the  
9 25 candidate does both of the following:

9 26     a. If, prior to the primary election, the candidate has  
9 27 met all of the applicable requirements of this subchapter and  
9 28 filed a declaration with the board that the candidate has  
9 29 fulfilled and will fulfill all of the requirements of a  
9 30 participating candidate as stated in this subchapter.

9 31     b. If, during the primary election campaign period, the  
9 32 candidate has fulfilled all the requirements of a  
9 33 participating candidate as stated in this subchapter.

9 34     Sec. 9. NEW SECTION. 68A.804 TRANSITION RULE FOR CURRENT  
9 35 ELECTION CYCLE.



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10 1 During the election cycle in effect on the date of  
10 2 enactment of this subchapter, a candidate may be certified as  
10 3 a participating candidate, notwithstanding the acceptance of  
10 4 contributions or making of expenditures from private funds  
10 5 before the date of enactment that would, absent this section,  
10 6 disqualify the candidate as a participating candidate,  
10 7 provided that any private funds accepted but not expended  
10 8 before the date of enactment of this subchapter shall either  
10 9 be returned to the contributor or submitted to the board for  
10 10 deposit in the Iowa voter-owned clean elections fund  
10 11 established under section 68A.823.

10 12 Sec. 10. NEW SECTION. 68A.805 CONTINUING OBLIGATION TO  
10 13 COMPLY.

10 14 A participating candidate who accepts any benefits under  
10 15 section 68A.813 during the primary election campaign period  
10 16 shall comply with all the requirements of this subchapter  
10 17 through any remaining time during the primary election  
10 18 campaign period as well as through the general election  
10 19 campaign period whether or not the candidate continues to  
10 20 accept benefits.

10 21 Sec. 11. NEW SECTION. 68A.806 CONTRIBUTIONS AND  
10 22 EXPENDITURES.

10 23 1. During the primary and general election campaign  
10 24 periods, a participating candidate who has voluntarily agreed  
10 25 to participate in clean election campaign financing shall not  
10 26 accept private contributions from any source other than the  
10 27 candidate's political party as specified in section 68A.808.

10 28 2. A person shall not make a contribution in violation of  
10 29 section 68A.502. A participating candidate who receives a  
10 30 qualifying contribution or a seed money contribution that is  
10 31 not from the person listed on the receipt as required by this  
10 32 subchapter shall pay to the board for deposit in the Iowa  
10 33 voter-owned clean elections fund established under section  
10 34 68A.823 the entire amount of such contribution.

10 35 3. The board shall issue each participating candidate a



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11 1 card known as the "clean election campaign debit card", and a  
11 2 line of debit entitling the candidate to draw clean election  
11 3 campaign funds to pay for all campaign costs and expenses up  
11 4 to the amount of funding the candidate has received. A  
11 5 participating candidate shall not pay campaign costs by cash,  
11 6 check, money order, loan, or by any other financial means  
11 7 other than debit card. During the primary and general  
11 8 election campaign periods, a participating candidate shall pay  
11 9 by means of the board's clean election campaign debit card.

11 10 4. Eligible candidates shall furnish complete campaign  
11 11 records, including all records of seed money contributions and  
11 12 qualifying contributions, to the board at regular filing  
11 13 times, or on request by the board. Candidates shall cooperate  
11 14 with any audit or examination conducted or ordered by the  
11 15 board.

11 16 Sec. 12. NEW SECTION. 68A.807 NONPARTICIPATING  
11 17 CANDIDATES == CONTRIBUTION LIMITS.

11 18 Nonparticipating candidates shall be subject to the  
11 19 following contribution limits:

11 20 1. Candidates for statewide office:

11 21 a. One thousand dollars in the aggregate per individual  
11 22 contribution.

11 23 b. Five thousand dollars in the aggregate per political  
11 24 committee contribution.

11 25 2. Candidates for the Iowa senate and house of  
11 26 representatives:

11 27 a. Five hundred dollars in the aggregate per individual  
11 28 contribution.

11 29 b. One thousand dollars in the aggregate per political  
11 30 committee contribution.

11 31 Sec. 13. NEW SECTION. 68A.808 POLITICAL PARTY  
11 32 CONTRIBUTIONS AND EXPENDITURES.

11 33 1. Participating candidates may accept monetary or in-kind  
11 34 contributions from political parties provided that the  
11 35 aggregate amount of such contributions from all political



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12 1 party committees combined does not exceed the equivalent of  
12 2 five percent of the clean election financing amount for that  
12 3 office.  
12 4 2. In-kind contributions made during a general election  
12 5 campaign period on behalf of a group of the party's candidates  
12 6 shall not be considered a prohibited party contribution or  
12 7 count against the five percent limit established in subsection  
12 8 1 if such group includes at least fifty-one percent of the  
12 9 candidates whose names will appear on the general election  
12 10 ballot in the political subdivision represented by the party  
12 11 committee making such in-kind contributions.  
12 12 3. Contributions made to, and expenditures made by,  
12 13 political parties during primary and general campaign periods  
12 14 shall be reported to the board on the same basis as  
12 15 contributions and expenditures made to or by candidates.  
12 16 4. This section and this subchapter shall not prevent  
12 17 political party funds from being used for any of the  
12 18 following:  
12 19 a. General operating expenses of the party.  
12 20 b. Conventions.  
12 21 c. Nominating and endorsing candidates.  
12 22 d. Identifying, researching, and developing the party's  
12 23 positions on issues.  
12 24 e. Party platform activities.  
12 25 f. Noncandidate-specific voter registration.  
12 26 g. Noncandidate-specific get-out-the-vote drives.  
12 27 h. Travel expenses for noncandidate party leaders and  
12 28 staff.  
12 29 i. Other noncandidate-specific party-building activities,  
12 30 as defined by rule of the board.  
12 31 Sec. 14. NEW SECTION. 68A.809 USE OF PERSONAL FUNDS.  
12 32 1. Personal funds contributed as seed money by a candidate  
12 33 seeking to become eligible as a participating candidate or by  
12 34 the candidate's spouse shall not exceed one hundred dollars  
12 35 per contributor.



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13 1 2. Personal funds shall not be used to meet the qualifying  
13 2 contribution requirement except for one five-dollar  
13 3 contribution from the candidate and one five-dollar  
13 4 contribution from the candidate's spouse.

13 5 Sec. 15. NEW SECTION. 68A.810 SEED MONEY.

13 6 1. The only private contributions a candidate seeking to  
13 7 become eligible for clean election campaign funding shall  
13 8 accept, other than qualifying contributions, are seed money  
13 9 contributions contributed by individual adults prior to the  
13 10 end of the clean election qualifying period.

13 11 2. A seed money contribution shall not exceed one hundred  
13 12 dollars, and the aggregate amount of seed money contributions  
13 13 accepted by a candidate seeking to become eligible for clean  
13 14 money campaign funding shall not exceed the relevant limit, as  
13 15 follows:

13 16 a. Twenty-five thousand dollars for a candidate team  
13 17 running for governor and lieutenant governor.

13 18 b. Fifteen thousand dollars for a candidate running for  
13 19 statewide office other than governor or lieutenant governor.

13 20 c. Two thousand dollars for a candidate running for the  
13 21 Iowa senate.

13 22 d. One thousand dollars for a candidate running for the  
13 23 Iowa house of representatives.

13 24 3. Receipts for seed money contributions shall include the  
13 25 contributor's signature, printed name, street address and zip  
13 26 code, telephone number, occupation, and name of employer.  
13 27 Contributions shall not be accepted if the required disclosure  
13 28 information is not received.

13 29 4. Seed money shall be spent only during the clean  
13 30 election qualifying period. Seed money shall not be spent  
13 31 during the primary or general election campaign periods.

13 32 5. Within forty-eight hours after the close of the clean  
13 33 election qualifying period, candidates seeking to become  
13 34 eligible for clean election campaign funding shall do both of  
13 35 the following:



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14 1 a. Fully disclose all seed money contributions and  
14 2 expenditures to the board.  
14 3 b. Turn over to the board for deposit in the Iowa  
14 4 voter-owned clean elections fund any seed money the candidate  
14 5 has raised during the designated seed money period that  
14 6 exceeds the aggregate seed money limit.  
14 7 Sec. 16. NEW SECTION. 68A.811 PARTICIPATION IN DEBATES.  
14 8 1. Participating candidates in contested races shall  
14 9 participate in all of the following:  
14 10 a. For the offices of governor and lieutenant governor:  
14 11 (1) One one-hour debate during a contested primary  
14 12 election.  
14 13 (2) Two one-hour debates during a contested general  
14 14 election.  
14 15 b. For all other offices:  
14 16 (1) One one-hour debate during a contested primary  
14 17 election.  
14 18 (2) One one-hour debate during a contested general  
14 19 election.  
14 20 2. Nonparticipating candidates for the same office whose  
14 21 names will appear on the ballot shall be invited to join the  
14 22 debates.  
14 23 Sec. 17. NEW SECTION. 68A.812 CERTIFICATION.  
14 24 1. No more than five days after a candidate applies for  
14 25 clean election campaign funding benefits, the board shall  
14 26 certify that the candidate is or is not eligible.  
14 27 2. Eligibility can be revoked if the candidate violates  
14 28 the requirements of this subchapter, in which case all clean  
14 29 election campaign funds shall be repaid.  
14 30 3. The candidate's request for certification shall be  
14 31 signed by the candidate and the treasurer of the candidate's  
14 32 committee under penalty of perjury.  
14 33 4. The board's determination is final except that it is  
14 34 subject to examination and audit by an outside agency  
14 35 according to rule and to prompt judicial review according to



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15 1 rule and chapter 17A.  
15 2 Sec. 18. NEW SECTION. 68A.813 BENEFITS PROVIDED TO  
15 3 CANDIDATES ELIGIBLE TO RECEIVE CLEAN ELECTION CAMPAIGN  
15 4 FUNDING.  
15 5 1. Candidates who qualify for clean election campaign  
15 6 funding for primary and general elections shall receive all of  
15 7 the following:  
15 8 a. Clean election campaign funding from the board for each  
15 9 election, the amount of which is specified in section 68A.815.  
15 10 This funding may be used to finance any and all campaign  
15 11 expenses during the particular campaign period for which it  
15 12 was received.  
15 13 b. Media benefits as provided for in section 68A.822.  
15 14 c. Additional clean election campaign funding to match any  
15 15 excess expenditure amount spent by a nonparticipating  
15 16 candidate, as specified in section 68A.817.  
15 17 d. Additional clean election campaign funding to match any  
15 18 independent expenditure made in opposition to their  
15 19 candidacies or on behalf of their opponents' candidacies, as  
15 20 specified in section 68A.819.  
15 21 e. Additional clean election funding to match any  
15 22 electioneering communication expenditure, as specified in  
15 23 section 68A.820.  
15 24 2. The maximum aggregate amount of additional funding a  
15 25 participating candidate shall receive to match independent  
15 26 expenditures and the excess expenditures of nonparticipating  
15 27 candidates shall be two hundred percent of the full amount of  
15 28 clean election campaign funding allocated to a participating  
15 29 candidate for a particular primary or general election  
15 30 campaign period.  
15 31 Sec. 19. NEW SECTION. 68A.814 SCHEDULE OF CLEAN ELECTION  
15 32 CAMPAIGN FUNDING PAYMENTS.  
15 33 1. An eligible candidate shall receive clean election  
15 34 campaign funding for the primary election campaign period on  
15 35 the date on which the board certifies the candidate as a



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16 1 participating candidate. This certification shall take place  
16 2 no later than five days after the candidate has submitted the  
16 3 required number of qualifying contributions and a declaration  
16 4 stating that the candidate has complied with all other  
16 5 requirements for eligibility as a participating candidate, but  
16 6 no earlier than the beginning of the primary election campaign  
16 7 period.

16 8 2. An eligible candidate shall receive clean election  
16 9 campaign funding for the general election campaign period  
16 10 within forty-eight hours after certification of the primary  
16 11 election results.

16 12 Sec. 20. NEW SECTION. 68A.815 DETERMINATION OF CLEAN  
16 13 ELECTION CAMPAIGN FUNDING AMOUNTS.

16 14 1. a. For party candidates, the amount of clean election  
16 15 campaign funding for a contested primary election is as  
16 16 follows:

16 17 (1) Seven hundred fifty thousand dollars for a candidate  
16 18 team running for governor and lieutenant governor.

16 19 (2) Seventy-five thousand dollars for a candidate for  
16 20 attorney general.

16 21 (3) Fifty thousand dollars for a candidate for statewide  
16 22 office other than governor, lieutenant governor, or attorney  
16 23 general.

16 24 (4) Twenty-two thousand five hundred dollars for a  
16 25 candidate running for the Iowa senate.

16 26 (5) Fifteen thousand dollars for a candidate running for  
16 27 the Iowa house of representatives.

16 28 b. The clean election campaign funding amount for an  
16 29 eligible party candidate in an uncontested primary election is  
16 30 twenty-five percent of the amount provided in a contested  
16 31 primary election.

16 32 c. In a contested general election, if an eligible party  
16 33 candidate or all of the candidates of the candidate's party  
16 34 combined received at least twenty percent of the total number  
16 35 of votes cast for all candidates seeking that office in the



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17 1 most recent primary election or in the previous general  
17 2 election, the candidate shall receive the full amount of clean  
17 3 election campaign funding for the general election, as  
17 4 follows:

17 5 (1) Three million dollars for a candidate team running for  
17 6 governor and lieutenant governor.

17 7 (2) Two hundred thousand dollars for a candidate for  
17 8 statewide office other than governor and lieutenant governor.

17 9 (3) Forty thousand dollars for a candidate running for the  
17 10 Iowa senate.

17 11 (4) Thirty thousand dollars for a candidate running for  
17 12 the Iowa house of representatives.

17 13 d. The clean election campaign funding amount for an  
17 14 eligible party candidate in an uncontested general election is  
17 15 ten percent of the amount provided in a contested general  
17 16 election for the same office.

17 17 2. a. For eligible independent candidates, the clean  
17 18 election campaign funding amount for the primary election  
17 19 campaign period is twenty-five percent of the amount of clean  
17 20 election funding received by a party candidate in a contested  
17 21 primary election for the same office.

17 22 b. The clean election campaign funding amount for an  
17 23 eligible independent candidate in the general election is the  
17 24 same as the full amount received by a party candidate in the  
17 25 general election for the same office.

17 26 c. After the first cycle of clean election fund elections,  
17 27 the board shall modify all clean election campaign funding  
17 28 amounts based on the percentage increase in the consumer price  
17 29 index, for all urban consumers, United States city average, as  
17 30 published in the federal register by the United States  
17 31 department of labor, bureau of labor statistics, that reflects  
17 32 the percentage increase in the consumer price index for the  
17 33 twelve-month period ending December 31 of the previous year.

17 34 Sec. 21. NEW SECTION. 68A.816 EXPENDITURES MADE WITH  
17 35 CLEAN ELECTION CAMPAIGN FUNDS.



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18 1 1. The clean election campaign funding received by a  
18 2 participating candidate shall be used only for the purpose of  
18 3 defraying that candidate's campaign-related expenses during  
18 4 the particular election campaign period for which the clean  
18 5 election campaign funding was received.

18 6 2. Payments shall not be used for the following:

18 7 a. Payments that are in violation of the law.

18 8 b. Payments that repay any personal, family, or business  
18 9 loans, expenditures, or debts.

18 10 Sec. 22. NEW SECTION. 68A.817 DISCLOSURE OF EXCESS  
18 11 SPENDING BY NONPARTICIPATING CANDIDATES.

18 12 1. If a nonparticipating candidate's total expenditures  
18 13 exceed the amount of clean election campaign funding allocated  
18 14 to the candidate's clean election opponent, the candidate  
18 15 shall declare to the board within forty-eight hours every  
18 16 excess expenditure amount that, in the aggregate, is more than  
18 17 one thousand dollars.

18 18 2. During the last twenty days before the end of the  
18 19 relevant campaign period, a nonparticipating candidate shall  
18 20 declare to the board each excess expenditure amount over five  
18 21 hundred dollars within twenty-four hours of when the  
18 22 expenditure is made or obligated to be made.

18 23 3. The board may make its own determination as to whether  
18 24 excess expenditures have been made by nonparticipating  
18 25 candidates.

18 26 4. Upon receiving an excess expenditure declaration, the  
18 27 board shall immediately release additional clean election  
18 28 campaign funding to the opposing participating candidate or  
18 29 candidates equal to the excess expenditure amount the  
18 30 nonparticipating candidate has spent or intends to spend,  
18 31 subject to the limit set forth in section 68A.813.

18 32 Sec. 23. NEW SECTION. 68A.818 CAMPAIGN ADVERTISEMENTS.

18 33 All broadcast and print advertisements placed by candidates  
18 34 or candidate's committees shall include a clear written or  
18 35 spoken statement indicating that the candidate has approved of  
19 1 the contents of the advertisement.

19 2 Sec. 24. NEW SECTION. 68A.819 DISCLOSURE OF INDEPENDENT  
19 3 EXPENDITURES == ADDITIONAL CLEAN ELECTION CAMPAIGN FUNDING.

19 4 1. Any person or group of persons who makes or obligates  
19 5 to make an independent expenditure during a primary or general  
19 6 election campaign period which, in the aggregate, exceeds one  
19 7 thousand dollars, shall report each expenditure within forty=  
19 8 eight hours to the board.

19 9 2. The report to the board shall include a statement,  
19 10 under penalty of perjury, by the person or persons making the  
19 11 independent expenditure identifying the candidate whom the  
19 12 independent expenditure is intended to help elect or defeat  
19 13 and affirming that the expenditure is totally independent and  
19 14 involves no coordination with a candidate or a political  
19 15 party.

19 16 a. An individual or organization may file a complaint with  
19 17 the board if the candidate or the organization believes that  
19 18 the statement according to this subsection is false.

19 19 b. A hearing on a complaint under this subsection shall be  
19 20 held within three business days of filing and a decision  
19 21 issued within seven days of filing.



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19 22       3. Any person or group of persons who makes or obligates  
19 23 to make an independent expenditure during the last twenty days  
19 24 before the end of the relevant campaign period which, in the  
19 25 aggregate, exceeds five hundred dollars, shall report each  
19 26 expenditure within twenty-four hours to the board.

19 27       4. Upon receiving a report that an independent expenditure  
19 28 has been made or obligated to be made, the board shall  
19 29 immediately release additional clean election funding, equal  
19 30 in amount to the cost of the independent expenditure, to all  
19 31 participating candidates whom the independent expenditure is  
19 32 intended to oppose or defeat provided that the maximum  
19 33 aggregate amount of additional funding a participating  
19 34 candidate shall receive to match independent expenditures and  
19 35 the excess expenditures of nonparticipating candidates is no



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20 1 more than two hundred percent of the full amount of clean  
20 2 election funding allocated to a participating candidate in  
20 3 that election.

20 4 Sec. 25. NEW SECTION. 68A.820 DEFINITION AND DISCLOSURE  
20 5 OF ELECTIONEERING COMMUNICATIONS == ADDITIONAL CLEAN ELECTION  
20 6 CAMPAIGN FUNDING.

20 7 1. A person who makes or obligates to make a disbursement  
20 8 to purchase an electioneering communication shall file a  
20 9 report with the board not later than forty-eight hours after  
20 10 making or obligating to make the disbursement, containing the  
20 11 following information:

20 12 a. The amount of the disbursement.

20 13 b. The name and address of the person making the  
20 14 disbursement.

20 15 c. The purpose of the electioneering communication.

20 16 2. Upon receiving a report that an electioneering  
20 17 communication has been made or obligated to be made, and upon  
20 18 determination that the electioneering communication can  
20 19 reasonably be interpreted as having the effect of promoting  
20 20 the defeat of a participating candidate or the election of  
20 21 that candidate's opponent, the board shall immediately release  
20 22 to that candidate additional clean election funding, equal in  
20 23 amount to the cost of the electioneering communication.

20 24 Sec. 26. NEW SECTION. 68A.821 VOTER INFORMATION PROGRAM.

20 25 1. The board shall establish and administer a nonpartisan  
20 26 voter information program, including an advisory council  
20 27 consisting of representatives of nonprofit organizations,  
20 28 political parties, the media, and interested citizens.

20 29 2. The voter information program advisory council may  
20 30 establish a voter information program for the purpose of  
20 31 providing voters with election-related information and  
20 32 fostering political dialogue and debate.

20 33 3. The voter information program advisory council shall  
20 34 organize the publication and distribution of a voter  
20 35 information guide that includes important information about



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21 1 the following issues:

21 2 a. Candidates appearing on the ballot, including  
21 3 biographical material submitted by the candidates.

21 4 b. Whether candidates are funding their campaigns with  
21 5 public money or private money.

21 6 c. Policy statements by the candidates or their political  
21 7 parties on issues designated by the council and other issues.

21 8 d. Candidates' voting records.

21 9 Sec. 27. NEW SECTION. 68A.822 BROADCAST DEBATES.

21 10 1. All public television and radio broadcast stations  
21 11 funded in whole or in part by the state shall make available  
21 12 free coverage for candidate debates in contested primary and  
21 13 general elections. The minimum amount of time that  
21 14 broadcasters shall broadcast, and participating candidates  
21 15 shall participate in, shall be as follows:

21 16 a. For the office of governor and lieutenant governor:

21 17 (1) One one-hour debate during a contested primary  
21 18 election.

21 19 (2) Two one-hour debates during a contested general  
21 20 election.

21 21 b. For all other offices:

21 22 (1) One one-hour debate during a contested primary  
21 23 election.

21 24 (2) One one-hour debate during a contested general  
21 25 election.

21 26 2. All participating candidates shall participate in the  
21 27 debates and all nonparticipating candidates for the same  
21 28 office whose names will appear on the ballot shall be invited  
21 29 to join the debates.

21 30 Sec. 28. NEW SECTION. 68A.823 IOWA VOTER-OWNED CLEAN  
21 31 ELECTIONS FUND == NATURE AND PURPOSES.

21 32 1. An Iowa voter-owned clean elections fund is established  
21 33 as a separate fund within the office of the state treasurer,  
21 34 under the control of the board, for the following purposes:

21 35 a. Providing public financing for the election campaigns



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22 1 of certified participating candidates during primary election  
22 2 and general election campaign periods.  
22 3 b. Paying for the administrative and enforcement costs of  
22 4 the board in relation to this subchapter.  
22 5 2. The fund shall consist of moneys received according to  
22 6 section 68A.824. Notwithstanding section 8.33, unencumbered  
22 7 or unobligated moneys and any interest earned on moneys in the  
22 8 fund on June 30 of any fiscal year shall not revert to the  
22 9 general fund of the state but shall remain in the fund and be  
22 10 available for expenditure in subsequent years.  
22 11 Sec. 29. NEW SECTION. 68A.824 FUNDING.  
22 12 1. In addition to any moneys appropriated by the general  
22 13 assembly to the Iowa voter-owned clean elections fund  
22 14 established in section 68A.823, the following moneys shall be  
22 15 deposited in the fund:  
22 16 a. The qualifying contributions required of candidates  
22 17 seeking to become certified as participating candidates  
22 18 according to section 68A.802 or 68A.803 and candidates' excess  
22 19 qualifying contributions.  
22 20 b. Moneys deposited with the fund pursuant to section  
22 21 68A.610 or section 423.2, subsection 9A.  
22 22 c. The excess seed money contributions of candidates  
22 23 seeking to become certified as participating candidates.  
22 24 d. Moneys distributed to any participating candidate who  
22 25 does not remain a candidate until the primary or general  
22 26 election for which they were distributed.  
22 27 e. Civil penalties levied by the board against candidates  
22 28 for violations of this subchapter.  
22 29 f. Voluntary donations made directly to the fund.  
22 30 g. Any other sources of revenue designated by the general  
22 31 assembly.  
22 32 2. The general assembly shall appropriate additional funds  
22 33 as necessary to fully fund clean election campaign payments  
22 34 required under this subchapter.  
22 35 Sec. 30. NEW SECTION. 68A.825 POWERS AND PROCEDURES.



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23 1       The board shall have the following powers and procedures,  
23 2 in addition to those granted in this chapter and chapter 68B,  
23 3 when administering this subchapter:

23 4       1. After every primary and general election, the board may  
23 5 conduct random audits and investigations to ensure compliance  
23 6 with this subchapter.

23 7       2. The subjects of audits and investigations shall be  
23 8 selected on the basis of impartial criteria established by a  
23 9 vote of at least four members of the board.

23 10      3. The board may investigate anonymous complaints.

23 11      4. The identity of a complainant may be kept confidential  
23 12 if the complainant states in the complaint that revealing the  
23 13 identity of the complainant could reasonably result in  
23 14 disciplinary action or loss of employment.

23 15      5. The board may seek injunctions when all of the  
23 16 following conditions are met:

23 17      a. There is a substantial likelihood that a violation of  
23 18 this subchapter is occurring or is about to occur.

23 19      b. The failure to act expeditiously will result in  
23 20 irreparable harm to a party affected by the violation or  
23 21 potential violation.

23 22      c. Expeditious action will not cause undue harm or  
23 23 prejudice to the interests of others.

23 24      d. The public interest would be best served by the  
23 25 issuance of an injunction.

23 26      6. The board may levy civil penalties for violations of  
23 27 this subchapter. Civil penalties shall be deposited in the  
23 28 Iowa voter-owned clean elections fund.

23 29      7. The board shall refer criminal violations to the county  
23 30 attorney or attorney general for prosecution.

23 31      8. The board may participate fully in any actions filed  
23 32 under this section.

23 33      9. The board shall adopt rules pursuant to chapter 17A as  
23 34 necessary to administer this subchapter.

23 35      Sec. 31. NEW SECTION. 68A.826 CIVIL ACTIONS.



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24 1 1. A citizen who believes a candidate has violated this  
24 2 subchapter may pursue a civil action in a court of relevant  
24 3 jurisdiction, provided that both of the following are true:  
24 4 a. The citizen has previously filed a complaint regarding  
24 5 the same alleged violation with the board.  
24 6 b. The board has failed to make a determination within  
24 7 thirty days of the filing of the complaint.  
24 8 2. A complainant who prevails in a civil action charging a  
24 9 violation of this subchapter shall be entitled to receive  
24 10 reasonable attorney fees and court costs from the defendant.  
24 11 3. If a court in which a civil action has been filed under  
24 12 subsection 1 finds that the complaint in that action was made  
24 13 frivolously or without cause, the court may require the  
24 14 complainant to pay the costs of the board, the court, and the  
24 15 defendant parties.  
24 16 Sec. 32. NEW SECTION. 68A.827 BOARD REPORTS.  
24 17 1. The board shall report to the general assembly after  
24 18 each election cycle.  
24 19 2. The report shall include a detailed summary of all seed  
24 20 money contributions, qualifying contributions, and campaign  
24 21 funding benefits received, and expenditures made, by all  
24 22 participating candidates. The report shall also include a  
24 23 summary and evaluation of the board's activities and  
24 24 recommendations relating to the implementation,  
24 25 administration, and enforcement of this subchapter.  
24 26 Sec. 33. NEW SECTION. 68A.828 REPAYMENTS OF EXCESS  
24 27 EXPENDITURES.  
24 28 1. If a participating candidate spends or obligates to  
24 29 spend more than the clean election funding the candidate  
24 30 receives, and if such is determined not to be an amount that  
24 31 had or could have been expected to have a significant impact  
24 32 on the outcome of the election, the candidate shall repay to  
24 33 the Iowa voter-owned clean elections fund an amount equal to  
24 34 the excess.  
24 35 2. If a participating candidate spends or obligates to



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25 1 spend more than the clean election campaign funding the  
25 2 candidate receives, and if such is determined to be an amount  
25 3 that had or could have been expected to have a significant  
25 4 impact on the outcome of the election, the candidate shall  
25 5 repay to the Iowa voter-owned clean elections fund an amount  
25 6 equal to five times the value of the excess.

25 7 Sec. 34. NEW SECTION. 68A.829 PENALTIES.

25 8 1. A candidate shall not knowingly accept more benefits  
25 9 than those to which the candidate is entitled, spend more than  
25 10 the amount of clean election campaign funding received, or  
25 11 misuse such campaign funding benefits or clean election  
25 12 campaign funding.

25 13 2. If a violation of subsection 1 was intentional and  
25 14 involved an amount that had or could have been expected to  
25 15 have a significant impact on the outcome of the election, the  
25 16 candidate commits an aggravated misdemeanor.

25 17 3. If it is determined that the violation of subsection 1  
25 18 was intentional and involved an amount that had or could have  
25 19 been expected to have a significant impact on the outcome of  
25 20 the election, and if, in the judgment of the board, the  
25 21 violation is believed to have contributed to the violator  
25 22 winning the election, the board may recommend to the  
25 23 appropriate authority that proceedings be commenced to remove  
25 24 the violator from office or to impeach the violator if  
25 25 applicable.

25 26 4. A person shall not provide false information to the  
25 27 board or conceal or withhold information from the board. A  
25 28 violation of this subsection is an aggravated misdemeanor.

25 29 Sec. 35. Section 422.7, Code 2007, is amended by adding  
25 30 the following new subsection:

25 31 NEW SUBSECTION. 50. Subtract, to the extent not otherwise  
25 32 excluded, up to two hundred dollars of the amount contributed  
25 33 to the Iowa voter-owned clean elections fund pursuant to  
25 34 section 68A.824, subsection 1, paragraph f.

25 35 Sec. 36. Section 422.12E, unnumbered paragraph 1, Code



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26 1 2007, is amended to read as follows:

26 2 For tax years beginning on or after January 1, 2004, there  
26 3 shall be allowed no more than four income tax return checkoffs  
26 4 on each income tax return. When the same four income tax  
26 5 return checkoffs have been provided on the income tax return  
26 6 for two consecutive years, the two checkoffs for which the  
26 7 least amount has been contributed, in the aggregate for the  
26 8 first tax year and through March 15 of the second tax year,  
26 9 are repealed. This section does not apply to the income tax  
26 10 return ~~checkoff~~ checkoffs provided in ~~section~~ sections 68A.601  
26 11 and 68A.610.

26 12 Sec. 37. NEW SECTION. 422.12K INCOME TAX CHECKOFF FOR  
26 13 IOWA VOTER=OWNED CLEAN ELECTIONS FUND.

26 14 A person who files an individual or a joint income tax  
26 15 return with the department of revenue under section 422.13 may  
26 16 designate a contribution to the Iowa voter=owned clean  
26 17 elections fund authorized pursuant to section 68A.610.

26 18 Sec. 38. Section 423.2, Code 2007, is amended by adding  
26 19 the following new subsection:

26 20 NEW SUBSECTION. 9A. A tax of one percent is imposed upon  
26 21 the sales price from any political advertising service.  
26 22 Political advertising includes any print, broadcast, or  
26 23 electronic advertising which refers to a clearly identified  
26 24 candidate for statewide office, the general assembly, city,  
26 25 county, school board, or any other political subdivision  
26 26 office or has the effect of encouraging a vote for a candidate  
26 27 for that office or has the effect of discouraging a vote for a  
26 28 candidate for that office, regardless of whether the  
26 29 advertising expressly advocates a vote for or against a  
26 30 candidate. Moneys collected pursuant to this subsection shall  
26 31 be paid over to the Iowa voter=owned clean elections fund, as  
26 32 established in section 68A.823.

26 33 Sec. 39. SEVERABILITY. The provisions of this Act are  
26 34 severable as provided in section 4.12.

26 35 Sec. 40. EFFECTIVE DATES.



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27 1 1. The sections of this Act enacting sections 68A.610 and  
27 2 422.12K and amending sections 422.7 and 423.2 are effective  
27 3 January 1, 2008.

27 4 2. The remaining sections of this Act take effect November  
27 5 3, 2010.

27 6 Sec. 41. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
27 7 3, shall not apply to this Act.

27 8 EXPLANATION

27 9 This bill amends Code chapter 68A, relating to campaign  
27 10 finance law.

27 11 New Code section 68A.401A requires electronic filing by any  
27 12 candidate or committee that reaches a \$20,000 threshold, and  
27 13 publishers of print and electronic media must file reports of  
27 14 media buys pursuant to new Code section 68A.401B.

27 15 The bill enacts a "clean election" model for public  
27 16 financing, and enacts new Code section 68A.801, providing  
27 17 definitions for key terms related to a clean election model.

27 18 New Code section 68A.823 establishes a separate,  
27 19 nonreverting fund in the state treasury for the Iowa  
27 20 voter-owned clean elections fund, and new Code section 68A.824  
27 21 provides sources of revenue for the fund.

27 22 New Code sections 68A.802 and 68A.803 specify eligibility  
27 23 procedures for both party and independent candidates,  
27 24 specifying the number and details for collection of qualifying  
27 25 contributions.

27 26 New Code section 68A.806 prohibits a participating  
27 27 candidate from accepting private funding during the primary  
27 28 and general election campaign periods other than certain  
27 29 permitted party funding. Contributions in the name of another  
27 30 person are prohibited and subject to payment to the board as  
27 31 are any applicable penalties. The use of personal funds for  
27 32 seed money or as qualifying contributions is limited by new  
27 33 Code section 68A.809.

27 34 New Code section 68A.808 limits political party  
27 35 contributions and expenditures on behalf of candidates.



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28 1 New Code section 68A.810 details the collection of private  
28 2 contributions for use as seed money, limited to \$100 per  
28 3 individual contributor, and also limited in the aggregate in  
28 4 differing amounts for candidates for governor and lieutenant  
28 5 governor, for other statewide candidates, for Iowa senate  
28 6 candidates, and for Iowa house of representatives candidates.  
28 7 Seed money expenditures are limited to the clean election  
28 8 qualifying period and seed money contributions and  
28 9 expenditures must be fully disclosed at the end of the clean  
28 10 election qualifying period.

28 11 New Code section 68A.812 provides for a certification  
28 12 process after a candidate applies for clean election campaign  
28 13 funding benefits and requires repayment of funds if  
28 14 eligibility is revoked. The bill provides for audit and  
28 15 judicial review of the certification decision.

28 16 New Code section 68A.813 provides certain benefits for  
28 17 participating candidates, including specified amounts of  
28 18 public funding pursuant to new Code section 68A.815, mandatory  
28 19 participation in debates on public television pursuant to new  
28 20 Code sections 68A.811 and 68A.822, and additional limited  
28 21 public funding to respond to certain excess expenditures by  
28 22 nonparticipating candidates, independent expenditures, and  
28 23 electioneering communications expenditures pursuant to Code  
28 24 sections 68A.817, 68A.819, and 68A.820. Any candidate who  
28 25 accepts benefits during the primary campaign must continue to  
28 26 comply with the requirements of the public financing program,  
28 27 even if the candidate stops accepting benefits of the program  
28 28 at any point during the primary or general election according  
28 29 to new Code section 68A.805.

28 30 New Code section 68A.814 provides for a schedule of  
28 31 payments to participating candidates, and new Code section  
28 32 68A.815 specifies differing total amounts for primary and  
28 33 general elections for candidates for governor and lieutenant  
28 34 governor, for other statewide candidates, for Iowa senate  
28 35 candidates, and for Iowa house of representatives candidates.  
29 1 Alternate amounts are provided for uncontested races. Clean  
29 2 election campaign funding payments must be used only for  
29 3 campaign-related expenses, and cannot be used for payments in  
29 4 violation of law or to repay personal or business loans,  
29 5 expenditures, or debts, pursuant to new Code section 68A.816.

29 6 Nonparticipating candidates must disclose within 48 hours  
29 7 every expenditure in excess of the clean election funding  
29 8 allocated to the candidate's participating opponent, that in  
29 9 the aggregate is more than \$1,000, pursuant to new Code  
29 10 section 68A.817. Contributions to nonparticipating candidates  
29 11 are limited in Code section 68A.807. Certain other reporting  
29 12 requirements apply during the last 20 days of a campaign.  
29 13 All candidates must include a statement with all  
29 14 advertisements indicating that the candidate has approved of  
29 15 the contents of the advertisement pursuant to new Code section  
29 16 68A.818.

29 17 Public television and radio stations receiving any state  
29 18 funds must offer certain free coverage for candidate debates  
29 19 pursuant to new Code section 68A.822.

29 20 Persons making certain independent expenditures must report  
29 21 such expenditures to the board, along with an affidavit



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29 22 affirming that the expenditure has not been coordinated with  
29 23 the candidate or party, pursuant to new Code section 68A.818.  
29 24 Alleged violations of the coordination affirmation are subject  
29 25 to an expedited hearing procedure.

29 26       Persons making certain electioneering communications must  
29 27 also report to the board pursuant to new Code section 68A.820.

29 28       New Code section 68A.821 provides that the board shall  
29 29 administer a voter information program, including an advisory  
29 30 council, to provide voters with election-related information,  
29 31 including a voter guide with candidate biographical material,  
29 32 policy statements, voting records, and whether the candidate  
29 33 funds the campaign with public or private money.

29 34       New Code section 68A.825 provides the board with certain  
29 35 specific enforcement powers in relation to the new subchapter,



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30 1 and new Code section 68A.827 provides for an election cycle  
30 2 report to the general assembly on the public funding program.  
30 3     New Code section 68A.826 creates a civil right of action  
30 4 for citizens alleging that a candidate has violated the law.  
30 5     Violations of the public funding program are subject to  
30 6 aggravated misdemeanor penalties, pursuant to new Code section  
30 7 68A.829. New Code section 68A.828 provides for repayment of  
30 8 certain excess expenditures.  
30 9     New Code sections 68A.610 and 422.12K create an income tax  
30 10 checkoff for the Iowa voter=owned clean elections fund. This  
30 11 checkoff allows a person to direct that one dollar and fifty  
30 12 cents of that person's state income tax liability be paid over  
30 13 to the Iowa voter=owned clean elections fund.  
30 14     New Code section 422.7 is amended to provide up to a \$200  
30 15 exemption from income for purposes of the individual income  
30 16 tax for contributions to the voter=owned clean elections fund.  
30 17     New Code section 423.2, subsection 9A, imposes a tax of one  
30 18 percent on the sales price from any political advertising  
30 19 service. Moneys collected shall be paid over to the Iowa  
30 20 voter=owned clean elections fund.  
30 21     The sections of the bill enacting the income tax checkoff  
30 22 and the 1 percent sale tax take effect January 1, 2008. The  
30 23 remainder of the bill takes effect November 3, 2010, which is  
30 24 the day after general election day 2010, to allow the new  
30 25 system to commence with a new campaign cycle. New Code  
30 26 section 68A.804 provides guidelines for dealing with money  
30 27 collected by candidates prior to the effective date of the  
30 28 public financing program.  
30 29     The bill may include a state mandate as defined in Code  
30 30 section 25B.3. The bill makes inapplicable Code section  
30 31 25B.2, subsection 3, which would relieve a political  
30 32 subdivision from complying with a state mandate if funding for  
30 33 the cost of the state mandate is not provided or specified.  
30 34 Therefore, political subdivisions are required to comply with  
30 35 any state mandate included in the bill.



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31 1 LSB 1668HC 82  
31 2 jr:sc/gg/14.1



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**House Study Bill 106**

SENATE/HOUSE FILE  
 BY (PROPOSED DEPARTMENT OF  
 REVENUE BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
                     Approved

**A BILL FOR**

1 An Act relating to the policy and technical administration of the  
 2 tax and related laws by the department of revenue, including  
 3 administration of income, sales, use, cigarette, and tobacco  
 4 taxes.  
 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
 6 TLSB 1264XD 82  
 7 mg/je/5

PAG LIN

1 1 DIVISION I  
 1 2 TAX ADMINISTRATION  
 1 3 Section 1. Section 15E.44, subsection 1, Code 2007, is  
 1 4 amended to read as follows:  
 1 5 1. In order for an equity investment to qualify for a tax  
 1 6 credit, the business in which the equity investment is made  
 1 7 shall, within one hundred twenty days of the date of the first  
 1 8 investment, notify the board of the names, addresses, ~~taxpayer~~  
~~1 9 identification numbers~~, shares issued, consideration paid for  
 1 10 the shares, and the amount of any tax credits, of all  
 1 11 shareholders who may initially qualify for the tax credits,  
 1 12 and the earliest year in which the tax credits may be  
 1 13 redeemed. The list of shareholders who may qualify for the  
 1 14 tax credits shall be amended as new equity investments are  
 1 15 sold or as any information on the list shall change.  
 1 16 Sec. 2. Section 15E.45, subsection 3, paragraph a,  
 1 17 subparagraph (1), Code 2007, is amended to read as follows:  
 1 18 (1) The names, addresses, ~~taxpayer identification numbers~~,  
 1 19 equity interests issued, consideration paid for the interests,  
 1 20 and the amount of any tax credits.  
 1 21 Sec. 3. Section 421.26, Code 2007, is amended to read as  
 1 22 follows:  
 1 23 421.26 PERSONAL LIABILITY FOR TAX DUE.  
 1 24 If a licensee or other person under section 452A.65, a  
 1 25 retailer or purchaser under chapter 423A, ~~or~~ 423B, or 423E, or  
 1 26 section 423.31 or 423.33, or a retailer or purchaser under  
 1 27 section 423.32, ~~or~~ a user under section 423.34, or permit  
~~1 28 holder or licensee under section 453A.13, 453A.16, or 453A.44~~  
 1 29 fails to pay a tax under those sections when due, an officer  
 1 30 of a corporation or association, notwithstanding sections  
 1 31 490A.601 and 490A.602, a member or manager of a limited



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1 32 liability company, or a partner of a partnership, having  
1 33 control or supervision of or the authority for remitting the  
1 34 tax payments and having a substantial legal or equitable  
1 35 interest in the ownership of the corporation, association,



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2 1 limited liability company, or partnership, who has  
2 2 intentionally failed to pay the tax is personally liable for  
2 3 the payment of the tax, interest, and penalty due and unpaid.  
2 4 However, this section shall not apply to taxes on accounts  
2 5 receivable. The dissolution of a corporation, association,  
2 6 limited liability company, or partnership shall not discharge  
2 7 a person's liability for failure to remit the tax due.  
2 8 Sec. 4. Section 421.27, subsection 1, Code 2007, is  
2 9 amended by adding the following new paragraph:  
2 10 NEW PARAGRAPH. m. That an Iowa inheritance tax return is  
2 11 filed for an estate within the later of nine months from the  
2 12 date of death or sixty days from the filing of a disclaimer by  
2 13 the beneficiary of the estate refusing to take the property or  
2 14 right or interest in the property.  
2 15 Sec. 5. Section 421.27, subsection 2, Code 2007, is  
2 16 amended by adding the following new paragraph:  
2 17 NEW PARAGRAPH. i. That an Iowa inheritance tax return is  
2 18 filed for an estate within the later of nine months from the  
2 19 date of death or sixty days from the filing of a disclaimer by  
2 20 the beneficiary of the estate refusing to take the property or  
2 21 right or interest in the property.  
2 22 Sec. 6. Section 422.7, subsection 32, Code 2007, is  
2 23 amended by adding the following new paragraph:  
2 24 NEW PARAGRAPH. c. Add the amount resulting from a  
2 25 withdrawal made by a taxpayer from the Iowa educational  
2 26 savings plan trust for purposes other than the payment of  
2 27 qualified education expenses to the extent previously deducted  
2 28 as a contribution to the trust.  
2 29 Sec. 7. Section 422.11S, subsection 6, paragraph d, Code  
2 30 2007, is amended to read as follows:  
2 31 d. Each school that is served by a school tuition  
2 32 organization shall submit a participation form annually to the  
2 33 department by ~~October 15~~ November 1 providing the following  
2 34 information:  
2 35 (1) Certified enrollment as of ~~the third Friday of~~



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~~3 1 September~~ October 1, or the first Monday in October if October  
3 2 1 falls on a Saturday or Sunday.

3 3 (2) The school tuition organization that represents the  
3 4 school. A school shall only be represented by one school  
3 5 tuition organization.

3 6 Sec. 8. Section 422.11S, subsection 7, paragraph b,  
3 7 unnumbered paragraph 1, Code 2007, is amended to read as  
3 8 follows:

3 9 Each year by ~~November 15~~ December 1, the department shall  
3 10 authorize school tuition organizations to issue tax credit  
3 11 certificates for the following tax year. However, for the tax  
3 12 year beginning in the 2006 calendar year only, the department,  
3 13 by September 1, 2006, shall authorize school tuition  
3 14 organizations to issue tax credit certificates for the 2006  
3 15 calendar tax year. For the tax year beginning in the 2006  
3 16 calendar year only, each school served by a school tuition  
3 17 organization shall submit a participation form to the  
3 18 department by August 1, 2006, providing the certified  
3 19 enrollment as of the third Friday of September 2005, along  
3 20 with the school tuition organization that represents the  
3 21 school. Tax credit certificates available for issue by each  
3 22 school tuition organization shall be determined in the  
3 23 following manner:

3 24 Sec. 9. Section 422.12E, unnumbered paragraph 2, Code  
3 25 2007, is amended to read as follows:

3 26 If more checkoffs are enacted in the same session of the  
3 27 general assembly than there is space for inclusion on the  
3 28 individual tax return form, the earliest enacted checkoffs for  
3 29 which there is space for inclusion on the return form shall be  
3 30 included on the return form, and all other checkoffs enacted  
3 31 during that session of the general assembly are repealed. If  
3 32 more checkoffs are enacted in the same session of the general  
3 33 assembly than there is space for inclusion on the individual  
3 34 income tax form and the additional checkoffs are enacted on  
3 35 the same day, the director shall determine which checkoffs



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4 1 shall be included on the return form.

4 2 Sec. 10. Section 422.13, subsection 5, Code 2007, is  
4 3 amended to read as follows:

4 4 5. Notwithstanding subsections 1 through 4 and sections  
4 5 422.15 and 422.36, a partnership, a limited liability company  
4 6 whose members are taxed on the company's income under  
4 7 provisions of the Internal Revenue Code, trust, or corporation  
4 8 whose stockholders are taxed on the corporation's income under  
4 9 the provisions of the Internal Revenue Code may, not later  
4 10 than the due date for filing its return for the taxable year,  
4 11 including any extension thereof, elect to file a composite  
4 12 return for the nonresident partners, members, beneficiaries,  
4 13 or shareholders. Nonresident trusts or estates which are  
4 14 partners, members, beneficiaries, or shareholders in  
4 15 partnerships, limited liability companies, trusts, or S

4 16 corporations may also be included on a composite return. The  
4 17 director may require that a composite return be filed under  
4 18 the conditions deemed appropriate by the director. A  
4 19 partnership, limited liability company, trust, or corporation  
4 20 filing a composite return is liable for tax required to be  
4 21 shown due on the return. All powers of the director and  
4 22 requirements of the director apply to returns filed under this  
4 23 subsection including, but not limited to, the provisions of  
4 24 this division and division VI of this chapter.

4 25 Sec. 11. Section 422.35, subsection 17, Code 2007, is  
4 26 amended to read as follows:

4 27 17. Subtract the amount of the employer social security  
4 28 credit allowable for the tax year under section 45B of the  
4 29 Internal Revenue Code to the extent that the credit increases  
4 30 federal ~~adjusted gross~~ taxable income.

4 31 Sec. 12. Section 422.73, subsection 3, Code 2007, is  
4 32 amended by striking the subsection.

4 33 Sec. 13. Section 422.75, Code 2007, is amended to read as  
4 34 follows:

4 35 422.75 STATISTICS == PUBLICATION.



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5 1 The department shall prepare and publish an annual report  
5 2 which shall include statistics reasonably available, with  
5 3 respect to the operation of this chapter, including amounts  
5 4 collected, classification of taxpayers, and such other facts  
5 5 as are deemed pertinent and valuable. The annual report shall  
5 6 also include the reports and information required pursuant to  
5 7 ~~section 421.1, subsection 4, paragraph "e"; section 421.17,~~  
5 8 ~~subsection 13; section 421.17, subsection 27, paragraph "h";~~  
5 9 ~~and section 421.60, subsection 2, paragraphs "i" and "l"; and~~  
5 10 ~~1997 Iowa Acts, ch. 211, section 22, subsection 5, paragraph~~  
5 11 ~~"a".~~

5 12 Sec. 14. Section 423.2, subsection 6, unnumbered paragraph  
5 13 2, Code 2007, is amended to read as follows:

5 14 For the purposes of this subsection, "financial  
5 15 institutions" means all national banks, federally chartered  
5 16 savings and loan associations, federally chartered savings  
5 17 banks, federally chartered credit unions, banks organized  
5 18 under chapter 524, savings and loan associations and savings  
5 19 banks organized under chapter 534, ~~and~~ credit unions organized  
5 20 under chapter 533, and all banks, savings banks, credit  
5 21 unions, and savings and loan associations chartered or  
5 22 otherwise created under the laws of any state and doing  
5 23 business in Iowa.

5 24 Sec. 15. Section 423.2, Code 2007, is amended by adding  
5 25 the following new subsection:

5 26 NEW SUBSECTION. 9A. A tax of five percent is imposed upon  
5 27 the sales price of audiovisual works, audio works, books,  
5 28 computer software, or ring tones that are sold as digital  
5 29 products and that are sold by subscription, digital code, or  
5 30 in some other manner and delivered electronically for  
5 31 temporary or permanent retention when sold to an individual  
5 32 for the individual's own use and consumption.

5 33 For the purposes of this subsection:

5 34 a. "Audiovisual works" means a series of related images  
5 35 which, when shown in succession, impart an impression of



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- 6 1 motion, together with accompanying sounds, if any.
- 6 2     b. "Audio works" means works that result from the fixation
- 6 3 of a series of musical, spoken, or other sounds.
- 6 4     c. "Book" means a work which is generally recognized in
- 6 5 the ordinary and usual sense as a "book". "Book" does not
- 6 6 include newspapers, periodicals, databases, chat rooms, blogs,
- 6 7 or other similar products.
- 6 8     d. "Computer software" means the same as defined in
- 6 9 section 423.1.
- 6 10    e. "Delivered electronically" means delivered to or
- 6 11 received by the purchaser by means other than tangible storage
- 6 12 media.
- 6 13    f. "Digital code" means a code that provides a purchaser
- 6 14 with a right to obtain an item within a specified category of
- 6 15 selected digital products. A digital code may be obtained by
- 6 16 any means, including email or by tangible means regardless of
- 6 17 its designation as "song", "video code", or "book code".
- 6 18    g. "Ring tones" means digitized sound files which are
- 6 19 downloaded onto a device and which may be used to alert a
- 6 20 customer with respect to a communication.
- 6 21    h. "Subscription" means an agreement with a seller which
- 6 22 grants a consumer the right to obtain selected digital
- 6 23 products in a fixed quantity or for a fixed period of time or
- 6 24 both.
- 6 25    Sec. 16. Section 423.3, subsection 65, Code 2007, is
- 6 26 amended to read as follows:
- 6 27     65. The sales price from charges paid to a provider for
- 6 28 access to on=line computer services. For purposes of this
- 6 29 subsection, "on=line computer service" means a service that
- 6 30 provides or enables computer access by multiple users to the
- 6 31 internet or to other information made available through a
- 6 32 computer server or other device.
- 6 33    Sec. 17. Section 423.3, subsection 80, paragraph b, Code
- 6 34 2007, is amended to read as follows:
- 6 35     b. If a contractor, subcontractor, or builder is to use



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7 1 building materials, supplies, and equipment in the performance  
7 2 of a construction contract with a designated exempt entity,  
7 3 the person shall purchase such items of tangible personal  
7 4 property without liability for the tax if such property will  
7 5 be used in the performance of the construction contract and a  
7 6 purchasing agent authorization letter and an exemption  
7 7 certificate, issued by the designated exempt entity, are  
7 8 presented to the retailer. The sales price of building  
7 9 materials, supplies, or equipment is exempt from tax by this  
7 10 subsection only to the extent the building materials,  
7 11 supplies, or equipment are completely consumed in the  
7 12 performance of the construction contract with the designated  
7 13 exempt entity.

7 14 Sec. 18. Section 423.41, Code 2007, is amended to read as  
7 15 follows:  
7 16 423.41 BOOKS == EXAMINATION.  
7 17 Every retailer required or authorized to collect taxes  
7 18 imposed by this chapter and every person using in this state  
7 19 tangible personal property, services, or the product of  
7 20 services shall keep records, receipts, invoices, and other  
7 21 pertinent papers as the director shall require, in the form  
7 22 that the director shall require, for as long as the director  
7 23 has the authority to examine and determine tax due. The  
7 24 director or any duly authorized agent of the department may  
7 25 examine the books, papers, records, and equipment of any  
7 26 person either selling tangible personal property or services  
7 27 or liable for the tax imposed by this chapter, and investigate  
7 28 the character of the business of any person in order to verify  
7 29 the accuracy of any return made, or if a return was not made  
7 30 by the person, ascertain and determine the amount due under  
7 31 this chapter. These books, papers, and records shall be made  
7 32 available within this state for examination upon reasonable  
7 33 notice when the director deems it advisable and so orders. If  
7 34 the taxpayer maintains any records in an electronic format,  
7 35 the taxpayer shall comply with reasonable requests by the



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8 1 director or the director's authorized agents to provide those  
8 2 electronic records in a standard record format. The preceding  
8 3 requirements shall likewise apply to users and persons  
8 4 furnishing services enumerated in section 423.2.

8 5 Sec. 19. Section 423A.4, unnumbered paragraph 3, Code  
8 6 2007, is amended to read as follows:

8 7 A local hotel and motel tax shall be imposed on January 1  
8 8 or July 1, following the notification of the director of  
8 9 revenue. Once imposed, the tax shall remain in effect at the  
8 10 rate imposed for a minimum of one year. A local hotel and  
8 11 motel tax shall terminate only on June 30 or December 31. At  
8 12 least forty-five days prior to the tax being effective or  
8 13 prior to a revision in the tax rate, or prior to the repeal of  
8 14 the tax, a city or county shall provide notice by mail of such  
8 15 action to the director of revenue. The director shall have  
8 16 the authority to waive the notice requirement.

8 17 Sec. 20. Section 423B.1, subsection 6, paragraph b, Code  
8 18 2007, is amended to read as follows:

8 19 b. Within ten days of the election at which a majority of  
8 20 those voting on the question favors the imposition, repeal, or  
8 21 change in the rate of a local option tax, the county auditor  
8 22 shall give written notice of the result of the election by  
8 23 sending a copy of the abstract of the votes from the favorable  
8 24 election to the director of revenue or, in the case of a local  
8 25 vehicle tax, to the director of the department of  
8 26 transportation. The appropriate director shall have the  
8 27 authority to waive the notice requirement.

8 28 Sec. 21. Section 423E.2, subsection 5, paragraph b, Code  
8 29 2007, is amended to read as follows:

8 30 b. Within ten days of the election at which a majority of  
8 31 those voting on the question favors the imposition, repeal,  
8 32 extension, or change in the rate of the tax, the county  
8 33 auditor shall give written notice of the result of the  
8 34 election by sending a copy of the abstract of the votes from  
8 35 the favorable election to the director of revenue. Election  
9 1 costs shall be apportioned among school districts within the  
9 2 county on a pro rata basis in proportion to the number of  
9 3 registered voters in each school district who reside within  
9 4 the county and the total number of registered voters within  
9 5 the county. The director shall have the authority to waive  
9 6 the notice requirement.

9 7 DIVISION II  
9 8 CIGARETTES AND TOBACCO

9 9 Sec. 22. Section 421B.3, Code 2007, is amended by adding  
9 10 the following new subsection:

9 11 NEW SUBSECTION. 3. a. The following civil penalties  
9 12 shall be imposed for a violation of this section:

9 13 (1) A two hundred dollar penalty for the first violation.

9 14 (2) A five hundred dollar penalty for a second violation  
9 15 within three years of the first violation.

9 16 (3) A thousand dollar penalty for a third or subsequent  
9 17 violation within three years of the first violation.

9 18 Each day the violation occurs counts as a new violation for  
9 19 purposes of this subsection.

9 20 b. The civil penalty imposed under this subsection is in  
9 21 addition to the penalty imposed under subsection 1. Penalties



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9 22 collected under this subsection shall be deposited into the  
9 23 general fund of the state.

9 24 Sec. 23. Section 453A.7, unnumbered paragraph 2, Code  
9 25 2007, is amended to read as follows:

9 26 There is appropriated annually from the ~~general fund of the~~  
~~9 27 state the sum of one hundred fifteen thousand dollars state~~  
9 28 treasury from funds not otherwise appropriated an amount  
9 29 sufficient to carry out the provisions of this section.

9 30 Sec. 24. Section 453A.13, subsections 5 and 9, Code 2007,  
9 31 are amended to read as follows:

9 32 5. APPLICATION == BOND. ~~Said permits~~ Permits shall be  
9 33 issued only upon applications accompanied by the fee indicated  
9 34 above, and by an adequate bond as provided in section 453A.14,  
9 35 and upon forms furnished by the department upon written



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10 1 request. The failure to furnish such forms shall be no excuse  
10 2 for the failure to file the ~~same~~ forms unless absolute refusal  
10 3 is shown. ~~Said~~ The forms shall set forth all of the  
10 4 following:

10 5 a. The manner under which ~~such~~ the distributor,  
10 6 wholesaler, or retailer, transacts or intends to transact such  
10 7 business as a distributor, wholesaler, or retailer.

10 8 b. The principal office, residence, and place of business,  
~~10 9 for which~~ where the permit is to apply.

10 10 c. If the applicant is not an individual, the principal  
10 11 officers or members ~~thereof, not to exceed three,~~ and their  
10 12 addresses.

10 13 d. ~~Such~~ Any other information as the director shall by  
10 14 rules prescribe.

10 15 9. PERMIT == FORM AND CONTENTS. Each permit issued shall  
10 16 describe clearly the place of business for which it is issued,  
10 17 shall be nonassignable, consecutively numbered, designating  
10 18 the kind of permit, and shall authorize the sale of cigarettes  
10 19 in this state subject to the limitations and restrictions  
10 20 herein contained. The retail permits shall be upon forms  
10 21 furnished by the department or on forms made available or  
10 22 approved by the department.

10 23 Sec. 25. Section 453A.13, Code 2007, is amended by adding  
10 24 the following new subsection:

10 25 NEW SUBSECTION. 10. PERMIT DISPLAYED. The permit shall,  
10 26 at all times, be publicly displayed by the distributor,  
10 27 wholesaler, or retailer at the place of business so as to be  
10 28 easily seen by the public and the persons authorized to  
10 29 inspect the place of business. The proprietor or keeper of  
10 30 any building or place where cigarettes and other tobacco  
10 31 products are kept for sale, or with intent to sell, shall upon  
10 32 request of any agent of the department or any peace officer  
10 33 exhibit the permit. A refusal or failure to exhibit the  
10 34 permit is prima facie evidence that the cigarettes or other  
10 35 tobacco products are kept for sale or with intent to sell in



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11 1 violation of this division.

11 2 Sec. 26. Section 453A.15, subsection 2, Code 2007, is  
11 3 amended to read as follows:

11 4 2. Where a state permit holder sells cigarettes at retail,  
11 5 the holder shall be required to ~~issue an invoice to the~~  
~~11 6 holder's retail department for~~ maintain detailed records for  
11 7 sales of cigarettes to be sold at retail and ~~such the~~  
11 8 cigarette ~~invoices~~ sales records shall be kept separate and  
11 9 apart.

11 10 Sec. 27. Section 453A.15, Code 2007, is amended by adding  
11 11 the following new subsection:

11 12 NEW SUBSECTION. 7. The director may require by rule that  
11 13 reports required to be made under this division be filed by  
11 14 electronic transmission.

11 15 Sec. 28. Section 453A.18, Code 2007, is amended to read as  
11 16 follows:

11 17 453A.18 FORMS FOR RECORDS AND REPORTS.

11 18 The department shall furnish or make available in  
11 19 electronic form, without charge, to holders of the various  
11 20 permits, forms in sufficient quantities to enable permit  
11 21 holders to make the reports required to be made under this  
11 22 division. The permit holders shall furnish at their own  
11 23 expense the books, records, and invoices, required to be used  
11 24 and kept, but the books, records, and invoices shall be in  
11 25 exact conformity to the forms prescribed for that purpose by  
11 26 the director, and shall be kept and used in the manner  
11 27 prescribed by the director. However, the director may, by  
11 28 express order in certain cases, authorize permit holders to  
11 29 keep their records in a manner and upon forms other than those  
11 30 so prescribed. The authorization may be revoked at any time.

11 31 Sec. 29. Section 453A.24, Code 2007, is amended to read as  
11 32 follows:

11 33 453A.24 CARRIER TO PERMIT ACCESS TO RECORDS.

11 34 1. Every common carrier or person in this state having  
11 35 custody of books or records showing the transportation of



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12 1 cigarettes both interstate and intrastate shall give and allow  
12 2 the department free access to ~~such~~ those books and records.

12 3 2. The director may require by rule that common carriers  
12 4 or the appropriate persons provide monthly reports to the  
12 5 department detailing all information the department deems  
12 6 necessary on shipments into and out of Iowa of cigarettes and  
12 7 tobacco products as set forth in divisions I and II of this  
12 8 chapter. The director may require by rule that the reports be  
12 9 filed by electronic transmission.

12 10 Sec. 30. Section 453A.25, subsection 3, Code 2007, is  
12 11 amended to read as follows:

12 12 3. The director is hereby authorized to appoint an  
~~12 13 assistant, whose sole duty it shall be~~ may designate employees  
12 14 to administer and enforce the provisions of this chapter,  
12 15 including the collection of all taxes provided for ~~herein in~~  
12 16 this chapter. In ~~such~~ the enforcement, the director may  
12 17 request aid from the attorney general, the special agents of  
12 18 the state, any county attorney, or any peace officer. The  
12 19 director is authorized to ~~may~~ appoint ~~such~~ clerks and  
12 20 additional help as may be needed to ~~carry out the provisions~~  
~~12 21 of~~ administer this chapter.

12 22 Sec. 31. Section 453A.30, Code 2007, is amended to read as  
12 23 follows:

12 24 453A.30 ASSESSMENT OF COST OF AUDIT.

12 25 The department may employ auditors or other persons to  
12 26 audit and examine the books and records of any permit holder  
12 27 or other person dealing in cigarettes to ascertain whether  
12 28 ~~such~~ the permit holder or other person has paid the amount of  
12 29 the taxes required to be paid by the holder or person or filed  
12 30 all reports containing all required information as specified  
12 31 by the department under the provisions of this chapter. If  
12 32 such taxes have not been paid or such reports not filed, as  
12 33 required, the department shall assess against ~~such~~ the permit  
12 34 holder or other person, as additional penalty, the reasonable  
12 35 expenses and costs of ~~such~~ the investigation and audit.



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13 1     Sec. 32. Section 453A.31, Code 2007, is amended by adding  
13 2 the following new unnumbered paragraph:  
13 3     NEW UNNUMBERED PARAGRAPH. If a cigarette distributor fails  
13 4 to file a return or to report timely, stamps shall not be  
13 5 provided to that cigarette distributor until all returns and  
13 6 reports are filed properly and all tax, penalties, and  
13 7 interest are paid.  
13 8     Sec. 33. Section 453A.32, Code 2007, is amended by adding  
13 9 the following new subsection:  
13 10     NEW SUBSECTION. 6. The provisions of this section  
13 11 applying to cigarettes shall also apply to tobacco products  
13 12 taxed under division II of this chapter.  
13 13     Sec. 34. Section 453A.36, subsection 6, Code 2007, is  
13 14 amended to read as follows:  
13 15     6. Any sales of cigarettes or tobacco products made  
13 16 through a cigarette vending machine are subject to rules and  
13 17 penalties relative to retail sales of cigarettes and tobacco  
13 18 products provided for in this chapter. ~~No cigarettes shall~~  
13 19 Cigarettes shall not be sold through any cigarette vending  
13 20 machine unless the cigarettes have been properly stamped or  
13 21 metered as provided by this division, and in case of violation  
13 22 of this provision, the permit of the dealer authorizing retail  
13 23 sales of cigarettes shall be ~~cancelled~~ revoked. Payment of the  
13 24 ~~license~~ permit fee as provided in section 453A.13 authorizes a  
13 25 cigarette vendor to sell cigarettes or tobacco products  
13 26 through vending machines. However, cigarettes or tobacco  
13 27 products shall not be sold through a vending machine unless  
13 28 the vending machine is located in a place where the retailer  
13 29 ensures that no person younger than eighteen years of age is  
13 30 present or permitted to enter at any time. This section does  
13 31 not require a retail ~~licensee~~ permit holder to buy a cigarette  
13 32 vendor's permit if the retail ~~licensee~~ permit holder is in  
13 33 fact the owner of the cigarette vending machines and the  
13 34 machines are operated in the location described in the retail  
13 35 permit.



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14 1 Sec. 35. Section 453A.40, subsection 1, Code 2007, is  
14 2 amended to read as follows:

14 3 1. All persons required to ~~be licensed~~ hold a  
14 4 distributor's permit, wholesaler's permit, or retailer's  
14 5 permit under section 453A.13 ~~as distributors~~ having in their  
14 6 possession and held for resale on the effective date of an  
14 7 increase in the tax rate cigarettes or little cigars upon  
14 8 which the tax under section 453A.6 or 453A.43 has been paid,  
14 9 unused cigarette tax stamps which have been paid for under  
14 10 section 453A.8, or unused metered imprints which have been  
14 11 paid for under section 453A.12 shall be subject to an  
14 12 inventory tax on the items as provided in this section.

14 13 Sec. 36. Section 453A.45, subsection 5, unnumbered  
14 14 paragraphs 2 and 4, Code 2007, are amended to read as follows:

14 15 ~~Such~~ The report shall be made on forms provided by the  
14 16 director ~~or the director may require by rule that the report~~  
14 17 be filed by electronic transmission.

14 18 Any person who fails or refuses to transmit to the director  
14 19 the required reports or whoever refuses to permit the  
14 20 examination of the records by the director shall be guilty of  
14 21 a ~~simple~~ serious misdemeanor.

14 22 Sec. 37. Section 453A.46, subsections 1 and 3, Code 2007,  
14 23 are amended to read as follows:

14 24 1. On or before the twentieth day of each calendar month  
14 25 every distributor with a place of business in this state shall  
14 26 file a return with the director showing for the preceding  
14 27 calendar month the quantity and wholesale sales price of each  
14 28 tobacco product brought, or caused to be brought, into this  
14 29 state for sale; ~~and~~ made, manufactured, or fabricated in this  
14 30 state for sale in this state, ~~during the preceding calendar~~  
14 31 ~~month~~; and any other information the director may require.  
14 32 Every licensed distributor outside this state shall in like  
14 33 manner file a return with the director showing for the  
14 34 preceding calendar month the quantity and wholesale sales  
14 35 price of each tobacco product shipped or transported to



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15 1 retailers in this state to be sold by those retailers, ~~during~~  
~~15 2 the preceding calendar month and any other information the~~  
15 3 director may require. Returns shall be made upon forms  
15 4 furnished or made available in electronic form and prescribed  
15 5 by the director and shall contain other information as the  
15 6 director may require. Each return shall be accompanied by a  
15 7 remittance for the full tax liability shown on the return,  
15 8 less a discount as fixed by the director not to exceed five  
15 9 percent of the tax. Within three years after the return is  
15 10 filed or within three years after the return became due,  
15 11 whichever is later, the department shall examine it, determine  
15 12 the correct amount of tax, and assess the tax against the  
15 13 taxpayer for any deficiency. The period for examination and  
15 14 determination of the correct amount of tax is unlimited in the  
15 15 case of a false or fraudulent return made with the intent to  
15 16 evade tax, or in the case of a failure to file a return.  
15 17 The three-year ~~period of~~ limitation period may be extended  
15 18 by a taxpayer by signing a waiver agreement form ~~to be~~  
15 19 provided by the department. The agreement must stipulate the  
15 20 ~~period of~~ extension period and the tax period to which the  
15 21 extension applies. The agreement must also ~~provide~~ stipulate  
15 22 that a claim for refund may be filed by the taxpayer at any  
15 23 time during the ~~period of~~ extension period.  
15 24 3. In addition to the tax or additional tax, the taxpayer  
15 25 shall also pay a penalty as provided in section 421.27 and be  
15 26 subject to the civil penalties set forth in sections 421.27;  
15 27 453A.31, subsection 2; and 453A.50, subsection 3, as  
15 28 applicable.  
15 29 Sec. 38. Section 453A.46, Code 2007, is amended by adding  
15 30 the following new subsection:  
15 31 NEW SUBSECTION. 7. The director may require by rule that  
15 32 reports be filed by electronic transmission.  
15 33 Sec. 39. Section 453A.50, subsection 2, Code 2007, is  
15 34 amended to read as follows:  
15 35 2. ~~Any~~ Except as otherwise provided, any person who



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16 1 otherwise violates any provisions of this division shall be  
16 2 guilty of a simple misdemeanor.

16 3 Sec. 40. Section 453A.50, Code 2007, is amended by adding  
16 4 the following new subsection:

16 5 NEW SUBSECTION. 3. The following civil penalties shall be  
16 6 imposed for a violation of this division:

16 7 a. A two hundred dollar penalty for the first violation.

16 8 b. A five hundred dollar penalty for a second violation  
16 9 within three years of the first violation.

16 10 c. A thousand dollar penalty for a third or subsequent  
16 11 violation within three years of the first violation.

16 12 The penalty imposed in this subsection is in addition to  
16 13 the tax, penalty, and interest imposed in other sections of  
16 14 this division. Each day a violation occurs counts as a new  
16 15 violation for purposes of this subsection.

16 16 Sec. 41. NEW SECTION. 453A.51 ASSESSMENT OF COST OF  
16 17 AUDIT.

16 18 The department may employ auditors or other persons to  
16 19 audit and examine the books and records of a permit holder or  
16 20 other person dealing in tobacco products to ascertain whether  
16 21 the permit holder or other person has paid the amount of the  
16 22 taxes required to be paid by the permit holder or other person  
16 23 under the provisions of this chapter. If the taxes have not  
16 24 been paid, as required, the department shall assess against  
16 25 the permit holder or other person, as additional penalty, the  
16 26 reasonable expenses and costs of the investigation and audit.

16 27 EXPLANATION

16 28 DIVISION I == TAX ADMINISTRATION. Code sections 15E.44,  
16 29 subsection 1, and 15E.45, subsection 3, are amended to  
16 30 eliminate the requirement that tax identification numbers of  
16 31 investors (social security numbers) must be provided at the  
16 32 time that a qualifying business or community-based seed  
16 33 capital fund submits an application to the Iowa capital  
16 34 investment board. The tax identification numbers are provided  
16 35 at the time that the investors apply for a tax credit



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17 1 certificate.

17 2 Code section 421.26 is amended to require cigarette permit  
17 3 holders to be personally liable for unpaid cigarette taxes.  
17 4 This requirement is the same as presently exists for  
17 5 licensees, retailers, purchasers, users, and permit holders  
17 6 for other taxes.

17 7 Code section 421.27, subsections 1 and 2, are amended to  
17 8 allow a penalty waiver which reflects a legislative change  
17 9 made to correct an inconsistent time frame for filing  
17 10 disclaimers by the beneficiary of an estate refusing to take  
17 11 the property.

17 12 Code section 422.7, subsection 32, is amended to provide  
17 13 that withdrawals from the Iowa educational savings plan trust  
17 14 that are not used for qualified education expenses must be  
17 15 added back on the Iowa individual income tax return to the  
17 16 extent that a deduction for a contribution was previously  
17 17 allowed.

17 18 Code section 422.11S, subsections 6 and 7, are amended to  
17 19 change the deadlines for certified enrollment and notification  
17 20 requirements for the school tuition organization tax credit to  
17 21 be consistent with the notification requirements of Code  
17 22 section 257.6 relating to the school aid formula.

17 23 Code section 422.12E is amended to state that the director  
17 24 will determine which checkoffs will be included on the  
17 25 individual income tax form in situations where additional  
17 26 checkoffs in excess of the number allowed are enacted on the  
17 27 same day.

17 28 Code section 422.13, subsection 5, is amended to allow  
17 29 nonresident trusts and estates that are members of  
17 30 partnerships, limited liability, trusts, or S corporations to  
17 31 be included on an Iowa composite return.

17 32 Code section 422.35, subsection 17, is amended to correct  
17 33 the reference to federal taxable income for the deduction  
17 34 allowed for the social security credit for corporation income  
17 35 tax.



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18 1 Code section 422.73, subsection 3, adopted as part of 2006  
18 2 Iowa Acts, House File 2351, is repealed. Because any capital  
18 3 or ordinary gain from the involuntary conversion relating to  
18 4 eminent domain is exempt from Iowa individual or corporation  
18 5 income tax, there is no need to file a claim for refund  
18 6 relating to the repurchase of property when tax was not paid  
18 7 on the gain in the initial instance.

18 8 Code section 422.75 is amended to update current reporting  
18 9 requirements related to the annual report filed by the  
18 10 department.

18 11 Code section 423.2, subsection 6, is amended to require  
18 12 financial institutions unregulated by federal or Iowa  
18 13 authorities to pay sales tax on service charges if they are  
18 14 doing business in Iowa.

18 15 Code section 423.2 is amended to impose a sales tax on the  
18 16 sale of audiovisual works, audio works, books, computer  
18 17 software, and ring tones that are sold to an individual for  
18 18 the individual's use and consumption. The tax is imposed on  
18 19 these items when they are digitally or electronically  
18 20 delivered to the individual. This proposal equalizes the sale  
18 21 of these items between an Iowa retail business and an internet  
18 22 business.

18 23 Code section 423.3, subsection 65, is amended to exempt  
18 24 from sales tax charges paid for access to the internet by  
18 25 means of any device and not solely by means of a computer  
18 26 server.

18 27 Code section 423.3, subsection 80, is amended to exempt  
18 28 from sales tax sales of building materials, supplies, or  
18 29 equipment only to the extent those items are consumed in an  
18 30 exempt construction project.

18 31 Code section 423.41 is amended to require a taxpayer  
18 32 maintaining electronic records to provide those electronic  
18 33 records relating to sales and use taxes to the director for  
18 34 examination upon request.

18 35 Code sections 423A.4, 423B.1, subsection 6, and 423E.2,  
19 1 subsection 5, are amended to grant the director the authority  
19 2 to waive the requirement that a city or county notify the  
19 3 director of the imposition, repeal, extension, or change in  
19 4 the rate of the local option tax.

19 5 DIVISION II == CIGARETTE/TOBACCO TAXES. Code section  
19 6 421B.3 is amended to impose civil penalties for the sale of  
19 7 cigarettes below minimum price. These penalties are  
19 8 consistent with those for violations of other cigarette and  
19 9 tobacco tax laws and rules. The penalties are in addition to  
19 10 other penalties for violating the chapter and moneys collected  
19 11 are to be deposited into the state general fund.

19 12 Code section 453A.7 is amended to provide sufficient funds  
19 13 for the department to purchase tax stamps for placement on  
19 14 packages of cigarettes as evidence that the tax has been paid.

19 15 Code section 453A.13 is amended to require furnishing of  
19 16 the names and addresses of all officers of the business  
19 17 applying for a bond to obtain a cigarette permit. Code  
19 18 section 453A.13 is further amended to permit the use of  
19 19 cigarette retail permit forms approved by the department.

19 20 Code section 453A.13 is also amended to require the public  
19 21 display of the permit at the place of business.



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19 22 Code section 453A.15, subsection 2, requires cigarette  
19 23 permit holders to maintain separate records for cigarette  
19 24 sales that are sold at wholesale and sold at retail from the  
19 25 same location.

19 26 Code section 453A.15 is amended to require the permit  
19 27 holder to maintain detailed records and to give the director  
19 28 the authority to require that cigarette reports be filed by  
19 29 electronic transmission.

19 30 Code section 453A.18 authorizes the department to furnish  
19 31 permit holders with electronic forms in lieu of paper forms.

19 32 Code section 453A.24 is amended to require common carriers  
19 33 or other persons to provide monthly reports to the department  
19 34 by electronic transmission if the director requires by rule.

19 35 Code section 453A.25, subsection 3, is amended to delete



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20 1 the requirement that the director appoint a person whose only  
20 2 responsibility is to administer cigarette and tobacco taxes.  
20 3 Code section 453A.30 is amended to include the requirements  
20 4 for the filing of cigarette reports the same as those for the  
20 5 filing of cigarette returns relating to the cost of an audit.  
20 6 Code section 453A.31 is amended to prohibit the sale of  
20 7 cigarette stamps to distributors who do not file appropriate  
20 8 returns or reports in a timely manner.  
20 9 Code section 453A.32 is amended to make the cigarette  
20 10 seizure provisions applicable to tobacco products.  
20 11 Code section 453A.36, subsection 6, is amended to specify  
20 12 that cigarette retailers receive a permit, not a license, to  
20 13 do business in Iowa.  
20 14 Code section 453A.40, subsection 1, is amended to impose  
20 15 the cigarette inventory tax on distributors, wholesalers, and  
20 16 retailers that hold permits to sell cigarettes.  
20 17 Code section 453A.45, subsection 5, is amended to give the  
20 18 director the authority to require by rule that tobacco  
20 19 transportation reports be filed electronically and makes the  
20 20 failure or refusal to file or allow the examination of the  
20 21 required reports a serious misdemeanor rather than a simple  
20 22 misdemeanor.  
20 23 Code section 453A.46 is amended to give the director the  
20 24 authority to require by rule any additional information that  
20 25 should be included on a return, adds language to reference  
20 26 civil penalties, and gives the director the authority to  
20 27 require by rule that distributors file tobacco reports  
20 28 electronically.  
20 29 Code section 453A.50, subsection 2, is amended to specify  
20 30 that unless otherwise stated, violations of the tobacco  
20 31 products division are simple misdemeanors.  
20 32 Code section 453A.50 is also amended to impose civil  
20 33 penalties for violation of the tobacco tax laws and  
20 34 regulations. These penalties are consistent with penalties  
20 35 that are applicable to cigarettes.



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21 1 Code section 453A.51 is enacted to make tobacco products  
21 2 tax enforcement provisions similar to cigarette tax  
21 3 enforcement provisions related to the cost of an audit.  
21 4 LSB 1264XD 82  
21 5 mg:sc/je/5



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# House Study Bill 107

SENATE/HOUSE FILE  
BY (PROPOSED DEPARTMENT OF  
REVENUE BILL)

Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

### A BILL FOR

- 1 An Act updating the Code references to the Internal Revenue Code
- 2 and including effective date and retroactive applicability
- 3 provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 1273DP 82
- 6 mg/je/5



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1 1 Section 1. Section 15.335, subsection 4, unnumbered  
1 2 paragraph 2, Code 2007, is amended to read as follows:  
1 3 For purposes of this section, "Internal Revenue Code" means  
1 4 the Internal Revenue Code in effect on January 1, ~~2006~~ 2007.  
1 5 Sec. 2. Section 15A.9, subsection 8, paragraph e,  
1 6 unnumbered paragraph 2, Code 2007, is amended to read as  
1 7 follows:  
1 8 For purposes of this subsection, "Internal Revenue Code"  
1 9 means the Internal Revenue Code in effect on January 1, ~~2006~~  
1 10 2007.  
1 11 Sec. 3. Section 422.3, subsection 5, Code 2007, is amended  
1 12 to read as follows:  
1 13 5. "Internal Revenue Code" means the Internal Revenue Code  
1 14 of 1954, prior to the date of its redesignation as the  
1 15 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
1 16 or means the Internal Revenue Code of 1986 as amended to and  
1 17 including January 1, ~~2006~~ 2007.  
1 18 Sec. 4. Section 422.10, subsection 3, unnumbered paragraph  
1 19 2, Code 2007, is amended to read as follows:  
1 20 For purposes of this section, "Internal Revenue Code" means  
1 21 the Internal Revenue Code in effect on January 1, ~~2006~~ 2007.  
1 22 Sec. 5. Section 422.32, subsection 7, Code 2007, is  
1 23 amended to read as follows:  
1 24 7. "Internal Revenue Code" means the Internal Revenue Code  
1 25 of 1954, prior to the date of its redesignation as the  
1 26 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
1 27 or means the Internal Revenue Code of 1986 as amended to and  
1 28 including January 1, ~~2006~~ 2007.  
1 29 Sec. 6. Section 422.33, subsection 5, paragraph d,  
1 30 unnumbered paragraph 2, Code 2007, is amended to read as  
1 31 follows:  
1 32 For purposes of this subsection, "Internal Revenue Code"  
1 33 means the Internal Revenue Code in effect on January 1, ~~2006~~  
1 34 2007.  
1 35 Sec. 7. RETROACTIVE APPLICABILITY. This Act applies



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2 1 retroactively to January 1, 2006, for tax years beginning on  
2 2 or after that date.

2 3 Sec. 8. EFFECTIVE DATE. This Act, being deemed of  
2 4 immediate importance, takes effect upon enactment.

2 5 EXPLANATION

2 6 This bill updates the references to the Internal Revenue  
2 7 Code to make the federal income tax revisions enacted by  
2 8 Congress in 2006 applicable for Iowa income tax purposes.  
2 9 Code sections 422.3 and 422.32, general definition sections in  
2 10 the income tax chapter of the Code, are amended to update the  
2 11 reference to the Internal Revenue Code.

2 12 Code sections 15.335, 15A.9, 422.10 and 422.33 are amended  
2 13 to update the Code references to the state research activities  
2 14 credit for individuals, corporations, corporations in economic  
2 15 development areas, and corporations in quality jobs enterprise  
2 16 zones to include the 2006 federal changes in the research  
2 17 activities credit and the alternative incremental research  
2 18 credit.

2 19 The bill takes effect upon enactment and applies  
2 20 retroactively to January 1, 2006, for tax years beginning on  
2 21 or after that date.

2 22 LSB 1273DP 82

2 23 mg:rj/je/5.1



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# House Study Bill 108

SENATE/HOUSE FILE  
BY (PROPOSED CIVIL RIGHTS  
COMMISSION BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
Approved

**A BILL FOR**

- 1 An Act repealing the Iowa English language reaffirmation Act and
- 2 rules of construction for English language laws.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1217DP 82
- 5 ec/je/5



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1 1 Section 1. Sections 1.18 and 4.14, Code 2007, are  
1 2 repealed.

1 3 EXPLANATION

1 4 This bill repeals the Iowa English language reaffirmation  
1 5 Act, which provides that English is the state's official  
1 6 language and prescribes the use of English by the state and  
1 7 its political subdivisions. The bill also repeals a provision  
1 8 governing rules of statutory construction for the state's  
1 9 English language laws.

1 10 LSB 1217DP 82

1 11 ec:rj/je/5



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**House Study Bill 109**

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON  
 STATE GOVERNMENT BILL BY  
 CHAIRPERSON JOCHUM)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
                   Approved

**A BILL FOR**

- 1 An Act relating to the regulation of pharmacy benefits managers
- 2 and providing penalties.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1827HC 82
- 5 pf/gg/14



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1 1 Section 1. NEW SECTION. 155B.1 DEFINITIONS.  
1 2 As used in this chapter, unless the context otherwise  
1 3 requires:  
1 4 1. "Commissioner" means the commissioner of insurance.  
1 5 2. "Covered entity" means a nonprofit hospital or medical  
1 6 services corporation, health insurer, health benefit plan, or  
1 7 health maintenance organization; a health program administered  
1 8 by a department or the state in the capacity of provider of  
1 9 health coverage; or an employer, labor union, or other group  
1 10 of persons organized in the state that provides health  
1 11 coverage. "Covered entity" does not include a self-funded  
1 12 health coverage plan that is exempt from state regulation  
1 13 pursuant to the federal Employee Retirement Income Security  
1 14 Act of 1974 (ERISA), as codified at 29 U.S.C. } 1001 et seq.,  
1 15 a plan issued for health coverage for federal employees, or a  
1 16 health plan that provides coverage only for accidental injury,  
1 17 specified disease, hospital indemnity, Medicare supplemental,  
1 18 disability income, or long-term care, or other limited benefit  
1 19 health insurance policy or contract.  
1 20 3. "Covered individual" means a member, participant,  
1 21 enrollee, contract holder, policyholder, or beneficiary of a  
1 22 covered entity who is provided health coverage by the covered  
1 23 entity, and includes a dependent or other person provided  
1 24 health coverage through a policy, contract, or plan for a  
1 25 covered individual.  
1 26 4. "Generic drug" means a chemically equivalent copy of a  
1 27 brand-name drug with an expired patent.  
1 28 5. "Labeler" means a person that receives prescription  
1 29 drugs from a manufacturer or wholesaler and repackages those  
1 30 drugs for later retail sale and that has a labeler code from  
1 31 the federal food and drug administration pursuant to 21 C.F.R.  
1 32 } 207.20.  
1 33 6. "Pharmacy" means pharmacy as defined in section 155A.3.  
1 34 7. "Pharmacy benefits management" means the procurement of  
1 35 prescription drugs at a negotiated rate for dispensing within



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2 1 this state to covered individuals, the administration or  
2 2 management of prescription drug benefits provided by a covered  
2 3 entity for the benefit of covered individuals, or any of the  
2 4 following services provided with regard to the administration  
2 5 of the following pharmacy benefits:  
2 6     a. Mail service pharmacy.  
2 7     b. Claims processing, retail network management, or  
2 8 payment of claims to pharmacies for prescription drugs  
2 9 dispensed to covered individuals.  
2 10     c. Clinical formulary development and management services.  
2 11     d. Rebate contracting and administration.  
2 12     e. Certain patient compliance, therapeutic intervention,  
2 13 or generic substitution programs.  
2 14     f. Disease management programs involving prescription drug  
2 15 utilization.  
2 16     8. "Pharmacy benefits manager" means a person who performs  
2 17 pharmacy benefits management services. "Pharmacy benefits  
2 18 manager" includes a person acting on behalf of a pharmacy  
2 19 benefits manager in a contractual or employment relationship  
2 20 in the performance of pharmacy benefits management services  
2 21 for a covered entity. "Pharmacy benefits manager" does not  
2 22 include a health insurer licensed in the state if the health  
2 23 insurer or its subsidiary is providing pharmacy benefits  
2 24 management services to its own insurers, or a public  
2 25 self-funded pool or a private single employer self-funded plan  
2 26 that provides such benefits or services directly to its  
2 27 beneficiaries.  
2 28     9. "Prescription drug" means prescription drug as defined  
2 29 in section 155A.3.  
2 30     10. "Prescription drug order" means prescription drug  
2 31 order as defined in section 155A.3.  
2 32     11. "Proprietary information" means information on  
2 33 pricing, costs, revenue, taxes, market share, negotiating  
2 34 strategies, customers, or personnel held by a private entity  
2 35 and used for that private entity's business purposes.



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3 1 12. "Trade secret" means trade secret as defined in  
3 2 section 550.2.  
3 3 Sec. 2. NEW SECTION. 155B.2 PHARMACY BENEFITS MANAGER ==  
3 4 LICENSE == FEE == PENALTY.  
3 5 1. A person shall not perform or act as a pharmacy  
3 6 benefits manager in this state without obtaining an annual  
3 7 license to do business in this state from the commissioner  
3 8 pursuant to this section. The commissioner shall adopt rules,  
3 9 pursuant to chapter 17A, relating to the issuance of a license  
3 10 under this section. The rules shall include but not be  
3 11 limited to all of the following:  
3 12 a. Definition of terms.  
3 13 b. Use of prescribed forms.  
3 14 c. Reporting requirements.  
3 15 d. Enforcement procedures.  
3 16 e. Protection of proprietary information and trade  
3 17 secrets.  
3 18 f. Pharmacy auditing practices.  
3 19 g. Termination of pharmacy agreements.  
3 20 h. Timely payment of pharmacy claims.  
3 21 i. Methods of adjudication of complaints and settlement of  
3 22 disputes between a pharmacy benefits manager and a licensed  
3 23 pharmacy.  
3 24 j. Information to be included in the application for  
3 25 licensure including the names, addresses, official positions,  
3 26 and professional qualifications of the individuals who are  
3 27 responsible for control of the pharmacy benefits manager,  
3 28 including all members of the board of directors, board of  
3 29 trustees, executive committee, or other governing board or  
3 30 committee, the principal officers in the case of a  
3 31 corporation, the partners or members in the case of a  
3 32 partnership or association, and any other person who exercises  
3 33 control over the pharmacy benefits manager; and the name and  
3 34 address of the agent for service of process in the state.  
3 35 k. The filing fee.



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- 4 1 1. Requirements for renewal of licensure.  
4 2 2. A person applying for a license shall pay a filing fee  
4 3 of one thousand dollars.  
4 4 3. A pharmacy benefits manager shall renew the license on  
4 5 an annual basis.  
4 6 4. A pharmacy benefits manager who operates without  
4 7 obtaining a license under this section is subject to a fine of  
4 8 not less than one thousand five hundred dollars.  
4 9 Sec. 3. NEW SECTION. 155B.3 PERFORMANCE OF DUTIES ==  
4 10 GOOD FAITH == CONFLICT OF INTEREST.  
4 11 1. A pharmacy benefits manager shall perform the pharmacy  
4 12 benefits manager's duties exercising good faith and fair  
4 13 dealing toward the covered entity and covered individuals.  
4 14 2. A pharmacy benefits manager shall notify the covered  
4 15 entity in writing of any activity, policy, practice ownership  
4 16 interest, or affiliation of the pharmacy benefits manager that  
4 17 directly or indirectly presents any conflict of interest.  
4 18 Sec. 4. NEW SECTION. 155B.4 DISCLOSURE OF REVENUES  
4 19 RECEIVED FROM PHARMACEUTICAL MANUFACTURER OR LABELER UNDER  
4 20 CONTRACT == CONTENT FEES.  
4 21 1. A covered entity may request that any pharmacy benefits  
4 22 manager with which it has a contract for pharmacy benefits  
4 23 management disclose to the covered entity each pharmaceutical  
4 24 manufacturer or labeler with whom the pharmacy benefits  
4 25 manager has a contract. The pharmacy benefits manager shall  
4 26 disclose all of the following in writing:  
4 27 a. The aggregate amount and, for a list of drugs to be  
4 28 specified in the contract, the specific amount of all rebates  
4 29 and other retrospective utilization discounts received by the  
4 30 pharmaceutical manufacturer or labeler that is earned in  
4 31 connection with the dispensing of prescription drugs to  
4 32 covered individuals of the health benefit plans issued by the  
4 33 covered entity or for which the covered entity is the  
4 34 designated administrator.  
4 35 b. The nature, type, and amount of all other revenue



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5 1 received by the pharmacy benefits manager directly or  
5 2 indirectly from each pharmaceutical manufacturer or labeler  
5 3 for any other products or services provided to the  
5 4 pharmaceutical manufacturer or labeler by the pharmacy  
5 5 benefits manager with respect to programs that the covered  
5 6 entity offers or provides to its enrollees.

5 7 c. Any prescription drug utilization information requested  
5 8 by the covered entity relating to covered individuals.

5 9 2. A pharmacy benefits manager shall provide the  
5 10 information requested by the covered entity for such  
5 11 disclosure within thirty days of receipt of a request. If  
5 12 requested, the information shall be provided at least once  
5 13 each year. The contract entered into between the pharmacy  
5 14 benefits manager and the covered entity shall specify any fees  
5 15 to be charged for drug utilization reports requested by the  
5 16 covered entity.

5 17 Sec. 5. NEW SECTION. 155B.5 CONTACTING COVERED  
5 18 INDIVIDUAL == REQUIREMENTS.

5 19 A pharmacy benefits manager, unless authorized pursuant to  
5 20 the terms of its contract with a covered entity, shall not  
5 21 contact any covered individual without the express written  
5 22 permission of the covered entity.

5 23 Sec. 6. NEW SECTION. 155B.6 CONFIDENTIALITY OF  
5 24 INFORMATION == INJUNCTION == DAMAGES.

5 25 1. With the exception of utilization information, a  
5 26 covered entity shall maintain any information disclosed in  
5 27 response to a request pursuant to section 155B.4 as  
5 28 confidential and proprietary information, and shall not use  
5 29 such information for any other purpose or disclose such  
5 30 information to any other person except as provided in this  
5 31 chapter or in the contract between the pharmacy benefits  
5 32 manager and the covered entity.

5 33 2. A covered entity that discloses information in  
5 34 violation of this section is subject to an action for  
5 35 injunctive relief and is liable for any damages which are the



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6 1 direct and proximate result of such disclosure.

6 2 3. This section does not prohibit a covered entity from  
6 3 disclosing confidential or proprietary information to the  
6 4 commissioner, upon request. Any such information obtained by  
6 5 the commissioner is confidential and privileged and is not  
6 6 open to public inspection or disclosure.

6 7 Sec. 7. NEW SECTION. 155B.7 AUDIT OF RECORDS.

6 8 A covered entity may have the pharmacy benefits manager's  
6 9 records related to the rebates or other information described  
6 10 in section 155B.4 audited, to the extent the information  
6 11 relates directly or indirectly to the covered entity's  
6 12 contract, in accordance with the terms of the contract between  
6 13 the pharmacy benefits manager and the covered entity.

6 14 However, if the parties have not expressly provided for audit  
6 15 rights and the pharmacy benefits manager has advised the  
6 16 covered entity that other reasonable options are available and  
6 17 subject to negotiation, the covered entity may have such  
6 18 records audited as follows:

6 19 1. An audit may be conducted no more frequently than once  
6 20 in each twelve-month period upon not less than thirty business  
6 21 day's written notice to the pharmacy benefits manager.

6 22 2. The covered entity may select an independent entity to  
6 23 conduct the audit, and the independent entity shall sign a  
6 24 confidentiality agreement with the covered entity and the  
6 25 pharmacy benefits manager ensuring that all information  
6 26 obtained during the audit will be treated as confidential.  
6 27 The independent entity shall not disclose or otherwise reveal  
6 28 any such information in any manner or form to any person  
6 29 except as otherwise permitted under the confidentiality  
6 30 agreement. The covered entity shall treat all information  
6 31 obtained as a result of the audit as confidential, and shall  
6 32 not use or disclose such information except as may be  
6 33 otherwise permitted under the terms of the contract between  
6 34 the covered entity and the pharmacy benefits manager or if  
6 35 ordered by a court of competent jurisdiction for good cause



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7 1 shown.

7 2 3. Any audit shall be conducted at the location of the  
7 3 pharmacy benefits manager where such records are located,  
7 4 during normal business hours, without undue interference with  
7 5 the pharmacy benefits manager's business activities, and in  
7 6 accordance with reasonable audit procedures.

7 7 Sec. 8. NEW SECTION. 155B.8 DISPENSING OF SUBSTITUTE  
7 8 PRESCRIPTION DRUG FOR PRESCRIBED DRUG.

7 9 1. The following provisions shall apply when a pharmacy  
7 10 benefits manager requests the dispensing of a substitute  
7 11 prescription drug for a prescribed drug to a covered  
7 12 individual:

7 13 a. The pharmacy benefits manager may request the  
7 14 substitution of a lower priced generic and therapeutically  
7 15 equivalent drug for a higher priced prescribed drug.

7 16 b. If the substitute drug's net cost to the covered  
7 17 individual or covered entity exceeds the cost of the  
7 18 prescribed drug, the substitution shall be made only for  
7 19 medical reasons that benefit the covered individual.

7 20 c. If a pharmacy benefits manager makes a substitution in  
7 21 which the substitute drug costs more than the prescribed drug,  
7 22 the pharmacy benefits manager shall disclose to the covered  
7 23 entity and covered individual the cost of both drugs and any  
7 24 benefit or payment directly or indirectly accruing to the  
7 25 pharmacy benefits manager as a result of the substitution.

7 26 d. The pharmacy benefits manager shall transfer in full to  
7 27 the covered entity any benefit or payment received in any form  
7 28 by the pharmacy benefits manager either as a result of a  
7 29 prescription drug substitution or as a result of the pharmacy  
7 30 benefits manager substituting a lower priced generic and  
7 31 therapeutically equivalent drug for a higher priced prescribed  
7 32 drug.

7 33 2. A pharmacy benefits manager shall obtain the approval  
7 34 of the prescribing practitioner prior to requesting any  
7 35 substitution under this section.



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8 1 3. A pharmacy benefits manager shall not substitute an  
8 2 equivalent prescription drug contrary to a prescription drug  
8 3 order that prohibits a substitution.

8 4 Sec. 9. NEW SECTION. 155B.9 CIVIL ACTION == ENFORCEMENT  
8 5 OF CHAPTER == DAMAGES.

8 6 A covered entity may bring a civil action to enforce a  
8 7 provision of this chapter or to seek civil damages for a  
8 8 violation of a provision of this chapter.

8 9 Sec. 10. NEW SECTION. 155B.10 APPLICATION OF CHAPTER TO  
8 10 CERTAIN CONTRACTS.

8 11 The provisions of this chapter apply only to pharmacy  
8 12 benefits management services contracts entered into or renewed  
8 13 on or after July 1, 2007.

8 14 Sec. 11. NEW SECTION. 155B.11 DUTIES TO PHARMACY NETWORK  
8 15 PROVIDERS.

8 16 1. A pharmacy benefits manager shall not mandate basic  
8 17 recordkeeping that is more stringent than that required by  
8 18 state or federal law or regulation.

8 19 2. If a pharmacy benefits manager receives notice from a  
8 20 covered entity of termination of the covered entity's  
8 21 contract, the pharmacy benefits manager shall notify, within  
8 22 ten working days of the notice, all pharmacy network providers  
8 23 of the effective date of the termination.

8 24 3. Within twenty-four hours of a price increase  
8 25 notification by a manufacturer or supplier, a pharmacy  
8 26 benefits manager shall adjust its payment to the pharmacy  
8 27 network provider consistent with the price increase.

8 28 EXPLANATION

8 29 This bill provides for the regulation of pharmacy benefits  
8 30 managers. The bill provides definitions, requires that a  
8 31 pharmacy benefits manager in this state obtain an annual  
8 32 license from the commissioner of insurance, and directs the  
8 33 commissioner of insurance to adopt rules relating to  
8 34 definition of terms, use of prescribed forms, reporting  
8 35 requirements, enforcement procedures, and protection of  
9 1 proprietary information and trade secrets.

9 2 The bill requires pharmacy benefits managers to perform  
9 3 their duties exercising good faith and fair dealing toward the  
9 4 covered entity and covered individuals.

9 5 The bill provides that a covered entity may request that a  
9 6 pharmacy benefits manager with which it has a contract for  
9 7 pharmacy benefits management disclose to the covered entity  
9 8 the amount of all rebate revenues and the nature, type, and  
9 9 amounts of all other revenues that the pharmacy benefits  
9 10 manager receives from each pharmaceutical manufacturer or  
9 11 labeler with whom the pharmacy benefits manager has a  
9 12 contract. The bill specifies the information that the  
9 13 pharmacy benefits manager is to disclose in writing, requires  
9 14 the pharmacy benefits manager to provide the information  
9 15 requested by the covered entity within 30 days of receipt of  
9 16 the request, provides that the information is to be provided  
9 17 no less than once each year, and requires that the contract  
9 18 entered into between the pharmacy benefits manager and the  
9 19 covered entity specify any fees to be charged for drug  
9 20 utilization reports requested by the covered entity.

9 21 The bill prohibits a pharmacy benefits manager from



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9 22 contacting a covered individual without the express written  
9 23 permission of the covered entity, unless authorized pursuant  
9 24 to the terms of its contract with a covered entity.  
9 25     The bill provides that with the exception of utilization  
9 26 information, a covered entity is required to maintain any  
9 27 information disclosed in response to a request as confidential  
9 28 and proprietary information and prohibits the covered entity  
9 29 from using any such information for any other purpose or  
9 30 disclosing such information to any other person except as  
9 31 provided in the bill or in the contract between the pharmacy  
9 32 benefits manager and the covered entity. The bill provides  
9 33 that any covered entity that discloses information in  
9 34 violation of the bill is subject to an action for injunctive  
9 35 relief and is liable for any damages which are the direct and



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10 1 proximate result of such disclosure. The bill provides that  
10 2 the prohibition against disclosure of information provided  
10 3 does not prohibit a covered entity from disclosing  
10 4 confidential or proprietary information to the commissioner of  
10 5 insurance, upon request, but also provides that any such  
10 6 information obtained by the commissioner is confidential and  
10 7 privileged and is not open to public inspection or disclosure.  
10 8 The bill provides for auditing of the pharmacy benefits  
10 9 manager, and provides that the pharmacy benefits manager may  
10 10 request a substitution for a prescribed drug to a covered  
10 11 individual, with certain limitations.  
10 12 The bill provides that a covered entity may bring a civil  
10 13 action to enforce the provisions of the bill or seek civil  
10 14 damages for a violation of the bill. The bill provides that  
10 15 the provisions of the bill apply only to pharmacy benefits  
10 16 management services contracts entered into or renewed on or  
10 17 after July 1, 2007.  
10 18 LSB 1827HC 82  
10 19 pf:nh/gg/14



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# House Study Bill 93

SENATE/HOUSE FILE  
BY (PROPOSED DEPARTMENT OF  
INSPECTIONS AND APPEALS  
BILL)

Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

## A BILL FOR

1 An Act relating to the regulation of hospitals and health care  
2 facilities by the department of inspections and appeals,  
3 including investigations of complaints against health care  
4 facilities and rules relating to authentication of certain  
5 orders by practitioners, and providing an immediate effective  
6 date.

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

8 TLSB 1380XD 82

9 nh/je/5



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1 1 Section 1. Section 135C.38, subsection 1, paragraph a,  
1 2 Code 2007, is amended to read as follows:

1 3 a. Upon receipt of a complaint made in accordance with  
1 4 section 135C.37, the department or resident advocate committee  
1 5 shall make a preliminary review of the complaint. Unless the  
1 6 department or committee concludes that the complaint is  
1 7 intended to harass a facility or a licensee or is without  
1 8 reasonable basis, ~~it~~ the department or committee shall within  
~~1 9 twenty working days of receipt of the complaint~~ make or cause  
1 10 to be made an on-site inspection of the health care facility  
1 11 which is the subject of the complaint. within the time period  
1 12 determined pursuant to the following guidelines, which period  
1 13 shall commence on the date of receipt of the complaint:

1 14 (1) For nursing facilities, the United States department  
1 15 of health and human services, centers for Medicare and  
1 16 Medicaid services, publication number 100=07, state operations  
1 17 manual, chapter 5.

1 18 (2) For intermediate care facilities for the mentally  
1 19 retarded, the United States department of health and human  
1 20 services, centers for Medicare and Medicaid services,  
1 21 publication number 100=07, state operations manual, chapter 5,  
1 22 except that for allegations of abuse or harm, an on-site  
1 23 inspection shall be initiated within twenty working days.

1 24 (3) For all other types of health care facilities, the  
1 25 same as provided for intermediate care facilities for the  
1 26 mentally retarded in subparagraph (2).

1 27 Sec. 2. 2001 Iowa Acts, chapter 93, section 2, is  
1 28 repealed.

1 29 Sec. 3. EFFECTIVE DATE. The section of this Act repealing  
1 30 2001 Iowa Acts, chapter 93, section 2, being deemed of  
1 31 immediate importance, takes effect upon enactment.

1 32 EXPLANATION

1 33 This bill relates to the regulation of hospitals and health  
1 34 care facilities by the department of inspections and appeals.

1 35 The bill modifies the required time frames for initiating



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2 1 investigations into complaints against health care facilities.  
2 2 The bill removes the requirement that such investigations  
2 3 commence within 20 days of receipt of a complaint and makes  
2 4 the time frames consistent with federal requirements.  
2 5 The bill repeals a sunset provision that would have  
2 6 repealed, as of June 30, 2007, a provision directing the  
2 7 department to adopt rules that require hospitals to establish  
2 8 procedures for authentication of medication and standing  
2 9 orders by a practitioner within a period not to exceed 30 days  
2 10 following a patient's discharge. This section of the bill  
2 11 takes effect upon enactment.  
2 12 LSB 1380XD 82  
2 13 nh:sc/je/5.1



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# House Study Bill 94

HOUSE FILE  
BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL BY  
CHAIRPERSON SWAIM)

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

### A BILL FOR

- 1 An Act relating to communications made in professional confidence
- 2 concerning health care and health care records and providing
- 3 for fees.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 1774HC 82
- 6 rh/je/5



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1 1 Section 1. Section 622.10, subsection 3, paragraphs a, d,  
1 2 and e, Code 2007, are amended to read as follows:

1 3 a. In a civil action in which the condition of the  
1 4 plaintiff in whose favor the prohibition is made is an element  
1 5 or factor of the claim or defense of the adverse party or of  
1 6 any party claiming through or under the adverse party, the  
1 7 adverse party shall make a written request for records  
1 8 relating to the condition alleged upon the plaintiff's counsel  
1 9 for a legally sufficient patient's waiver under federal and  
1 10 state law. Upon receipt of a written request, the plaintiff  
1 11 shall execute ~~the~~ a legally sufficient patient's waiver and  
1 12 release it to the adverse party making the request within  
1 13 sixty days of receipt of the written request. The patient's  
1 14 waiver may require a physician or surgeon, physician  
1 15 assistant, advanced registered nurse practitioner, or mental  
1 16 health professional to do all of the following:

1 17 (1) Provide a complete copy of the patient's records  
1 18 including, but not limited to, any reports or diagnostic  
1 19 imaging relating to the condition alleged.

1 20 (2) Consult with the attorney for the adverse party prior  
1 21 to providing testimony regarding the plaintiff's medical  
1 22 history and the condition alleged and opinions regarding  
1 23 health etiology and prognosis for the condition alleged  
1 24 subject to the limitations in ~~paragraph~~ paragraphs "c" and  
1 25 "e".

1 26 d. Any physician or surgeon, physician assistant, advanced  
1 27 registered nurse practitioner, or mental health professional  
1 28 who provides records or consults with the counsel for ~~the~~  
~~1 29 adverse~~ any party shall be entitled to charge a reasonable fee  
1 30 for production of the records, diagnostic imaging, and  
1 31 consultation. Any party seeking consultation shall be  
1 32 responsible for payment of all charges. ~~The fee fees for~~  
1 33 ~~copies of any records shall be based upon actual cost of~~  
~~1 34 production be as specified in subsection 5.~~

1 35 e. Defendant's counsel shall provide a written notice to



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2 1 plaintiff's counsel in a manner consistent with the Iowa rules  
2 2 of civil procedure providing for notice of deposition at least  
2 3 ten days prior to any meeting with plaintiff's physician or  
2 4 surgeon, physician assistant, advanced registered nurse  
2 5 practitioner, or mental health professional. Plaintiff's  
2 6 counsel has the right to be present at all such meetings, or  
2 7 participate in telephonic communication with the physician or  
2 8 surgeon, physician assistant, advanced registered nurse  
2 9 practitioner, or mental health professional and counsel for  
2 10 the defendant. Prior to scheduling any meeting or engaging in  
2 11 any communication with the physician or surgeon, physician  
2 12 assistant, advanced registered nurse practitioner, or mental  
2 13 health professional, counsel for the defendant shall confer  
2 14 with plaintiff's counsel to determine a mutually convenient  
2 15 date and time for such meeting or telephonic communication.  
2 16 Plaintiff's counsel may seek a protective order structuring  
2 17 all communication by making application to the court at any  
2 18 time.

2 19 Sec. 2. Section 622.10, subsection 4, Code 2007, is  
2 20 amended to read as follows:

2 21 4. If an adverse party desires the oral deposition, either  
2 22 discovery or evidentiary, of a physician or surgeon, physician  
2 23 assistant, advanced registered nurse practitioner, or mental  
2 24 health professional to which the prohibition would otherwise  
2 25 apply or the stenographer or confidential clerk of a physician  
2 26 or surgeon, physician assistant, advanced registered nurse  
2 27 practitioner, or mental health professional or desires to call  
2 28 a physician or surgeon, physician assistant, advanced  
2 29 registered nurse practitioner, or mental health professional  
2 30 to which the prohibition would otherwise apply or the  
2 31 stenographer or confidential clerk of a physician or surgeon,  
2 32 physician assistant, advanced registered nurse practitioner,  
2 33 or mental health professional as a witness at the trial of the  
2 34 action, the adverse party shall file an application with the  
2 35 court for permission to do so. The court upon hearing, which



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3 1 shall not be ex parte, shall grant permission unless the court  
3 2 finds that the evidence sought does not relate to the  
3 3 condition alleged ~~and~~. At the request of any party or at the  
3 4 request of the deponent, the court shall fix a reasonable fee  
3 5 to be paid to the a physician or surgeon, physician assistant,  
3 6 advanced registered nurse practitioner, or mental health  
3 7 professional by the party taking the deposition or calling the  
3 8 witness.

3 9 Sec. 3. Section 622.10, Code 2007, is amended by adding  
3 10 the following new subsection:

3 11 NEW SUBSECTION. 4A. At any time, upon a written request  
3 12 from a patient, a patient's representative, or an adverse  
3 13 party pursuant to subsection 3, accompanied by a legally  
3 14 sufficient patient's waiver, any physician or surgeon,  
3 15 physician assistant, advanced registered nurse practitioner,  
3 16 mental health professional, hospital, nursing home, or other  
3 17 person, entity, facility, or organization that furnishes,  
3 18 bills, or pays for health care in the normal course of  
3 19 business, shall provide copies of the requested records or  
3 20 images to the requestor within thirty days of receipt of the  
3 21 written request. Except as provided in paragraph "e", a fee  
3 22 may be charged for the cost of producing such copies or images  
3 23 but the fee shall not exceed the following:

3 24 a. For printed or photocopied records, twelve cents per  
3 25 single-sided page or seventeen cents per double-sided page.

3 26 b. For images provided in a nonelectronic format including  
3 27 but not limited to X rays, diagnostic images, photographs, or  
3 28 other graphic image records, the actual cost of materials and  
3 29 supplies used to produce the copies of such images, or ten  
3 30 dollars per item, whichever is less.

3 31 c. For electronically scanned or produced records or  
3 32 images, the actual cost of the materials and supplies incurred  
3 33 in producing the physical media in which the electronic  
3 34 records or images are stored, or five dollars per physical  
3 35 media necessary to hold the data, whichever is less.



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4 1 d. If applicable, the actual cost of postage or delivery  
4 2 charges incurred may be added to the amounts charged in  
4 3 paragraphs "a" through "c".

4 4 e. A patient or a patient's representative is entitled to  
4 5 a copy free of charge of the patient's complete billing or  
4 6 accounting statement showing all charges, payments,  
4 7 adjustments, and write-offs, including the dates and sources  
4 8 thereof, subject only to a charge for the actual costs of  
4 9 postage and delivery charges incurred in providing the  
4 10 statement.

4 11 Fees charged pursuant to this subsection are not subject to  
4 12 a sales or use tax. A physician or surgeon, physician  
4 13 assistant, advanced registered nurse practitioner, mental  
4 14 health professional, hospital, nursing home, or other person,  
4 15 entity, facility, or organization providing the records or  
4 16 images may require payment in advance if an itemized statement  
4 17 demanding such is provided to the requesting party within  
4 18 fifteen days of the request. Upon a timely request for  
4 19 payment in advance, the time for providing the records or  
4 20 images shall be extended until the greater of thirty days from  
4 21 the date of the original request or ten days from the receipt  
4 22 of payment.

4 23 EXPLANATION

4 24 This bill relates to communications made in professional  
4 25 confidence concerning health care and health care records and  
4 26 provides for fees.

4 27 The bill provides that in a civil action in which the  
4 28 health condition of a plaintiff is an element or factor of the  
4 29 claim or defense, defendant's counsel and plaintiff's counsel  
4 30 shall determine a mutually convenient date and time for any  
4 31 meeting or telephonic communication with the physician or  
4 32 surgeon, physician assistant, advanced registered nurse  
4 33 practitioner, or mental health professional. In addition, the  
4 34 bill provides that if an adverse party desires the oral  
4 35 deposition, either discovery or evidentiary, of a physician or



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5 1 surgeon, physician assistant, advanced registered nurse  
5 2 practitioner, or mental health professional, or the  
5 3 stenographer or confidential clerk of a physician or surgeon,  
5 4 physician assistant, advanced registered nurse practitioner,  
5 5 or mental health professional or desires to call a physician  
5 6 or surgeon, physician assistant, advanced registered nurse  
5 7 practitioner, or mental health professional, or the  
5 8 stenographer or confidential clerk of a physician or surgeon,  
5 9 physician assistant, advanced registered nurse practitioner,  
5 10 or mental health professional as a witness at the trial of the  
5 11 civil action, upon request of either party or the person being  
5 12 deposed, the court shall fix a reasonable fee to be paid to a  
5 13 physician or surgeon, physician assistant, advanced registered  
5 14 nurse practitioner, or mental health professional by the party  
5 15 taking the deposition or calling the witness.

5 16 The bill provides that an adverse party in a civil action  
5 17 in which the health condition of a plaintiff is an element or  
5 18 factor of the claim or defense, an adverse party who requests  
5 19 records relating to the condition of the plaintiff or a  
5 20 patient or a patient's representative not involved in a civil  
5 21 action but who desires a copy of the patient's health records  
5 22 shall be charged a fee for production of the health records,  
5 23 which may include diagnostic imaging. The fees for copies of  
5 24 any records shall be provided within 30 days of receipt of the  
5 25 written request. The bill provides that fees charged for the  
5 26 cost of producing such copies or images shall not exceed  
5 27 certain specified costs, depending on the nature of the record  
5 28 requested. Additional costs may include the actual cost of  
5 29 postage or delivery charges. The bill also provides that a  
5 30 patient or a patient's representative is entitled to a copy  
5 31 free of charge of the patient's complete billing or accounting  
5 32 statement, subject only to a charge for the actual costs of  
5 33 postage and delivery charges incurred in providing the  
5 34 statement. In addition, the person, entity, facility, or  
5 35 organization providing the records or images may require



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6 1 payment in advance and the time for providing the records or  
6 2 images shall be extended until the greater of 30 days from the  
6 3 date of the original request or 10 days from the receipt of  
6 4 payment.  
6 5 LSB 1774HC 82  
6 6 rh:rj/je/5



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# House Study Bill 95

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON  
 JUDICIARY BILL BY  
 CHAIRPERSON SWAIM)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
                   Approved

**A BILL FOR**

1 An Act relating to a parent's cause of action for the recovery of  
 2 expenses and actual loss of services, companionship, and  
 3 society resulting from the injury to or death of a child and  
 4 including an applicability date provision.  
 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
 6 TLSB 2057HC 82  
 7 rh/je/5



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1 1 Section 1. NEW SECTION. 613.15A INJURY TO OR DEATH OF A  
1 2 CHILD.

1 3 A parent or the parents of a child may recover for the  
1 4 expense and actual loss of services, companionship, and  
1 5 society resulting from injury to or death of the child,  
1 6 regardless of the child's age.

1 7 Sec. 2. APPLICABILITY. This Act applies to all actions  
1 8 filed on or after the effective date of this Act.

1 9 EXPLANATION

1 10 This bill provides that a parent or the parents of a child  
1 11 may recover for the expense and actual loss of services,  
1 12 companionship, and society resulting from injury to or death  
1 13 of the child whether over or under the age of 18, the age of  
1 14 majority in Iowa.

1 15 The bill applies to all cases filed on or after the  
1 16 effective date of the bill.

1 17 LSB 2057HC 82

1 18 rh:nh/je/5.1



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**House Study Bill 96**

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON  
 JUDICIARY BILL BY  
 CHAIRPERSON SWAIM)

Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
           Approved

Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

**A BILL FOR**

- 1 An Act relating to the consideration of inherited or gifted
- 2    property in dissolution-of-marriage property division
- 3    proceedings.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 1826HC 82
- 6 pf/es/88



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1 1 Section 1. Section 598.21, subsection 5, unnumbered  
1 2 paragraph 1, Code 2007, is amended to read as follows:  
1 3 The court shall divide all property, except inherited  
1 4 property or gifts received or expected by one party, equitably  
1 5 between the parties after considering all of the following:  
1 6 Sec. 2. Section 598.21, subsection 5, paragraph i, Code  
1 7 2007, is amended to read as follows:  
1 8 i. Other economic circumstances of each party, including  
1 9 pension benefits, vested or unvested, ~~and future interests.~~  
1 10 Future interests may be considered, but expectancies and  
1 11 future interests arising from inherited or gifted property  
1 12 shall not be considered.

1 13 EXPLANATION  
1 14 This bill provides that in the division of property under a  
1 15 dissolution of marriage, in addition to the court not  
1 16 including inherited property or gifts received by one party,  
1 17 the court is not to include inherited or gifted property  
1 18 expected by one party. Also, with regard to the consideration  
1 19 of future interests, the bill provides that expectancies and  
1 20 future interests arising from inherited or gifted property are  
1 21 not to be considered in the division of property.  
1 22 LSB 1826HC 82  
1 23 pf:rj/es/88



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House Study Bill 97

SENATE/HOUSE FILE  
 BY (PROPOSED DEPARTMENT OF  
 WORKFORCE DEVELOPMENT  
 BILL)

Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
 Approved

Passed House, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

A BILL FOR

- 1 An Act relating to registration of construction contractors.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 3 TLSB 1415DP 82
- 4 ak/gg/14



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1 1 Section 1. Section 91C.4, Code 2007, is amended to read as  
1 2 follows:

1 3 91C.4 FEES.

1 4 The labor commissioner shall prescribe the fee for  
1 5 registration, which fee shall not exceed ~~twenty-five~~  
1 6 seventy-five dollars for in-state registrations every two  
1 7 years and one hundred fifty dollars for out-of-state  
1 8 registrations every two years. All fees collected shall be  
1 9 deposited in the general fund of the state.

1 10 Sec. 2. Section 91C.5, Code 2007, is amended to read as  
1 11 follows:

1 12 91C.5 PUBLIC REGISTRATION NUMBER == RECORDS.

1 13 The labor commissioner shall issue to each registered  
1 14 contractor an identifying public registration number and shall  
1 15 compile records showing the names and public registration  
1 16 numbers of all contractors registered in the state. These  
1 17 records and the complete registration information provided by  
1 18 each contractor are public records ~~and the,~~ except that the  
1 19 labor commissioner shall not disclose social security, federal  
1 20 identification, and unemployment insurance numbers. The labor  
1 21 commissioner shall take steps as necessary to facilitate  
1 22 access to the information by governmental agencies and the  
1 23 general public. Contractors are required to visibly display  
1 24 their registration number on all advertising.

~~1 25 The labor commissioner shall revoke a registration number  
1 26 when the contractor fails to maintain compliance with the  
1 27 conditions necessary to obtain a registration. The labor  
1 28 commissioner shall provide a fact-finding interview to assure  
1 29 that the contractor is not in compliance before revoking any  
1 30 registration. Hearings on revocation of registrations shall  
1 31 be held in accordance with section 91C.8.~~

1 32 Sec. 3. Section 91C.8, Code 2007, is amended by adding the  
1 33 following new subsection:

1 34 NEW SUBSECTION. 10. The labor commissioner shall revoke a  
1 35 contractor's registration number if the contractor fails to



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House Study Bill 97 continued

2 1 maintain compliance with the conditions necessary to obtain  
2 2 registration or if a contractor owes money to the Iowa  
2 3 division of labor for citations issued pertaining to the  
2 4 contractor registration law. The labor commissioner shall  
2 5 provide a fact-finding interview to ensure that the contractor  
2 6 is not in compliance before revoking registration. Hearings  
2 7 on revocation of registrations shall be held in accordance  
2 8 with this section.

2 9 EXPLANATION

2 10 This bill increases construction contractor registration  
2 11 fees to \$75 every two years for in-state contractors and to  
2 12 \$150 every two years for out-of-state contractors.

2 13 The bill prevents the public disclosure of a contractor's  
2 14 social security number, federal identification number, and  
2 15 unemployment insurance number. The bill requires that  
2 16 contractors display their registration numbers on all  
2 17 advertising.

2 18 The bill places into a new subsection the current  
2 19 guidelines for revoking a contractor's registration number.  
2 20 The bill also creates a new basis for revocation by requiring  
2 21 the labor commissioner to revoke a registration number if a  
2 22 contractor owes money to the division of labor for citations  
2 23 related to the contractor registration law.

2 24 LSB 1415DP 82

2 25 ak:sc/gg/14.1



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**House Study Bill 98**

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON LABOR  
 BILL BY CHAIRPERSON OLSON)

Passed House, Date _____	Passed Senate, Date _____
Vote: Ayes _____ Nays _____	Vote: Ayes _____ Nays _____
Approved	

**A BILL FOR**

- 1 An Act relating to proceedings to reopen an award or agreement
- 2 for settlement of workers' compensation benefits.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1823YC 82
- 5 av/je/5



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House Study Bill 98 continued

PAG LIN

1 1 Section 1. Section 86.14, subsection 2, Code 2007, is  
1 2 amended to read as follows:  
1 3 2. In a proceeding to reopen an award for payments or  
1 4 agreement for settlement as provided by section 86.13, inquiry  
1 5 shall be into whether or not the condition of the employee  
1 6 warrants an end to, diminishment of, or increase of  
1 7 compensation so awarded or agreed upon. A factor that could  
1 8 have been considered by the parties in assessing the extent of  
1 9 the reduction in the employee's earning capacity and that  
1 10 existed or was known about by the parties at the time of the  
1 11 prior award or agreement for settlement shall not bar a  
1 12 proceeding to reopen the award or agreement unless the factor  
1 13 was considered by the parties at the time of the award or  
1 14 agreement and was properly reflected in the amount of  
1 15 compensation paid. Such factors shall include but are not  
1 16 limited to a change in the claimant's underlying medical  
1 17 condition, cessation of accommodation by the claimant's  
1 18 employer, a change in economic factors, or a change in other  
1 19 factors considered in assessing the extent of the reduction in  
1 20 the employee's earning capacity.

1 21 EXPLANATION  
1 22 This bill amends Code section 86.14 to provide that a  
1 23 factor that could have been considered in assessing the extent  
1 24 of the reduction in the employee's earning capacity and that  
1 25 existed or was known about by the parties at the time of a  
1 26 prior award or agreement for settlement does not bar a  
1 27 proceeding to reopen such award or agreement unless the factor  
1 28 was considered and properly reflected in the amount of  
1 29 compensation paid.  
1 30 LSB 1823YC 82  
1 31 av:rj/je/5



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# House Study Bill 99

HOUSE FILE  
 BY (PROPOSED COMMITTEE ON LABOR  
 BILL BY CHAIRPERSON OLSON)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
                   Approved

**A BILL FOR**

- 1 An Act concerning successive disabilities and successor employers
- 2 for purposes of workers' compensation laws.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1819YC 82
- 5 av/je/5



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House Study Bill 99 continued

PAG LIN

1 1 Section 1. Section 85.34, subsection 7, Code 2007, is  
1 2 amended by striking the subsection.  
1 3 Sec. 2. Section 85.61, subsection 2, Code 2007, is amended  
1 4 by adding the following new unnumbered paragraph:  
1 5 NEW UNNUMBERED PARAGRAPH. A successor employer shall be  
1 6 considered to be the same employer if the employee became part  
1 7 of the successor employer's workforce through a merger,  
1 8 purchase, or other transaction that assumes the employee into  
1 9 the successor employer's workforce without substantially  
1 10 changing the nature of the employee's employment.

1 11 EXPLANATION

1 12 This bill amends workers' compensation laws concerning  
1 13 successive disabilities and successor employers.  
1 14 Code section 85.34, subsection 7, which relates to  
1 15 determining liability for successive disabilities is stricken.  
1 16 Code section 85.61 is amended to provide that a successor  
1 17 employer is considered to be the same employer of an employee  
1 18 who becomes part of the successor employer's workforce through  
1 19 a merger, purchase, or other transaction without a substantial  
1 20 change in the nature of the employee's employment.  
1 21 LSB 1819YC 82  
1 22 av:rj/je/5



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## Senate Amendment 3011

PAG LIN

1 1 Amend Senate File 61 as follows:  
1 2 #1. Page 2, line 6, by striking the words <or  
1 3 familial status> and inserting the following:  
1 4 <familial status, or expression protected under the  
1 5 provisions of the first amendment to the Constitution  
1 6 of the United States>.  
1 7  
1 8  
1 9  
1 10 DAVID HARTSUCH  
1 11 SF 61.202 82  
1 12 kh/es/6175  
1 13  
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## Senate Amendment 3012

PAG LIN

1 1 Amend Senate File 61 as follows:  
1 2 #1. Page 3, by inserting after line 35 the  
1 3 following:  
1 4 <\_\_\_. CONSTRUCTION. As this section relates to  
1 5 the authorities in charge of a nonpublic school, the  
1 6 section shall not be construed to inhibit the teaching  
1 7 or consideration of doctrinal matters, whether the  
1 8 ritual and liturgy of worship or the tenets of faith  
1 9 by a functional minister or ministerial employee  
1 10 employed to perform the school's spiritual functions.>  
1 11 #2. By renumbering as necessary.  
1 12  
1 13  
1 14  
1 15 JEFF ANGELO  
1 16 BRAD ZAUN  
1 17 SF 61.304 82  
1 18 kh/cf/6198  
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**Senate File 63 - Introduced**

SENATE FILE  
BY JOHNSON

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays  
Approved

**A BILL FOR**

1 An Act providing for the biennial election of directors of local  
2 school districts, area education agencies, and merged areas  
3 and including effective date, applicability date, and  
4 transition provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TL5B 1176SS 82  
7 sc/je/5



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Senate File 63 - Introduced continued

PAG LIN

1 1 Section 1. Section 39.24, Code 2007, is amended to read as  
1 2 follows:

1 3 39.24 SCHOOL OFFICERS.

1 4 Members of boards of directors of community and independent  
1 5 school districts, and boards of directors of merged areas  
1 6 shall be elected at the school election. Their terms of  
1 7 office shall be ~~three~~ four years, except as otherwise provided  
1 8 by section 260C.11, 260C.13, ~~or~~ 275.23A, 275.37, or 275.37A.

1 9 Sec. 2. Section 260C.11, unnumbered paragraph 1, Code  
1 10 2007, is amended to read as follows:

1 11 The governing board of a merged area is a board of  
1 12 directors composed of one member elected from each director  
1 13 district in the area by the electors of the respective  
1 14 district. Members of the board shall be residents of the  
1 15 district from which elected. Successors shall be chosen at  
1 16 the ~~annual~~ regular school elections for members whose terms  
1 17 expire. The term of a member of the board of directors is  
1 18 ~~three~~ four years and commences at the organization meeting.  
1 19 Vacancies on the board shall be filled at the next regular  
1 20 meeting of the board by appointment by the remaining members  
1 21 of the board. A member so chosen shall be a resident of the  
1 22 district in which the vacancy occurred and shall serve until a  
1 23 member is elected pursuant to section 69.12 to fill the  
1 24 vacancy for the balance of the unexpired term. A vacancy is  
1 25 defined in section 277.29. A member shall not serve on the  
1 26 board of directors who is a member of a board of directors of  
1 27 a local school district or a member of an area education  
1 28 agency board.

1 29 Sec. 3. Section 260C.12, unnumbered paragraph 1, Code  
1 30 2007, is amended to read as follows:

1 31 The board of directors of the merged area shall organize at  
1 32 the first regular meeting in October ~~of each year~~ following  
1 33 the regular school election. Organization of the board shall  
1 34 be effected by the election of a president and other officers  
1 35 from the board membership as board members determine. The



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2 1 board of directors shall appoint a secretary and a treasurer  
2 2 who shall each give bond as prescribed in section 291.2 and  
2 3 who shall each receive the salary determined by the board.  
2 4 The secretary and treasurer shall perform duties under chapter  
2 5 291 and additional duties the board of directors deems  
2 6 necessary. However, the board may appoint one person to serve  
2 7 as the secretary and treasurer. If one person serves as the  
2 8 secretary and treasurer, only one bond is necessary for that  
2 9 person. The frequency of meetings other than organizational  
2 10 meetings shall be as determined by the board of directors but  
2 11 the president or a majority of the members may call a special  
2 12 meeting at any time.

2 13 Sec. 4. Section 260C.13, subsection 1, Code 2007, is  
2 14 amended to read as follows:

2 15 1. The board of a merged area may change the number of  
2 16 directors on the board and shall make corresponding changes in  
2 17 the boundaries of director districts. Changes shall be  
2 18 completed not later than June 1 ~~for the regular school~~  
~~2 19 election to be held the next following September of the year~~  
2 20 of the regular school election. As soon as possible after  
2 21 adoption of the boundary changes, notice of changes in the  
2 22 director district boundaries shall be submitted by the merged  
2 23 area to the county commissioner of elections in all counties  
2 24 included in whole or in part in the merged area.

2 25 Sec. 5. Section 260C.15, subsection 1, Code 2007, is  
2 26 amended to read as follows:

2 27 1. Regular elections held ~~annually~~ by the merged area for  
2 28 the election of members of the board of directors as required  
2 29 by section 260C.11, for the renewal of the twenty and  
2 30 one-fourth cents per thousand dollars of assessed valuation  
2 31 levy authorized in section 260C.22, or for any other matter  
2 32 authorized by law and designated for election by the board of  
2 33 directors of the merged area, shall be held on the date of the  
2 34 school election as fixed by section 277.1. The election  
2 35 notice shall be made a part of the local school election



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3 1 notice published as provided in section 49.53 in each local  
3 2 school district where voting is to occur in the merged area  
3 3 election and the election shall be conducted by the county  
3 4 commissioner of elections pursuant to chapters 39 to 53 and  
3 5 section 277.20.  
3 6 Sec. 6. Section 260C.22, subsection 1, paragraph a, Code  
3 7 2007, is amended to read as follows:  
3 8 a. In addition to the tax authorized under section  
3 9 260C.17, the voters in ~~any~~ a merged area may at the ~~annual~~  
3 10 regular school election vote a tax not exceeding twenty and  
3 11 one-fourth cents per thousand dollars of assessed value in any  
3 12 one year for a period not to exceed ten years for the purchase  
3 13 of grounds, construction of buildings, payment of debts  
3 14 contracted for the construction of buildings, purchase of  
3 15 buildings and equipment for buildings, and the acquisition of  
3 16 libraries, for the purpose of paying costs of utilities, and  
3 17 for the purpose of maintaining, remodeling, improving, or  
3 18 expanding the community college of the merged area. If the  
3 19 tax levy is approved under this section, the costs of  
3 20 utilities shall be paid from the proceeds of the levy. The  
3 21 tax shall be collected by the county treasurers and remitted  
3 22 to the treasurer of the merged area as provided in section  
3 23 331.552, subsection 29. The proceeds of the tax shall be  
3 24 deposited in a separate and distinct fund to be known as the  
3 25 voted tax fund, to be paid out upon warrants drawn by the  
3 26 president and secretary of the board of directors of the  
3 27 merged area district for the payment of costs incurred in  
3 28 providing the school facilities for which the tax was voted.  
3 29 Sec. 7. Section 273.8, subsection 1, Code 2007, is amended  
3 30 to read as follows:  
3 31 1. BOARD OF DIRECTORS. The board of directors of an area  
3 32 education agency shall consist of not less than five nor more  
3 33 than nine members, each a resident of and elected in the  
3 34 manner provided in this section from a director district that  
3 35 is approximately equal in population to the other director



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4 1 districts in the area education agency. Each director shall  
4 2 serve a ~~three-year~~ four-year term which commences at the  
4 3 ~~organization~~ organizational meeting.

4 4 Sec. 8. Section 273.8, subsection 2, paragraphs a and b,  
4 5 Code 2007, are amended to read as follows:

4 6 a. Notice of the election shall be published by the area  
4 7 education agency administrator not later than July 15 of the  
4 8 odd-numbered year in at least one newspaper of general  
4 9 circulation in the director district. The cost of publication  
4 10 shall be paid by the area education agency.

4 11 b. A candidate for election to the area education agency  
4 12 board shall file a statement of candidacy with the area  
4 13 education agency secretary not later than August 15 of the  
4 14 odd-numbered year, on forms prescribed by the department of  
4 15 education. The statement of candidacy shall include the  
4 16 candidate's name, address, and school district. The list of  
4 17 candidates shall be sent by the secretary of the area  
4 18 education agency in ballot form by certified mail to the  
4 19 presidents of the boards of directors of all school districts  
4 20 within the director district not later than September 1. In  
4 21 order for the ballot to be counted, the ballot must be  
4 22 received in the secretary's office by the end of the normal  
4 23 business day on September 30 or be clearly postmarked by an  
4 24 officially authorized postal service not later than September  
4 25 29 and received by the secretary not later than noon on the  
4 26 first Monday following September 30.

4 27 Sec. 9. Section 273.8, subsection 4, unnumbered paragraph  
4 28 1, Code 2007, is amended to read as follows:

4 29 The board of directors of each area education agency shall  
4 30 meet and organize at the first regular meeting in October ~~of~~  
4 31 ~~each year~~ following the regular school election at a suitable  
4 32 place designated by the president. Directors whose terms  
4 33 commence at the ~~organization~~ organizational meeting shall  
4 34 qualify by taking the oath of office required by section  
4 35 277.28 at or before the ~~organization~~ organizational meeting.



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5 1 Sec. 10. Section 273.8, subsection 7, Code 2007, is  
5 2 amended to read as follows:  
5 3 7. BOUNDARY LINE CHANGES. To the extent possible, the  
5 4 board shall provide that changes in the boundary lines of  
5 5 director districts of area education agencies shall not  
5 6 lengthen or diminish the term of office of a director of an  
5 7 area education agency board. Initial terms of office shall be  
5 8 set by the board so that as nearly as possible the terms of  
5 9 ~~one-third~~ one-half of the members expire ~~annually~~ biennially.  
5 10 Sec. 11. Section 274.7, Code 2007, is amended to read as  
5 11 follows:  
5 12 274.7 DIRECTORS.  
5 13 The affairs of each school corporation shall be conducted  
5 14 by a board of directors, the members of which in all community  
5 15 or independent school districts shall be chosen for a term of  
5 16 ~~three~~ four years.  
5 17 Sec. 12. Section 275.1, subsections 2 and 5, Code 2007,  
5 18 are amended to read as follows:  
5 19 2. "Initial board" means the board of a newly reorganized  
5 20 district that is selected pursuant to section 275.25 or 275.41  
5 21 and functions until the organizational meeting following the  
5 22 ~~fourth~~ third regular school election held after the effective  
5 23 date of the reorganization.  
5 24 5. "Regular board" means the board of a reorganized  
5 25 district that begins to function at the organizational meeting  
5 26 following the ~~fourth~~ third regular school election held after  
5 27 the effective date of the school reorganization, and is  
5 28 comprised of members who were elected to the current terms or  
5 29 were appointed to replace members who were elected.  
5 30 Sec. 13. Section 275.12, subsection 2, paragraphs b, c, d,  
5 31 and e, Code 2007, are amended to read as follows:  
5 32 b. Division of the entire school district into designated  
5 33 geographical single director or multi-director subdistricts on  
5 34 the basis of population for each director, to be known as  
5 35 director districts, each of which ~~director districts~~ shall be



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6 1 represented on the school board by one or more directors who  
6 2 shall be residents of the director district but who shall be  
6 3 elected by the vote of the electors of the entire school  
6 4 district. The boundaries of the director districts and the  
6 5 area and population included within each district shall be  
6 6 such as justice, equity, and the interests of the people may  
6 7 require. Changes in the boundaries of director districts  
6 8 shall not be made during a period commencing sixty days prior  
6 9 to the date of the ~~annual~~ regular school election. ~~Insofar As~~  
6 10 ~~far as may be practicable~~, the boundaries of the districts  
6 11 shall follow established political or natural geographical  
6 12 divisions.

6 13 c. Election of not more than one-half of the total number  
6 14 of school directors at large from the entire district and the  
6 15 remaining directors from and as residents of designated  
6 16 single-member or multimember director districts into which the  
6 17 entire school district shall be divided on the basis of  
6 18 population for each director. In such case, all directors  
6 19 shall be elected by the electors of the entire school  
6 20 district. Changes in the boundaries of director districts  
6 21 shall not be made during a period commencing sixty days prior  
6 22 to the date of the ~~annual~~ regular school election.

6 23 d. Division of the entire school district into designated  
6 24 geographical single director or multi-director subdistricts on  
6 25 the basis of population for each director, to be known as  
6 26 director districts, each of which ~~director districts~~ shall be  
6 27 represented on the school board by one or more directors who  
6 28 shall be residents of the director district and who shall be  
6 29 elected by the voters of the director district. Place of  
6 30 voting in the director districts shall be designated by the  
6 31 commissioner of elections. Changes in the boundaries of  
6 32 director districts shall not be made during a period  
6 33 commencing sixty days prior to the date of the ~~annual~~ regular  
6 34 school election.

6 35 e. In districts having seven directors, election of three



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7 1 directors at large by the electors of the entire district, ~~one~~  
7 2 no more than two at each ~~annual~~ regular school election, and  
7 3 election of the remaining directors as residents of and by the  
7 4 electors of individual geographic subdistricts established on  
7 5 the basis of population and identified as director districts,  
7 6 no more than two at a regular school election. Boundaries of  
7 7 the subdistricts shall follow precinct boundaries, ~~insofar as~~  
7 8 far as practicable, and shall not be changed less than sixty  
7 9 days prior to the ~~annual~~ regular school election.  
7 10 Sec. 14. Section 275.25, subsection 3, Code 2007, is  
7 11 amended to read as follows:  
7 12 3. The directors who are elected and qualify to serve  
7 13 shall serve until their successors are elected and qualify.  
7 14 At the special election, the newly elected ~~director~~ directors  
7 15 receiving the most votes shall be elected to serve until ~~the~~  
7 16 ~~director's successor qualifies~~ their successors qualify after  
7 17 the ~~fourth~~ third regular school election date occurring after  
7 18 the effective date of the reorganization; and the two newly  
7 19 elected directors receiving the next largest number of votes  
7 20 shall be elected to serve until the directors' successors  
7 21 qualify after the ~~third~~ second regular school election date  
7 22 occurring after the effective date of the reorganization; ~~and~~  
7 23 ~~the two newly elected directors receiving the next largest~~  
7 24 ~~number of votes shall be elected to serve until the directors'~~  
7 25 ~~successors qualify after the second regular school election~~  
7 26 ~~date occurring after the effective date of the reorganization.~~  
7 27 However, in districts that include all or a part of a city of  
7 28 fifteen thousand or more population and in districts in which  
7 29 the proposition to establish a new corporation provides for  
7 30 the election of seven directors, the ~~three newly elected~~  
7 31 ~~directors receiving the most votes shall be elected to serve~~  
7 32 ~~until the directors' successors qualify after the fourth~~  
7 33 ~~regular school election date occurring after the effective~~  
7 34 ~~date of the reorganization~~ time lines specified in this  
7 35 subsection for the terms of office apply to the four newly



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8 1 elect directors receiving the most votes and then to the  
8 2 three newly elected directors receiving the next largest  
8 3 number of votes.

8 4 Sec. 15. Section 275.37, Code 2007, is amended to read as  
8 5 follows:  
8 6 275.37 INCREASE IN NUMBER OF DIRECTORS.  
8 7 At the next succeeding ~~annual~~ regular school election in a  
8 8 district where the number of directors has been increased from  
8 9 five to seven, and directors are elected at large, there shall  
8 10 be elected a director to succeed each incumbent director whose  
8 11 term is expiring in that year, and two additional directors.  
8 12 Upon organizing as required by section 279.1, either one or  
8 13 two of the newly elected ~~director~~ directors who received the  
8 14 fewest votes in the election shall be assigned a term of  
8 15 ~~either one year or two years~~ if as necessary in order that as  
8 16 nearly as possible ~~one-third~~ one-half of the members of the  
8 17 board shall be elected ~~each year~~ biennially. If some or all  
8 18 directors are elected from director districts, the board shall  
8 19 assign terms appropriate for the method of election used by  
8 20 the district.

8 21 Sec. 16. Section 275.37A, Code 2007, is amended to read as  
8 22 follows:  
8 23 275.37A DECREASE IN NUMBER OF DIRECTORS.  
8 24 1. A change from seven to five directors shall be effected  
8 25 in a district at the first regular school election after  
8 26 authorization by the voters in the following manner:  
8 27 a. If at the first election in the district there are  
8 28 ~~three~~ four terms expiring, ~~one director~~ three directors shall  
8 29 be elected. At the second election in that district, if ~~two~~  
8 30 three terms are expiring, two directors shall be elected. ~~At~~  
8 31 ~~the third election in that district, if there are two terms~~  
8 32 ~~expiring, two directors shall be elected.~~  
8 33 b. If at the first election there are ~~two~~ three terms  
8 34 expiring, ~~no two~~ directors shall be elected. At the second  
8 35 election in that district, if ~~two~~ four terms are expiring, ~~two~~  
9 1 three directors shall be elected. ~~At the third election in~~  
9 2 ~~that district, if there are three terms expiring, three~~  
9 3 ~~directors shall be elected, two for three years and one for~~  
9 4 ~~one year. The newly elected director who received the fewest~~  
9 5 ~~votes in the election shall be assigned a term of one year.~~  
9 6 c. If at the first election there are two terms expiring,  
9 7 ~~no directors shall be elected. At the second election in that~~  
9 8 ~~district, if three terms are expiring, three directors shall~~  
9 9 ~~be elected, two for three years and one for two years. The~~  
9 10 ~~newly elected director who received the fewest votes in the~~  
9 11 ~~election shall be assigned a term of two years. At the third~~  
9 12 ~~election in that district, if there are two terms expiring,~~  
9 13 ~~two directors shall be elected.~~

9 14 2. If some or all of the directors are elected from  
9 15 director districts, the board shall devise a plan to reduce  
9 16 the number of members so that as nearly as possible ~~one-third~~  
9 17 one-half of the members of the board shall be elected ~~each~~  
9 18 ~~year~~ biennially and so that each district will be continuously  
9 19 represented.

9 20 Sec. 17. Section 275.38, Code 2007, is amended to read as  
9 21 follows:



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9 22 275.38 IMPLEMENTING CHANGED METHOD OF ELECTION.  
9 23 If change in the method of election of school directors is  
9 24 approved at a regular or special school election, the  
9 25 directors who were serving unexpired terms or were elected  
9 26 concurrently with approval of the change of method shall serve  
9 27 out the terms for which they were elected. If the plan  
9 28 adopted is that described in section 275.12, subsection 2,  
9 29 paragraph "~~b, "c, "d, or "e,~~" "b", "c", "d", or "e", the  
9 30 board shall at the earliest practicable time designate the  
9 31 districts from which residents are to be elected as school  
9 32 directors at each of the next ~~three~~ two succeeding ~~annual~~  
9 33 regular school elections, arranging so far as possible for  
9 34 elections of directors as residents of the respective  
9 35 districts to coincide with the expiration of terms of



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10 1 incumbent members residing in those districts. If an increase  
10 2 in the size of the board from five to seven members is  
10 3 approved concurrently with the change in method of election of  
10 4 directors, the board shall make the necessary adjustment in  
10 5 the manner prescribed in section 275.37, as well as providing  
10 6 for implementation of the districting plan under this section.

10 7 Sec. 18. Section 275.41, subsection 3, Code 2007, is  
10 8 amended to read as follows:

10 9 3. Prior to the effective date of the reorganization, the  
10 10 initial board shall approve a plan that commences at the  
10 11 ~~second~~ first regular school election held after the effective  
10 12 date of the merger and is completed at the ~~fourth~~ third  
10 13 regular school election held after the effective date of the  
10 14 merger, to replace the initial board with the regular board.  
10 15 If the petition specifies a number of directors on the regular  
10 16 board to be different from the number of directors on the  
10 17 initial board, the plan shall provide that the number  
10 18 specified in the petition for the regular board is in place by  
10 19 the time the regular board is formed. The plan shall provide  
10 20 that as nearly as possible ~~one-third~~ one-half of the members  
10 21 of the board shall be elected ~~each year~~ biennially, and if a  
10 22 special election was held to elect a member to create an odd  
10 23 number of members on the board, the term of that member shall  
10 24 end at the organizational meeting following the ~~fourth~~ third  
10 25 regular school election held after the effective date.

10 26 Sec. 19. Section 277.1, Code 2007, is amended to read as  
10 27 follows:

10 28 277.1 REGULAR ELECTION.

10 29 The regular election shall be held ~~annually~~ biennially on  
10 30 the second Tuesday in September of each odd-numbered year in  
10 31 each school district for the election of officers of the  
10 32 district and merged area and for the purpose of submitting to  
10 33 the voters any matter authorized by law.

10 34 Sec. 20. Section 277.25, Code 2007, is amended to read as  
10 35 follows:



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11 1 277.25 DIRECTORS IN NEW DISTRICTS.

11 2 At the first election in newly organized districts, the  
11 3 directors shall be elected as follows:

11 4 1. In districts having three directors, ~~one director~~ two  
11 5 directors shall be elected for ~~one year, one for~~ two years,  
11 6 and one for ~~three~~ four years.

11 7 2. In districts having five directors, ~~two~~ three shall be  
11 8 elected for ~~one year, two for~~ two years, and ~~one~~ two for ~~three~~  
11 9 four years.

11 10 3. In districts having seven directors, ~~two~~ four shall be  
11 11 elected for ~~one year, two for~~ two years, and three for ~~three~~  
11 12 four years.

11 13 Sec. 21. Section 278.2, unnumbered paragraph 2, Code 2007,  
11 14 is amended to read as follows:

11 15 Petitions filed under this section shall be filed with the  
11 16 secretary of the school board at least seventy-five days  
11 17 before the date of the ~~annual~~ regular school election, if the  
11 18 question is to be included on the ballot at that election.  
11 19 The petition shall include the signatures of the petitioners,  
11 20 a statement of their place of residence, and the date on which  
11 21 they signed the petition.

11 22 Sec. 22. EFFECTIVE DATE, APPLICABILITY, AND TRANSITION.  
11 23 This Act, being deemed of immediate importance, takes effect  
11 24 upon enactment for purposes of the transition from election of  
11 25 directors of community and independent school districts,  
11 26 merged areas, and area education agencies annually from terms  
11 27 of three years each to the staggered election of such  
11 28 directors biennially for terms of four years each. This Act  
11 29 shall be applied so that the first election at which  
11 30 directors, due to the expiration of predecessor director  
11 31 terms, shall be elected to serve regular four-year terms is  
11 32 the regular school election held in September 2009 or the  
11 33 director district conventions held in September 2009.

11 34 The board of directors of each affected school district and  
11 35 each merged area and area education agency shall review the



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12 1 expiration dates of the terms of office of its directors and  
12 2 shall adopt by resolution a plan for shortening or lengthening  
12 3 terms of members for the annual school election or director  
12 4 district convention held in September 2007 and September 2008  
12 5 so that all members whose terms expire at the regular school  
12 6 election or director district convention held in September  
12 7 2009 will be elected to four-year terms with the remaining  
12 8 members of the board having their terms expire at the regular  
12 9 school election or director district convention held in  
12 10 September 2011. The board shall submit a copy of the  
12 11 resolution adopting its plan to the office of the state  
12 12 commissioner of elections no later than August 1, 2008. In  
12 13 developing the plan, the board of directors shall take into  
12 14 consideration the terms for which the members were elected and  
12 15 the number of votes the members received in relation to the  
12 16 number of votes other candidates received at the applicable  
12 17 election or director district convention.

12 18 EXPLANATION

12 19 This bill provides for the election of the directors of  
12 20 local school districts and merged areas in September in  
12 21 odd-numbered years. Area education agencies are required by  
12 22 law to hold their director district conventions within two  
12 23 weeks of the regular school election. Area education agency  
12 24 board directors are elected at those conventions. In order to  
12 25 accomplish these purposes, the division changes the terms of  
12 26 all of these directors from three to four years and provides  
12 27 for a transition period.

12 28 The bill takes effect upon enactment for purposes of  
12 29 holding the area education agency director district  
12 30 conventions in September 2009, and the first biennial regular  
12 31 school election in September 2009.

12 32 Additional conforming amendments to the Code may be  
12 33 necessary to fully implement the bill's provisions.

12 34 LSB 1176SS 82

12 35 sc:nh/je/5.1



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## Senate Study Bill 1120

SENATE FILE  
BY (PROPOSED COMMITTEE ON  
LABOR AND BUSINESS RELATIONS  
BILL BY CHAIRPERSON DEARDEN)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

### A BILL FOR

- 1 An Act providing for fair share agreements relating to collective
- 2 bargaining and providing an effective date.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1856XC 82
- 5 ec/je/5



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1 1 Section 1. Section 20.8, subsection 4, Code 2007, is  
1 2 amended to read as follows:

1 3 4. Refuse to join or participate in the activities of  
1 4 employee organizations, including the payment of any dues,  
1 5 fees or assessments or service fees of any type, except as  
1 6 provided in section 20.9.

1 7 Sec. 2. Section 20.9, Code 2007, is amended to read as  
1 8 follows:

1 9 20.9 SCOPE OF NEGOTIATIONS.

1 10 1. The public employer and the employee organization shall  
1 11 meet at reasonable times, including meetings reasonably in  
1 12 advance of the public employer's budget-making process, to  
1 13 negotiate in good faith with respect to wages, hours,  
1 14 vacations, insurance, holidays, leaves of absence, shift  
1 15 differentials, overtime compensation, supplemental pay,  
1 16 seniority, transfer procedures, job classifications, health  
1 17 and safety matters, evaluation procedures, procedures for  
1 18 staff reduction, in-service training, fair share agreements,  
1 19 and other matters mutually agreed upon. Negotiations shall  
1 20 also include terms authorizing dues checkoff for members of  
1 21 the employee organization, terms for payroll deduction of fair  
1 22 share fees of nonmembers of the employee organization, and  
1 23 grievance procedures for resolving any questions arising under  
1 24 the agreement, which shall be embodied in a written agreement  
1 25 and signed by the parties. If an agreement provides for dues  
1 26 checkoff, a member's dues may be checked off only upon the  
1 27 member's written request and the member may terminate the dues  
1 28 checkoff at any time by giving thirty days' written notice.  
1 29 Such obligation to negotiate in good faith does not compel  
1 30 either party to agree to a proposal or make a concession.

1 31 2. a. Notwithstanding any provision of state law to the  
1 32 contrary, a negotiated agreement for fair share fees shall not  
1 33 provide for the termination of the employment of a public  
1 34 employee for failure to pay membership dues and charges or  
1 35 fair share fees of an employee organization, but shall provide



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2 1 that, commencing on the effective date of a collective  
2 2 bargaining agreement which provides for a fair share fee, the  
2 3 public employer shall deduct once each month from the wages or  
2 4 salaries of nonmembers of the certified employee organization  
2 5 the amount of the fair share fee and transmit the amount  
2 6 deducted to the certified employee organization within  
2 7 fourteen days of the deduction.

2 8 b. Every negotiated agreement for fair share fees shall  
2 9 conform with the requirements of the Constitution of the  
2 10 United States and the Constitution of the State of Iowa, and  
2 11 shall provide, if required, for the following:

2 12 (1) The certified employee organization may charge  
2 13 nonmembers of the employee organization a fair share fee,  
2 14 which shall not exceed the amount of dues and charges required  
2 15 to be paid by a member in good standing of the employee  
2 16 organization.

2 17 (2) The certified employee organization shall furnish  
2 18 advance written notice of the amount of the fair share fee to  
2 19 the nonmember employees who will be assessed the fee. The  
2 20 notice shall inform the nonmember of a procedure by which the  
2 21 nonmember may object to and receive a reduction of the pro  
2 22 rata share of the fee attributed to purposes unrelated to  
2 23 collective bargaining, contract administration, or the pursuit  
2 24 of other matters affecting wages, hours, and other conditions  
2 25 of employment. The notice also shall inform the nonmember of  
2 26 a procedure by which the nonmember is afforded an opportunity  
2 27 to challenge the amount of the fee before an impartial  
2 28 decision maker. All fees reasonably in dispute during the  
2 29 challenge period shall be held by the certified employee  
2 30 organization in an interest-bearing escrow account until final  
2 31 resolution is made by the impartial decision maker, at which  
2 32 time such funds shall be disbursed in accordance with the  
2 33 decision maker's award.

2 34 (3) The public employer shall provide the certified  
2 35 employee organization with a list of the names and addresses



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3 1 of all nonmember employees in the bargaining unit that is  
3 2 represented by the employee organization.

3 3 3. Nothing in this section, section 20.8, or in the terms  
3 4 of a fair share agreement shall be deemed to require a public  
3 5 employee to become a member of an employee organization.

3 6 4. Nothing in this section shall diminish the authority  
3 7 and power of the department of administrative services, board  
3 8 of regents' merit system, Iowa public broadcasting board's  
3 9 merit system, or any civil service commission established by  
3 10 constitutional provision, statute, charter or special act to  
3 11 recruit employees, prepare, conduct and grade examinations,  
3 12 rate candidates in order of their relative scores for  
3 13 certification for appointment or promotion or for other  
3 14 matters of classification, reclassification or appeal rights  
3 15 in the classified service of the public employer served.

3 16 5. All retirement systems shall be excluded from the scope  
3 17 of negotiations.

3 18 Sec. 3. Section 731.3, Code 2007, is amended to read as  
3 19 follows:

3 20 731.3 CONTRACTS TO EXCLUDE UNLAWFUL.

3 21 ~~It~~ Except as provided in sections 20.8, 20.9, and 731.4A,

3 22 it shall be unlawful for any person, firm, association,  
3 23 corporation or labor organization to enter into any  
3 24 understanding, contract, or agreement, whether written or  
3 25 oral, to exclude from employment members of a labor union,  
3 26 organization or association, or persons who do not belong to,  
3 27 or who refuse to join, a labor union, organization or  
3 28 association, or because of resignation or withdrawal  
3 29 therefrom.

3 30 Sec. 4. Section 731.4, Code 2007, is amended to read as  
3 31 follows:

3 32 731.4 UNION DUES AS PREREQUISITE TO EMPLOYMENT ==  
3 33 PROHIBITED.

3 34 ~~It~~ Except as provided in sections 20.8, 20.9, and 731.4A,

3 35 it shall be unlawful for any person, firm, association, labor



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4 1 organization or corporation, or political subdivision, either  
4 2 directly or indirectly, or in any manner or by any means as a  
4 3 prerequisite to or a condition of employment to require any  
4 4 person to pay dues, charges, fees, contributions, fines or  
4 5 assessments to any labor union, labor association or labor  
4 6 organization.

4 7 Sec. 5. NEW SECTION. 731.4A FAIR SHARE FEE AGREEMENTS.

4 8 A labor union, labor association, labor organization, or  
4 9 employee organization, which is the certified or recognized  
4 10 exclusive representative for collective bargaining under  
4 11 applicable federal or state law, may enter into an agreement  
4 12 with the employer of the employees it is certified or  
4 13 recognized to represent in collective bargaining that, as a  
4 14 condition of continued employment, requires employees, after  
4 15 thirty days of employment, either to become a member of the  
4 16 certified or recognized labor union, labor association, labor  
4 17 organization, or employee organization, or to pay a fair share  
4 18 fee to the extent permitted by the Constitution of the United  
4 19 States, the Constitution of the State of Iowa, and federal  
4 20 law. Nothing in this section shall be deemed to require an  
4 21 employee to become a member of a labor union, labor  
4 22 association, labor organization, or employee organization.

4 23 Sec. 6. EFFECTIVE DATE. This Act, being deemed of  
4 24 immediate importance, takes effect upon enactment.

4 25 EXPLANATION

4 26 This bill authorizes the negotiating of fair share  
4 27 agreements in collective bargaining agreements.

4 28 Code chapter 20, concerning collective bargaining for  
4 29 public employment, is amended to authorize fair share  
4 30 agreements. Code section 20.9 is amended to provide that the  
4 31 scope of negotiations for purposes of a collective bargaining  
4 32 agreement includes negotiating fair share agreements and the  
4 33 terms for payroll deductions of fair share fees for nonmembers  
4 34 of an employee organization. The bill provides that a  
4 35 negotiated fair share agreement shall provide that the public



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5 1 employer deduct once each month from the wages of nonmembers  
5 2 of an applicable employee organization the amount of the fair  
5 3 share fee and transmit it to the certified employee  
5 4 organization within 14 days of the deduction. The bill  
5 5 further requires that the agreement for fair share fees  
5 6 provide that the fair share fee shall not exceed the amount of  
5 7 dues and charges required of a member of the employee  
5 8 organization, that the certified employee organization provide  
5 9 advance written notice of the fee and a procedure for  
5 10 nonmembers to object to and receive a reduction of the share  
5 11 of the fee unrelated to collective bargaining, contract  
5 12 administration, and other related matters, that an impartial  
5 13 procedure be provided for resolving fair share fee disputes,  
5 14 and that the public employer furnish the employee organization  
5 15 with a list of the names and addresses of all nonmembers. The  
5 16 bill also provides that nothing in a fair share agreement  
5 17 shall provide for the termination of employment for failure to  
5 18 pay a fair share fee or shall require a public employee to  
5 19 become a member of an employee organization.

5 20 Code chapter 731, concerning labor union membership, is  
5 21 also amended to authorize fair share agreements. New Code  
5 22 section 731.4A provides that a labor union may enter into an  
5 23 agreement with an employer that, as a condition of continued  
5 24 employment, requires employees whom the union is certified to  
5 25 represent to become a member of the labor union or to pay a  
5 26 fair share fee to the extent permitted by the United States  
5 27 Constitution, the Iowa Constitution, and applicable federal  
5 28 law. The new Code section provides that nothing in this Code  
5 29 section shall be deemed to require an employee to become a  
5 30 member of a labor union.

5 31 The bill takes effect upon enactment.

5 32 LSB 1856XC 82

5 33 ec:rj/je/5.1



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**Senate Study Bill 1121**

SENATE/HOUSE FILE  
BY (PROPOSED GOVERNOR'S  
OFFICE OF DRUG CONTROL  
POLICY BILL)

Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

**A BILL FOR**

- 1 An Act relating to the implementation of an electronic monitoring
- 2 system to track pseudoephedrine sales at pharmacies, and
- 3 making an appropriation.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 1287DP 82
- 6 jm/cf/24



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Senate Study Bill 1121 continued

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1 1 Section 1. PSEUDOEPHEDRINE TRACKING. There is  
 1 2 appropriated from the general fund of the state to the  
 1 3 governor's office of drug control policy for the fiscal year  
 1 4 beginning July 1, 2007, and ending June 30, 2008, the  
 1 5 following amount, or so much thereof as is necessary, to be  
 1 6 used for the purpose designated:

1 7 For the implementation of an electronic monitoring system  
 1 8 to track pseudoephedrine sales at pharmacies:  
 1 9 ..... \$ 230,000

1 10 Notwithstanding section 8.33, the appropriated moneys that  
 1 11 remain unencumbered or unobligated at the close of the fiscal  
 1 12 year shall not revert but shall remain available for  
 1 13 expenditure for the purpose designated until the close of the  
 1 14 succeeding fiscal year.

1 15 EXPLANATION

1 16 This bill relates to the implementation of an electronic  
 1 17 monitoring system to track pseudoephedrine sales at  
 1 18 pharmacies.

1 19 The bill appropriates for the 2007-2008 fiscal year  
 1 20 \$230,000 to the governor's office of drug control policy for  
 1 21 the implementation of an electronic monitoring system to track  
 1 22 pseudoephedrine sales at pharmacies.

1 23 Any unencumbered funds at the end of the fiscal year  
 1 24 appropriated under the bill do not revert to the general fund  
 1 25 of the state until the close of the succeeding fiscal year.

1 26 LSB 1287DP 82  
 1 27 jm:rj/cf/24



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**Senate Study Bill 1122**

SENATE/HOUSE FILE  
BY (PROPOSED DEPARTMENT OF  
MANAGEMENT BILL)

Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

**A BILL FOR**

- 1 An Act expanding the scope of services under an existing
- 2 appropriation for the community empowerment initiative
- 3 involving preschool services and providing effective date and
- 4 applicability provisions.
- 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 6 TLSB 1261XD 82
- 7 jp/gg/14



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1 1 Section 1. 2006 Iowa Acts, chapter 1157, section 17,  
1 2 subsection 2, is amended to read as follows:  
1 3 2. Of the amount appropriated in subsection 1, \$5,500,000  
1 4 is allocated to increase the funding designated for  
1 5 distribution to community empowerment areas to assist  
1 6 low-income parents with tuition for preschool and other  
1 7 supportive services for children ages three, four, and five  
1 8 who are not attending kindergarten in order to increase the  
1 9 basic family income eligibility requirement to not more than  
1 10 200 percent of the federal poverty level. In addition, if  
1 11 sufficient funding is available after addressing the needs of  
1 12 those who meet the basic income eligibility requirement, a  
1 13 community empowerment area board may provide for eligibility  
1 14 for those with a family income in excess of the basic income  
1 15 eligibility requirement through use of a sliding scale or  
1 16 other copayment provision.

1 17 Sec. 2. EFFECTIVE DATE == RETROACTIVE APPLICABILITY. This  
1 18 Act, being deemed of immediate importance, takes effect upon  
1 19 enactment, is retroactively applicable to July 1, 2006, and is  
1 20 applicable on and after that date.

1 21 EXPLANATION

1 22 This bill expands the scope of services under an existing  
1 23 appropriation for FY 2006=2007 made in 2006 Iowa Acts, chapter  
1 24 1157, for the community empowerment initiative involving  
1 25 preschool services. The bill expands the services to be  
1 26 provided through the appropriation beyond preschool services  
1 27 to also include other supportive services. The bill also  
1 28 expands the four-year-old and five-year-old age range  
1 29 addressed in the appropriation to also include three-year-old  
1 30 children.

1 31 The bill takes effect upon enactment and is retroactively  
1 32 applicable to July 1, 2006.

1 33 LSB 1261XD 82

1 34 jp:nh/gg/14



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# Senate Study Bill 1123

SENATE/HOUSE FILE

BY (PROPOSED LOW=INCOME HOME ENERGY  
ASSISTANCE PROGRAM AND WEATHERIZATION  
PROGRAM STUDY COMMITTEE BILL)

Passed Senate, Date \_\_\_\_\_

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved

## A BILL FOR

- 1 An Act establishing an energy utility assessment and resolution
- 2 program for certain persons with low incomes who have or need
- 3 a deferred payment agreement to address home energy utility
- 4 costs and making an appropriation.
- 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 6 TL5B 1064IC 82
- 7 jp/sh/8



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1 1 Section 1. NEW SECTION. 216A.104 ENERGY UTILITY  
1 2 ASSESSMENT AND RESOLUTION PROGRAM.  
1 3 1. The general assembly finds that provision of assistance  
1 4 to prevent utility disconnections will also prevent the  
1 5 development of public health risks due to such disconnections.  
1 6 The division shall establish an energy utility assessment and  
1 7 resolution program administered by each community action  
1 8 agency for persons with low incomes who have or need a  
1 9 deferred payment agreement or are in need of an emergency fuel  
1 10 delivery to address home energy utility costs.  
1 11 2. A person must meet all of the following requirements to  
1 12 be eligible for the program:  
1 13 a. The person is eligible for the federal low-income home  
1 14 energy assistance program.  
1 15 b. The person is a residential customer of an energy  
1 16 utility approved for the program by the division.  
1 17 c. The person has or is in need of a deferred payment  
1 18 agreement to address the person's home energy utility costs.  
1 19 d. The person is able to maintain or regain residential  
1 20 energy utility service in the person's own name.  
1 21 e. The person provides the information necessary to  
1 22 determine the person's eligibility for the program.  
1 23 f. The person complies with other eligibility requirements  
1 24 adopted in rules by the division.  
1 25 3. The program components shall include but are not  
1 26 limited to all of the following:  
1 27 a. Analysis of a program participant's current financial  
1 28 situation.  
1 29 b. Review of a program participant's resource and money  
1 30 management options.  
1 31 c. Skills development and assistance for a program  
1 32 participant in negotiating a deferred payment agreement with  
1 33 the participant's energy utility.  
1 34 d. Development of a written household energy affordability  
1 35 plan.



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2 1 e. Provision of energy conservation training and  
 2 2 assistance.  
 2 3 f. A requirement that a program participant must make  
 2 4 uninterrupted, regular utility payments while participating in  
 2 5 the program.  
 2 6 4. The division shall implement accountability measures  
 2 7 for the program and require regular reporting on the measures  
 2 8 by the community action agencies.  
 2 9 5. The division shall implement the program statewide,  
 2 10 subject to the funding made available for the program.  
 2 11 6. This section is repealed on July 1, 2010.  
 2 12 Sec. 2. ENERGY UTILITY ASSESSMENT AND RESOLUTION PROGRAM  
 2 13 == APPROPRIATION. There is appropriated from the general fund  
 2 14 of the state to the division of community action agencies of  
 2 15 the department of human rights for the fiscal year beginning  
 2 16 July 1, 2007, and ending June 30, 2008, the following amount,  
 2 17 or so much thereof as is necessary, to be used for the purpose  
 2 18 designated:  
 2 19 For implementation of the energy utility assessment and  
 2 20 resolution program in accordance with section 216A.104, as  
 2 21 enacted by this Act:  
 2 22 ..... \$ 1,000,000  
 2 23 EXPLANATION  
 2 24 This bill creates an energy utility assessment and  
 2 25 resolution program for certain persons with low incomes who  
 2 26 have or need a deferred payment agreement to address home  
 2 27 energy utility costs. The bill establishes a legislative  
 2 28 finding that the provision of assistance to prevent utility  
 2 29 disconnections will prevent certain public health risks. The  
 2 30 program is established in the division of community action  
 2 31 agencies of the department of human rights in new Code section  
 2 32 216A.104.  
 2 33 Individual eligibility requirements and program components  
 2 34 are specified in the bill. The program is to be administered  
 2 35 by each community action agency and each agency must report on



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3 1 accountability measures identified by the division.  
3 2     The bill includes an appropriation of \$1 million for fiscal  
3 3 year 2007=2008 to implement the program.  
3 4     The program is repealed in three years on July 1, 2010.  
3 5 LSB 1064IC 82  
3 6 jp:nh/sh/8



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**Senate Study Bill 1124**

SENATE/HOUSE FILE  
BY (PROPOSED GOVERNOR'S OFFICE  
OF DRUG CONTROL POLICY BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved

**A BILL FOR**

- 1 An Act making an appropriation for the support of
- 2 multijurisdictional drug enforcement.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1267DP 82
- 5 jm/je/5



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Senate Study Bill 1124 continued

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1 1 Section 1. MULTIJURISDICTIONAL DRUG ENFORCEMENT. There is  
 1 2 appropriated from the general fund of the state to the  
 1 3 governor's office of drug control policy for the fiscal year  
 1 4 beginning July 1, 2007, and ending June 30, 2008, the  
 1 5 following amount, or so much thereof as is necessary, to be  
 1 6 used for the purpose designated:

1 7 For support of multijurisdictional drug enforcement  
 1 8 programs:  
 1 9 ..... \$ 1,800,000

1 10 If federal funding is received for multijurisdictional drug  
 1 11 enforcement programs during the fiscal year beginning July 1,  
 1 12 2007, and ending June 30, 2008, of the moneys appropriated in  
 1 13 this section an amount equal to the federal funding received  
 1 14 shall revert to the general fund of the state at the end of  
 1 15 the fiscal year.

EXPLANATION

1 16 This bill relates to multijurisdictional drug enforcement,  
 1 17 and makes an appropriation.

1 18 The bill appropriates \$1.8 million to the governor's office  
 1 19 of drug control policy for support of multijurisdictional drug  
 1 20 enforcement programs. If federal funds are received for the  
 1 21 support of multijurisdictional drug enforcement programs, of  
 1 22 the appropriated moneys under the bill an amount equal to the  
 1 23 federal funding received shall revert to the general fund of  
 1 24 the state at the end of the fiscal year.

1 25 Any unencumbered funds at the end of the fiscal year  
 1 26 appropriated under the bill revert to the general fund of the  
 1 27 state pursuant to Code section 8.33.

1 28 LSB 1267DP 82

1 29 jm:rj/je/5

1 30