



Iowa General Assembly  
Daily Bills, Amendments & Study Bills  
March 22, 2007

# House Amendment 1429

PAG LIN

1 1 Amend House File 368, as passed by the House, as  
1 2 follows:  
1 3 #1. Page 1, by inserting after line 16 the  
1 4 following:  
1 5 <Sec. \_\_\_\_\_. Section 89.4, subsection 1, Code 2007,  
1 6 is amended by adding the following new paragraph:  
1 7 NEW PARAGRAPH. i. Water heaters used for potable  
1 8 water if the capacity is less than fifty gallons, the  
1 9 burner input is less than fifty thousand British  
1 10 thermal units, and the maximum allowable working  
1 11 pressure is less than one hundred sixty pounds per  
1 12 square inch.>  
1 13 #2. By renumbering as necessary.  
1 14 HF 368.S  
1 15 ak/cc/26  
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House Amendment 1430

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1 1 Amend House File 818 as follows:  
1 2 #1. By striking page 1, line 1, through page 4,  
1 3 line 10, and inserting the following:  
1 4 <Section 1. Section 907.13, subsection 2, Code  
1 5 2007, is amended to read as follows:  
1 6 2. The defendant's plan of community service, the  
1 7 comments of the defendant's probation officer, and the  
1 8 comments of the representative of the judicial  
1 9 district department of correctional services  
1 10 responsible for the unpaid community service program,  
1 11 shall be submitted promptly to the court. The court  
1 12 shall promptly enter an order approving the plan or  
1 13 modifying it. Compliance with the plan of community  
1 14 service as approved or modified by the court shall be  
1 15 a condition of the defendant's probation. The court  
1 16 thereafter may modify the plan at any time upon the  
1 17 defendant's request, upon the request of the judicial  
1 18 district department of correctional services, or upon  
1 19 the court's own motion. As an option for modification  
1 20 of a plan, the court may allow a defendant to complete  
1 21 some part or all of the defendant's community service  
1 22 obligation through the donation of property to a  
1 23 ~~charitable organization other than a governmental~~  
~~1 24 subdivision~~ statewide nonprofit legal aid  
1 25 organization. A donation of property to a ~~charitable~~  
1 26 statewide nonprofit legal aid organization offered in  
1 27 satisfaction of some part or all of a community  
1 28 service obligation under this subsection is not a  
1 29 deductible contribution for the purposes of federal or  
1 30 state income taxes.  
1 31 Sec. 2. Section 910.1, subsection 2, Code 2007, is  
1 32 amended by striking the subsection.  
1 33 Sec. 3. Section 910.1, subsection 4, Code 2007, is  
1 34 amended to read as follows:  
1 35 4. "Restitution" means payment of pecuniary  
1 36 damages to a victim in an amount and in the manner  
1 37 provided by the offender's plan of restitution.  
1 38 "Restitution" also includes fines, penalties, and  
1 39 surcharges, the contribution of funds to a ~~local~~  
~~1 40 anticrime organization which provided assistance to~~  
~~1 41 law enforcement in an offender's case, a statewide~~  
~~1 42 nonprofit legal aid organization,~~ the payment of crime  
1 43 victim compensation program reimbursements, payment of  
1 44 restitution to public agencies pursuant to section  
1 45 321J.2, subsection 9, paragraph "b", court costs  
1 46 including correctional fees approved pursuant to  
1 47 section 356.7, court-appointed attorney fees ordered  
1 48 pursuant to section 815.9, including the expense of a  
1 49 public defender, and the performance of a public  
1 50 service by an offender in an amount set by the court



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House Amendment 1430 continued

2 1 when the offender cannot reasonably pay all or part of  
2 2 the court costs including correctional fees approved  
2 3 pursuant to section 356.7, or court-appointed attorney  
2 4 fees ordered pursuant to section 815.9, including the  
2 5 expense of a public defender.

2 6 Sec. 4. Section 910.2, Code 2007, is amended to  
2 7 read as follows:

2 8 910.2 RESTITUTION OR COMMUNITY SERVICE TO BE  
2 9 ORDERED BY SENTENCING COURT.

2 10 In all criminal cases in which there is a plea of  
2 11 guilty, verdict of guilty, or special verdict upon  
2 12 which a judgment of conviction is rendered, the  
2 13 sentencing court shall order that restitution be made  
2 14 by each offender to the victims of the offender's  
2 15 criminal activities, to the clerk of court for fines,  
2 16 penalties, surcharges, and, to the extent that the  
2 17 offender is reasonably able to pay, for crime victim  
2 18 assistance reimbursement, restitution to public  
2 19 agencies pursuant to section 321J.2, subsection 9,  
2 20 paragraph "b", court costs including correctional fees  
2 21 approved pursuant to section 356.7, court-appointed  
2 22 attorney fees ordered pursuant to section 815.9,  
2 23 including the expense of a public defender, when  
2 24 applicable, or contribution to a ~~local anti-crime~~  
2 25 statewide nonprofit legal aid organization. However,  
2 26 victims shall be paid in full before fines, penalties,  
2 27 and surcharges, crime victim compensation program  
2 28 reimbursement, public agencies, court costs including  
2 29 correctional fees approved pursuant to section 356.7,  
2 30 court-appointed attorney fees ordered pursuant to  
2 31 section 815.9, including the expenses of a public  
2 32 defender, or contributions to a ~~local anti-crime~~  
2 33 statewide nonprofit legal aid organization are paid.  
2 34 In structuring a plan of restitution, the court shall  
2 35 provide for payments in the following order of  
2 36 priority: victim, fines, penalties, and surcharges,  
2 37 crime victim compensation program reimbursement,  
2 38 public agencies, court costs including correctional  
2 39 fees approved pursuant to section 356.7,  
2 40 court-appointed attorney fees ordered pursuant to  
2 41 section 815.9, including the expense of a public  
2 42 defender, and contribution to a ~~local anti-crime~~  
2 43 statewide nonprofit legal aid organization.

2 44 When the offender is not reasonably able to pay all  
2 45 or a part of the crime victim compensation program  
2 46 reimbursement, public agency restitution, court costs  
2 47 including correctional fees approved pursuant to  
2 48 section 356.7, court-appointed attorney fees ordered  
2 49 pursuant to section 815.9, including the expense of a  
2 50 public defender, or contribution to a ~~local anti-crime~~



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House Amendment 1430 continued

3 1 statewide nonprofit legal aid organization, the court  
3 2 may require the offender in lieu of that portion of  
3 3 the crime victim compensation program reimbursement,  
3 4 public agency restitution, court costs including  
3 5 correctional fees approved pursuant to section 356.7,  
3 6 court-appointed attorney fees ordered pursuant to  
3 7 section 815.9, including the expense of a public  
3 8 defender, or contribution to a ~~local anticrime~~  
3 9 statewide nonprofit legal aid organization for which  
3 10 the offender is not reasonably able to pay, to perform  
3 11 a needed public service for a governmental agency or  
3 12 for a private nonprofit agency which provides a  
3 13 service to the youth, elderly, or poor of the  
3 14 community. When community service is ordered, the  
3 15 court shall set a specific number of hours of service  
3 16 to be performed by the offender which, for payment of  
3 17 court-appointed attorney fees ordered pursuant to  
3 18 section 815.9, including the expenses of a public  
3 19 defender, shall be approximately equivalent in value  
3 20 to those costs. The judicial district department of  
3 21 correctional services shall provide for the assignment  
3 22 of the offender to a public agency or private  
3 23 nonprofit agency to perform the required service.  
3 24 Sec. 5. Section 915.100, subsection 2, paragraph  
3 25 e, Code 2007, is amended to read as follows:  
3 26 e. Victims shall be paid in full pursuant to an  
3 27 order of restitution, before fines, penalties,  
3 28 surcharges, crime victim compensation program  
3 29 reimbursement, public agency reimbursement, court  
3 30 costs, correctional fees, court-appointed attorney  
3 31 fees, expenses of a public defender, or contributions  
3 32 to ~~local anticrime organizations are paid a statewide~~  
3 33 nonprofit legal aid organization.>

3 34 #2. Title page, by striking lines 1 through 3 and  
3 35 inserting the following: <An Act relating to a  
3 36 contribution to a statewide nonprofit legal aid  
3 37 organization in a criminal proceeding.>

3 38  
3 39  
3 40

3 41 PAULSEN of Linn  
3 42 HF 818.201 82  
3 43 jm/es/7239



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House Amendment 1431

PAG LIN

1 1 Amend Senate File 361, as amended, passed, and  
1 2 reprinted by the Senate, as follows:  
1 3 #1. Page 7, line 15, by inserting after the word  
1 4 <DIVESTMENT> the following: <== REINVESTMENT>.  
1 5 #2. Page 7, by inserting after line 34 the  
1 6 following:  
1 7 <c. An amount equal to the proceeds resulting from  
1 8 the sale, redemption, divestment, or withdrawal of all  
1 9 publicly traded securities of companies held by the  
1 10 public fund pursuant to the requirements of this  
1 11 subsection shall be invested by the public fund in  
1 12 Iowa companies.>  
1 13 #3. By renumbering as necessary.  
1 14  
1 15  
1 16  
1 17 VAN FOSSEN of Scott  
1 18 SF 361.502 82  
1 19 ec/je/5782  
1 20  
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# House Amendment 1432

PAG LIN

1 1 Amend House File 791 as follows:  
1 2 #1. Page 1, line 6, by inserting after the word  
1 3 <for> the following: <medically necessary>.  
1 4 #2. Page 1, line 8, by inserting after the word  
1 5 <for> the following: <medically necessary>.  
1 6 #3. Page 1, line 9, by inserting after the word  
1 7 <for> the following: <medically necessary>.  
1 8 #4. Page 1, line 10, by inserting after the word  
1 9 <for> the following: <medically necessary>.  
1 10 #5. Page 1, line 14, by inserting after the word  
1 11 <applicable.> the following: <For the purposes of  
1 12 this section, "prosthetic device" means an artificial  
1 13 limb device to replace, in whole or in part, an arm or  
1 14 leg.>  
1 15  
1 16  
1 17  
1 18 PETTENGILL of Benton  
1 19 HF 791.202 82  
1 20 av/es/7615  
1 21  
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House Amendment 1433

PAG LIN

1 1 Amend Senate File 403, as amended, passed, and  
1 2 reprinted by the Senate, as follows:  
1 3 #1. Page 5, line 19, by striking the words <and  
1 4 Centerville>.  
1 5 #2. Page 5, line 28, by inserting after the word  
1 6 <loan.> the following: <Not more than 5 percent of  
1 7 the amount appropriated shall be used for the  
1 8 administrative costs of the grantee so that 95 percent  
1 9 of the appropriation amount is used for providing  
1 10 loans and loan guarantees.>  
1 11 #3. Page 6, by striking lines 18 and 19 and  
1 12 inserting the following: <IowaCare account created in  
1 13 section 249J.24 to the state board of regents for  
1 14 distribution to the university of Iowa>.  
1 15 #4. By renumbering, relettering, or redesignating  
1 16 and correcting internal references as necessary.  
1 17  
1 18  
1 19  
1 20 COMMITTEE ON APPROPRIATIONS,  
1 21 OLDSON of Polk, CHAIRPERSON  
1 22 SF 403.506 82  
1 23 jp/je/8390  
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## House Amendment 1434

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1 1 Amend Senate File 361, as amended, passed, and  
1 2 reprinted by the Senate, as follows:  
1 3 #1. Page 1, line 9, by inserting after the word  
1 4 <atrocities.> the following: <In addition, the  
1 5 general assembly is concerned over the human rights  
1 6 situations in Iran, Syria, and North Korea.>  
1 7 #2. Page 1, line 14, by inserting after the word  
1 8 <Sudan> the following: <, Iran, Syria, or North  
1 9 Korea>.  
1 10 #3. Page 1, line 17, by inserting after the word  
1 11 <Sudan> the following: <, Iran, Syria, or North  
1 12 Korea>.  
1 13 #4. Page 1, line 18, by striking the words <that  
1 14 country> and inserting the following: <those  
1 15 countries>.  
1 16 #5. Page 1, line 25, by inserting after the word  
1 17 <Sudan> the following: <Iran, Syria, or North Korea>.  
1 18 #6. Page 2, line 3, by inserting after the word  
1 19 <promoted> the following: <Iran, Syria, North Korea,  
1 20 or>.  
1 21 #7. Page 2, line 9, by inserting after the word  
1 22 <actions> the following: <related to Iran, Syria, or  
1 23 North Korea>.  
1 24 #8. Page 2, line 13, by inserting after the word  
1 25 <Sudan> the following: <, Iran, Syria, or North  
1 26 Korea>.  
1 27 #9. Page 2, line 13, by inserting after the words  
1 28 <government in> the following: <Iran, Syria, or North  
1 29 Korea. In addition, it means the government in>.  
1 30 #10. Page 2, line 31, by inserting after the word  
1 31 <Sudan> the following: <, Iran, Syria, or North  
1 32 Korea>.  
1 33 #11. Page 2, line 32, by inserting after the words  
1 34 <limited to> the following: <the populations of Iran,  
1 35 Syria, and North Korea and>.  
1 36 #12. Page 3, line 11, by inserting after the word  
1 37 <Sudan> the following: <or in Iran, Syria, or North  
1 38 Korea>.  
1 39 #13. Page 3, line 32, by inserting after the word  
1 40 <entity> the following: <, or a project commissioned  
1 41 by the government of Iran, Syria, or North Korea,>.  
1 42 #14. Page 4, line 16, by inserting after the word  
1 43 <Sudan> the following: <, Iran, Syria, or North  
1 44 Korea>.  
1 45 #15. Page 4, line 17, by inserting after the word  
1 46 <Sudan> the following: <, Iran, Syria, or North  
1 47 Korea>.  
1 48 #16. Page 4, lines 17 and 18, by striking the  
1 49 words <government of Sudan=commissioned>.  
1 50 #17. Page 4, line 18, by inserting after the word



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House Amendment 1434 continued

- 2 1 <projects> the following: <commissioned by the  
2 2 government of Sudan, Iran, Syria, or North Korea>.  
2 3 #18. Page 4, line 19, by striking the words  
2 4 <government of Sudan=commissioned>.  
2 5 #19. Page 4, line 20, by inserting after the word  
2 6 <projects> the following: <commissioned by the  
2 7 government of Sudan, Iran, Syria, or North Korea>.  
2 8 #20. Page 4, line 22, by inserting after the word  
2 9 <Sudan> the following: <, Iran, Syria, or North  
2 10 Korea>.  
2 11 #21. Page 4, line 24, by inserting after the word  
2 12 <Sudan> the following: <, Iran, Syria, or North  
2 13 Korea>.  
2 14 #22. Page 4, line 27, by inserting after the word  
2 15 <Sudan> the following: <, Iran, Syria, or North  
2 16 Korea>.  
2 17 #23. Page 4, line 31, by inserting after the word  
2 18 <Sudan> the following: <, Iran, Syria, or North  
2 19 Korea>.  
2 20 #24. Page 4, line 35, by inserting after the word  
2 21 <Sudan> the following: <, Iran, Syria, or North  
2 22 Korea>.  
2 23 #25. Page 5, line 2, by inserting after the word  
2 24 <genocide> the following: <or in supporting the  
2 25 government of Iran, Syria, or North Korea>.  
2 26 #26. Page 5, line 3, by inserting after the word  
2 27 <Sudan> the following: <, Iran, Syria, or North  
2 28 Korea>.  
2 29 #27. Page 5, line 5, by inserting after the word  
2 30 <Sudan> the following: <, Iran, Syria, or North  
2 31 Korea>.  
2 32 #28. Page 5, line 11, by inserting after the words  
2 33 <used by> the following: <Iran, Syria, or North Korea  
2 34 or by>.  
2 35 #29. Page 5, line 13, by inserting after the word  
2 36 <Sudan> the following: <, Iran, Syria, or North  
2 37 Korea>.  
2 38 #30. Page 5, line 16, by inserting after the words  
2 39 <complicit in> the following: <the government of  
2 40 Iran, Syria, or North Korea, or>.  
2 41 #31. Page 5, line 17, by inserting after the word  
2 42 <Sudan> the following: <, Iran, Syria, or North  
2 43 Korea>.  
2 44 #32. Page 5, line 29, by inserting after the words  
2 45 <populations of> the following: <Iran, Syria, North  
2 46 Korea, or>.  
2 47 #33. Page 5, line 30, by inserting after the words  
2 48 <government of Sudan> the following: <, Iran, Syria,  
2 49 or North Korea>.  
2 50 #34. Page 5, line 32, by inserting after the word



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House Amendment 1434 continued

3 1 <Darfur> the following: <or the population of Iran,  
3 2 Syria, or North Korea>.  
3 3 #35. Page 6, line 16, by inserting after the words  
3 4 <operations in Sudan> the following: <, Iran, Syria,  
3 5 or North Korea>.  
3 6 #36. Page 7, line 6, by inserting after the words  
3 7 <clarify its> the following: <Iran, Syria, North  
3 8 Korea, or>.  
3 9 #37. Page 8, line 4, by inserting after the word  
3 10 <Sudan> the following: <, Iran, Syria, or North  
3 11 Korea>.  
3 12 #38. Page 9, line 11, by inserting after the word  
3 13 <Sudan> the following: <, Iran, Syria, or North  
3 14 Korea>.  
3 15 #39. Title page, line 2, by inserting after the  
3 16 word <Sudan> the following: <Iran, Syria, and North  
3 17 Korea>.  
3 18  
3 19  
3 20  
3 21 ALONS of Sioux  
3 22 SF 361.701 82  
3 23 ec/gg/5781



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# House Amendment 1435

PAG LIN

1 1 Amend House File 618 as follows:  
1 2 #1. Page 1, by inserting after line 35 the  
1 3 following:  
1 4 <\_\_\_\_. No later than fourteen days after the date  
1 5 of the election, the commissioner shall report to the  
1 6 appropriate secondary school the following  
1 7 information:  
1 8 (\_\_\_\_) The name of each student attending the  
1 9 school who served as a precinct election board member  
1 10 on election day.  
1 11 (\_\_\_\_) The number of hours the student served as a  
1 12 precinct election board member.  
1 13 (\_\_\_\_) The precinct number and polling place  
1 14 location where the student served as a precinct  
1 15 election board member.  
1 16 (\_\_\_\_) Any other information the commissioner deems  
1 17 appropriate or that is requested by the school.>  
1 18 #2. By renumbering, redesignating, and correcting  
1 19 internal references as necessary.  
1 20  
1 21  
1 22  
1 23 JACOBS of Polk  
1 24  
1 25  
1 26  
1 27 T. TAYLOR of Linn  
1 28 HF 618.504 82  
1 29 sc/je/7947  
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# House Amendment 1437

PAG LIN

1 1 Amend House File 875 as follows:  
1 2 #1. Page 30, by striking lines 5 through 9 and  
1 3 inserting the following:  
1 4 <\_\_\_\_. If 2007 Iowa Acts, House File 716 is  
1 5 enacted, notwithstanding section 4.1, all of the  
1 6 following apply:>  
1 7 #2. Page 30, by striking lines 18 through 20 and  
1 8 inserting the following: <26, and 27, Code 2007, as  
1 9 enacted in 2007 Iowa Acts, House File 716.>  
1 10 #3. Page 30, by striking lines 25 and 26, and  
1 11 inserting the following: <enacted in 2007 Iowa Acts,  
1 12 House File 716.>  
1 13 #4. Page 30, by striking lines 27 through 31 and  
1 14 inserting the following:  
1 15 <\_\_\_\_. If 2007 Iowa Acts, House File 716 is not  
1 16 enacted, notwithstanding section 4.8, the amendments  
1 17 to section 554.1201, subsections 5, 6, 14,>.  
1 18 #5. By renumbering as necessary.  
1 19  
1 20  
1 21  
1 22 SWAIM of Davis  
1 23 HF 875.701 82  
1 24 da/gg/7916  
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## House Amendment 1438

PAG LIN

1 1 Amend House File 817 as follows:  
1 2 #1. Page 1, by striking lines 3 and 4 and  
1 3 inserting the following:  
1 4 <1. The department shall coordinate with United  
1 5 States veterans administration hospitals, health care  
1 6 facilities, and clinics in this state and the  
1 7 department of public health to provide>.  
1 8 #2. Page 1, by striking lines 8 through 12 and  
1 9 inserting the following: <veterans.  
1 10 2. The assistance program shall include>.  
1 11 #3. Page 1, by striking line 16 and inserting the  
1 12 following: <the needs of veterans.>  
1 13 #4. Page 1, line 18, by striking the words  
1 14 <at-risk veterans> and inserting the following:  
1 15 <veterans in need of services>.  
1 16 #5. Page 1, by inserting after line 18 the  
1 17 following:  
1 18 <3. Any assistance program established pursuant to  
1 19 this section shall be implemented in a manner that  
1 20 does not duplicate other services readily available to  
1 21 veterans.>  
1 22 #6. Page 1, by inserting after line 32 the  
1 23 following:  
1 24 <2. Review proposed rules submitted by the  
1 25 department concerning the management and operation of  
1 26 the department. If the commission does not disapprove  
1 27 a proposed rule on a unanimous vote at the next  
1 28 regularly scheduled meeting of the commission, the  
1 29 department may proceed to adopt the rule.>  
1 30 #7. Page 1, line 33, by striking the figure <2.>  
1 31 and inserting the following: <3. a.>  
1 32 #8. Page 1, by inserting after line 35 the  
1 33 following:  
1 34 <b. Advise and make recommendations to the general  
1 35 assembly and the governor concerning the management  
1 36 and operation of the department.>  
1 37 #9. Page 2, line 10, by inserting after the word  
1 38 <department.> the following: <Prior to adopting  
1 39 rules, the department shall submit proposed rules to  
1 40 the commission for review pursuant to the requirements  
1 41 of section 35A.3.>  
1 42 #10. Page 2, by inserting after line 10 the  
1 43 following:  
1 44 <NEW SUBSECTION. 13. Provide information  
1 45 requested by the commission concerning the management  
1 46 and operation of the department and the programs  
1 47 administered by the department.>  
1 48 #11. Page 4, line 6, by striking the words <each  
1 49 of the fifteen>.  
1 50 #12. Page 4, line 8, by striking the words



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House Amendment 1438 continued

2 1 <veterans in those regions> and inserting the  
2 2 following: <underserved veterans throughout the  
2 3 state>.  
2 4 #13. Page 4, line 10, by striking the words <that  
2 5 the state provides>.  
2 6 #14. By renumbering as necessary.  
2 7  
2 8  
2 9  
2 10 BAILEY of Hamilton  
2 11  
2 12  
2 13  
2 14 TYMESON of Madison  
2 15  
2 16  
2 17 HF 817.201 82  
2 18 ec/es/5778



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House Amendment 1439

PAG LIN

1 1 Amend House File 777 as follows:  
1 2 #1. Page 1, by striking lines 1 through 33.  
1 3 #2. Page 2, by striking lines 3 and 4.  
1 4 #3. Page 2, by striking lines 11 and 12.  
1 5 #4. By striking page 2, line 27, through page 3,  
1 6 line 8.  
1 7 #5. By striking page 3, line 26, through page 5,  
1 8 line 20.  
1 9 #6. Page 5, line 34, by striking the word  
1 10 <mortgagor> and inserting the following: <mortgagee>.  
1 11 #7. Page 6, line 4, by striking the word  
1 12 <mortgagor> and inserting the following: <mortgagee>.  
1 13 #8. Page 6, by striking lines 28 and 29 and  
1 14 inserting the following:  
1 15 <Sec. \_\_\_\_ . Section 674.11, Code 2007, is  
1 16 repealed.>  
1 17 #9. Title page, line 3, by inserting after the  
1 18 word <estate> the following: <and change of name  
1 19 records>.  
1 20 #10. By renumbering as necessary.  
1 21  
1 22  
1 23  
1 24 PALMER of Mahaska  
1 25 HF 777.701 82  
1 26 jm/gg/7247  
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# House Amendment 1440

PAG LIN

1 1 Amend House File 804 as follows:  
1 2 #1. Page 1, by striking lines 3 through 19 and  
1 3 inserting the following:  
1 4 <26. a. Set a goal of increasing to eighty  
1 5 percent the number of students graduating from all  
1 6 secondary schools in school districts in this state  
1 7 who have successfully completed the core curriculum  
1 8 recommended by the college testing service whose  
1 9 college entrance examination is taken by the majority  
1 10 of Iowa's high school students. The state goal shall  
1 11 be exclusive of students who have special or  
1 12 alternative means for satisfying graduation  
1 13 requirements under individualized educational plans  
1 14 developed for the students. The state board shall  
1 15 require each school district to annually report,  
1 16 beginning with the 2006=2007 school year, the  
1 17 percentage of students graduating from high school in  
1 18 the school district who complete the core curriculum.  
1 19 The school district shall report, in the comprehensive  
1 20 school improvement plan submitted in accordance with  
1 21 subsection 21, how the district plans to increase the  
1 22 number of students completing the recommended core  
1 23 curriculum. ~~Taking into consideration the~~.  
1 24 #2. Page 1, by striking line 22 and inserting the  
1 25 following: ~~<school students~~.  
1 26 b. Adopt rules that establish a model core.  
1 27  
1 28  
1 29  
1 30 TYMESON of Madison  
1 31 HF 804.202 82  
1 32 kh/es/8104  
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Iowa General Assembly  
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**House Amendment 1441**

PAG LIN

1 1 Amend House File 865 as follows:  
1 2 #1. Page 14, line 3, by striking the figure  
1 3 <635.11,>.  
1 4 #2. Page 14, line 29, by striking the word <July>  
1 5 and inserting the following: <September>.  
1 6 #3. Page 14, line 30, by striking the figure <1>  
1 7 and inserting the following: <30>.  
1 8 #4. Page 14, line 32, by striking the figure  
1 9 <635.11,>.  
1 10 #5. By renumbering as necessary.  
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1 12  
1 13  
1 14 HUSER of Polk  
1 15 HF 865.701 82  
1 16 rh/gg/7562  
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House File 870 - Introduced

HOUSE FILE  
BY MAY

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

**A BILL FOR**

- 1 An Act providing for environmental quality initiatives, providing
- 2 for fees, and making appropriations.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1353YH 82
- 5 da/es/88



Iowa General Assembly  
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House File 870 - Introduced continued

PAG LIN

1 1 Section 1. Section 331.605, subsection 1, Code 2007, is  
1 2 amended by adding the following new paragraph:  
1 3 NEW PARAGRAPH. d. A quality water assessment fee as  
1 4 provided in section 462A.91.  
1 5 Sec. 2. Section 455B.171, Code 2007, is amended by adding  
1 6 the following new subsection:  
1 7 NEW SUBSECTION. 9A. "Major water source" means the same  
1 8 as defined in section 459.102.  
1 9 Sec. 3. NEW SECTION. 455B.198 WATER QUALITY ASSESSMENT.  
1 10 1. The department, in cooperation with each participating  
1 11 county, shall conduct an annual water quality assessment of  
1 12 the major water sources in this state. The department shall  
1 13 select a participating county based on criteria established by  
1 14 the department after consulting with interested organizations.  
1 15 2. The department, in cooperation with a participating  
1 16 county, shall compile data required to determine trends in  
1 17 water quality in the participating county.  
1 18 3. The department, in cooperation with a participating  
1 19 county and the board of directors of school districts in the  
1 20 county, shall provide for the active participation of students  
1 21 in activities relating to water quality which may be developed  
1 22 as part of the curriculum.  
1 23 4. The department shall execute contracts with qualified  
1 24 persons in each county for purposes of conducting the water  
1 25 quality assessment in that county.  
1 26 5. The department shall publish the results of the  
1 27 assessment, including collected data, for use by the  
1 28 department, and counties and cities to improve the quality of  
1 29 water resources.  
1 30 Sec. 4. NEW SECTION. 455B.199 WATER QUALITY ASSESSMENT  
1 31 FUND == APPROPRIATION.  
1 32 1. A water quality assessment fund is created in the state  
1 33 treasury under the control of the department. The fund is  
1 34 separate from the general fund of the state.  
1 35 2. The water quality assessment fund is composed of moneys



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House File 870 - Introduced continued

2 1 credited from the water quality assessment fee as provided in  
2 2 section 462A.91, moneys appropriated by the general assembly,  
2 3 and moneys available to and obtained or accepted by the  
2 4 department from the United States government or private  
2 5 sources for placement in the fund.

2 6 3. Moneys in the water quality assessment fund are  
2 7 appropriated to the department exclusively to support the  
2 8 water quality assessment as provided in section 455B.198.

2 9 4. a. Notwithstanding section 12C.7, interest or earnings  
2 10 on moneys in the water quality assessment fund shall be  
2 11 credited to the fund.

2 12 b. Notwithstanding section 8.33, unencumbered and  
2 13 unobligated moneys remaining in the water quality assessment  
2 14 fund at the close of each fiscal year shall not revert but  
2 15 shall remain available in the fund for expenditure for the  
2 16 same purposes until the end of the next fiscal year.

2 17 Sec. 5. NEW SECTION. 455B.200 LOCAL GOVERNMENT == WATER  
2 18 QUALITY COMMISSIONS.

2 19 1. This section applies to a county that includes  
2 20 territory containing a major water source, that is located  
2 21 within two miles from a major water source and contains a city  
2 22 which has a population of more than one thousand persons and  
2 23 which is located in that county and within two miles from a  
2 24 major water source.

2 25 2. The county, in cooperation with each affected city,  
2 26 shall establish a water quality commission composed of  
2 27 residents of the county and affected cities who have an  
2 28 interest in water quality issues. The commission shall  
2 29 include at least five but not more than nine members. The  
2 30 commission shall conduct a continuing study of all issues  
2 31 affecting the water quality of the affected communities,  
2 32 including but not limited to the following:

2 33 a. A review of existing housing developments using private  
2 34 domestic septage systems, including the conditions present and  
2 35 methods to remediate those conditions. The commission shall



Iowa General Assembly  
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House File 870 - Introduced continued

3 1 also consider the adoption of standards for housing  
3 2 developments using private domestic septage systems.  
3 3 b. The installation of filtering systems as part of new  
3 4 storm water drainage systems.  
3 5 c. The use of principles which minimizes adverse impacts  
3 6 upon water quality when developing land for public or private  
3 7 purposes.

3 8 The commission shall consider methods to implement sound  
3 9 best practices and the use of technological advances such as  
3 10 light detection and imaging.

3 11 d. A prohibition upon the use of pesticides and  
3 12 fertilizers which negatively impact upon water quality.

3 13 3. The commission shall report the results of its studies  
3 14 to the county board of supervisors of the county and each  
3 15 affected city. The report shall include an analysis,  
3 16 findings, and recommendations. For a recommendation that a  
3 17 county or affected city may implement by ordinance or  
3 18 administrative practice, the county or city shall consider the  
3 19 most practical manner to provide for its immediate  
3 20 implementation. For all other recommendations, the county and  
3 21 the city shall submit a joint plan to the department which  
3 22 shall include proposals for immediate implementation by the  
3 23 department. The plan may include the establishment of special  
3 24 projects, the adoption of administrative rules, or a change in  
3 25 administrative practice.

3 26 Sec. 6. Section 459.102, Code 2007, is amended by adding  
3 27 the following new subsection:

3 28 NEW SUBSECTION. 20A. "Designated lake" means a lake of at  
3 29 least one thousand acres of surface area.

3 30 Sec. 7. Section 459.205, unnumbered paragraph 1, Code  
3 31 2007, is amended to read as follows:

3 32 A separation distance requirement provided in ~~this~~  
~~3 33 subchapter~~ sections 459.202, 459.203, and 459.204 shall not  
3 34 apply to the following:

3 35 Sec. 8. NEW SECTION. 459.206A CONSTRUCTION OF



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House File 870 - Introduced continued

4 1 CONFINEMENT FEEDING OPERATION STRUCTURES == SPECIAL MINIMUM  
4 2 SEPARATION DISTANCES FROM DESIGNATED LAKES.  
4 3 This section applies to confinement feeding operation  
4 4 structures constructed on or after the effective date of this  
4 5 Act, and to the expansion of confinement feeding operation  
4 6 structures constructed on and after the effective date of this  
4 7 Act, and to the expansion, after the effective date of this  
4 8 Act, of confinement feeding operation structures constructed  
4 9 prior to the effective date of this Act.

4 10 1. The confinement feeding operation structure shall not  
4 11 be constructed or expanded closer than a minimum separation  
4 12 distance from a designated lake. The minimum separation  
4 13 distance shall be determined according to a community-based  
4 14 odor assessment model as developed by the department within  
4 15 Iowa state university responsible for agricultural and  
4 16 biosystems engineering. The model shall provide for the  
4 17 measurement of detectable odors for a fixed duration at  
4 18 intervals of at least two thousand six hundred forty feet.  
4 19 The department may provide a greater separation distance  
4 20 requirement for a confinement feeding operation structure  
4 21 based on the animal unit capacity of the confinement feeding  
4 22 operation.

4 23 2. In order to determine a minimum separation distance,  
4 24 the community-based odor assessment model may approve the best  
4 25 site for constructing the confinement feeding operation  
4 26 structure and best management practices for operating the  
4 27 confinement feeding operation.

4 28 Sec. 9. NEW SECTION. 459.206B APPLICATION OF MANURE FROM  
4 29 CONFINEMENT FEEDING OPERATION STRUCTURES == SPECIAL MINIMUM  
4 30 SEPARATION DISTANCES FROM DESIGNATED LAKES.

4 31 A person shall not apply manure from a confinement feeding  
4 32 operation on land located within a minimum separation distance  
4 33 from a designated lake established pursuant to the  
4 34 community-based odor assessment model as provided in section  
4 35 459.206A.



Iowa General Assembly  
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House File 870 - Introduced continued

5 1 Sec. 10. Section 459.310, subsection 3, Code 2007, is  
5 2 amended by adding the following new paragraph:  
5 3 NEW PARAGRAPH. c. A designated lake.  
5 4 Sec. 11. DEPARTMENT OF NATURAL RESOURCES == STRATEGIES FOR  
5 5 IMPROVING WATER QUALITY.  
5 6 1. The department shall perform a comprehensive review of  
5 7 its policy for land acquisitions. The policy shall provide  
5 8 that whenever the department makes a decision to acquire land,  
5 9 the department shall first consider land which has a low value  
5 10 for agricultural production, including row crop farming, but  
5 11 which if removed from agricultural production could reduce  
5 12 point source pollution of water sources.  
5 13 2. The department shall establish strategies for entering  
5 14 into partnership arrangements with agricultural producers in  
5 15 order to minimize the impact of agricultural production on  
5 16 water sources, including by providing for livestock grazing on  
5 17 public lands whenever feasible. The department may engage in  
5 18 pilot projects in all areas of the state.  
5 19 3. The department, in cooperation with county conservation  
5 20 boards, shall establish targets for wildlife populations in  
5 21 each county, including deer and geese populations, in order to  
5 22 minimize their contribution to compromising the quality of  
5 23 water of the state, including public and private drinking  
5 24 water supplies. The department shall review its policy of  
5 25 wildlife management and implement a plan for the reduction of  
5 26 wildlife populations to meet those targets.  
5 27 WATER QUALITY ASSESSMENT FEE  
5 28 Sec. 12. NEW SECTION. 462A.91 WATER QUALITY ASSESSMENT  
5 29 STICKER == FEE.  
5 30 An owner of a vessel required to have a certificate of  
5 31 title pursuant to section 462A.77 shall not operate or allow  
5 32 the vessel to be operated unless the person obtains a sticker  
5 33 issued by the department. The sticker must be placed on the  
5 34 vessel as required by the department. The person shall apply  
5 35 to the department in a manner and according to procedures



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House File 870 - Introduced continued

6 1 required by the department. The person shall pay a five  
6 2 dollar fee for the sticker. The fees shall be credited to the  
6 3 water quality assessment fund as provided in section 455B.199  
6 4 for use as provided in that section.

6 5 Sec. 13. MASTER MATRIX STUDY COMMITTEE. The director of  
6 6 the department of natural resources and the secretary of  
6 7 agriculture shall jointly establish a master matrix study  
6 8 committee to conduct a study to reexamine the use of the  
6 9 master matrix as provided in section 459.305.

6 10 1. The director and secretary shall appoint members of the  
6 11 committee based on the interest and experience of candidates  
6 12 in issues affecting the process of approving or disapproving  
6 13 applications for the issuance of permits and environmental  
6 14 quality.

6 15 2. The committee shall consider increasing the  
6 16 participation by counties and the effectiveness of the master  
6 17 matrix, including improvements to categories and criteria and  
6 18 the scoring of criteria including the use of negative points,  
6 19 the use of best practices, and the use of technological  
6 20 advances including air modeling and light detection and  
6 21 ranging.

6 22 3. The committee shall submit a report to the general  
6 23 assembly by January 11, 2008, which includes findings and  
6 24 recommendations including proposed legislation.

6 25 Sec. 14. COMMUNITY=BASED ODOR ASSESSMENT MODEL ==  
6 26 APPROPRIATION. There is appropriated from the general fund of  
6 27 the state to Iowa state university for the fiscal year  
6 28 beginning July 1, 2007, and ending June 30, 2008, the  
6 29 following amount, or so much thereof as is necessary, to be  
6 30 used for the purposes designated:

6 31 For purposes of allocation to the department of  
6 32 agricultural and biosystems engineering to develop and  
6 33 implement a community=based odor assessment model for purposes  
6 34 of providing minimum separation distances between confinement  
6 35 feeding operation structures and designated lakes as provided



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House File 870 - Introduced continued

7 1 in section 459.206A, as enacted in this Act, including  
 7 2 salaries, support, maintenance, and miscellaneous purposes:  
 7 3 ..... \$ 200,000

7 4 EXPLANATION

7 5 This bill provides for a number of initiatives related to  
 7 6 environmental protection. The bill requires the department  
 7 7 and counties and cities to perform an assessment of the  
 7 8 quality of surface and subsurface water in the county. The  
 7 9 bill applies to counties which include territory with a major  
 7 10 water source or within two miles of a major water source or  
 7 11 cities having a population of more than 1,000 which is two  
 7 12 miles from a major water source.

7 13 The bill provides that the owner of a vessel required to  
 7 14 have a certificate of title pursuant to Code section 462A.77  
 7 15 must obtain a sticker each year by the department. The bill  
 7 16 provides for the assessment of a \$5 fee to be credited to a  
 7 17 special fund under the department's control and used  
 7 18 exclusively to support the water quality assessment.

7 19 The bill provides that a county or city must establish a  
 7 20 water quality commission composed of residents of the county  
 7 21 and cities with an interest in water quality issues to  
 7 22 consider issues affecting the water quality of their  
 7 23 communities. The bill provides for the implementation of  
 7 24 recommendations made by the commission by local governments or  
 7 25 the department.

7 26 The bill establishes a new type of benefited object or  
 7 27 location referred to as a "designated lake" which has at least  
 7 28 1,000 acres of surface area. The bill provides that a  
 7 29 confinement feeding operation structure cannot be constructed  
 7 30 or expanded closer than a minimum separation distance from a  
 7 31 designated lake. The minimum separation distance is to be  
 7 32 determined according to a community-based odor assessment  
 7 33 model as developed by Iowa state university's agricultural and  
 7 34 biosystems engineering department as provided for by rules  
 7 35 adopted by the department of natural resources to the extent



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House File 870 - Introduced continued

8 1 feasible. The model is to provide for the measurement of  
8 2 detectable odors for a fixed duration at intervals of at least  
8 3 2,640 feet.

8 4 The bill requires the department of natural resources to  
8 5 perform a comprehensive review of its policy for land  
8 6 acquisitions to reduce point source pollution of water  
8 7 sources, and enter into partnership arrangements with  
8 8 agricultural producers in order to minimize the impact of  
8 9 agricultural production on water sources, and establish a plan  
8 10 of wildlife management to reduce their contributions to water  
8 11 pollution.

8 12 The bill requires the director of the department of natural  
8 13 resources and the secretary of agriculture to conduct a study  
8 14 to reexamine the use of the master matrix as provided in Code  
8 15 section 459.305.

8 16 The bill makes an appropriation from the state general fund  
8 17 to Iowa state university for purposes of allocating the moneys  
8 18 to the department of agricultural and biosystems engineering  
8 19 to develop and implement a community-based odor assessment  
8 20 model.

8 21 LSB 1353YH 82

8 22 da:rj/es/88



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House File 871 - Introduced

HOUSE FILE  
BY MAY

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

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

**A BILL FOR**

- 1 An Act relating to funding to market projects receiving moneys
- 2 from the community attraction and tourism fund.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1357YH 82
- 5 tm/je/5



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House File 871 - Introduced continued

PAG LIN

1 1 Section 1. Section 15F.204, subsection 5, unnumbered  
1 2 paragraph 1, Code 2007, is amended to read as follows:  
1 3 At the beginning of each fiscal year, the board shall  
1 4 allocate one million dollars for purposes of marketing those  
1 5 projects that are receiving moneys from the fund. After the  
1 6 marketing allocation, the board shall allocate all remaining  
1 7 moneys in the fund in the following manner:

1 8 EXPLANATION

1 9 This bill relates to marketing community attraction and  
1 10 tourism fund projects.

1 11 The bill allocates \$1 million each fiscal year from the  
1 12 community attraction and tourism fund for purposes of  
1 13 marketing those projects that are receiving moneys from the  
1 14 fund. The marketing allocation occurs prior to moneys being  
1 15 allocated from the fund for projects.

1 16 LSB 1357YH 82

1 17 tm:sc/je/5



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House File 872 - Introduced

HOUSE FILE  
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 103)

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

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 TLSB 1378HV 82  
8 nh/je/5



Iowa General Assembly  
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March 22, 2007

House File 872 - Introduced continued

PAG LIN

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.



Iowa General Assembly  
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House File 872 - Introduced continued

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 through June  
2 23 30, 2008:  
2 24 1. a. For a hotel containing fifteen guest rooms or less,  
2 25 ~~twenty~~ thirty dollars.  
2 26 ~~2. b.~~ For a hotel containing more than fifteen but less  
2 27 than thirty-one guest rooms, ~~thirty~~ forty-five dollars.  
2 28 ~~3. c.~~ For a hotel containing more than thirty but less  
2 29 than seventy-six guest rooms, ~~forty~~ sixty dollars.  
2 30 ~~4. d.~~ For a hotel containing more than seventy-five but  
2 31 less than one hundred fifty guest rooms, ~~fifty~~ seventy-five  
2 32 dollars.  
2 33 ~~5. e.~~ For a hotel containing one hundred fifty or more  
2 34 guest rooms, ~~seventy-five~~ one hundred ten dollars.  
2 35 2. Either the department or the municipal corporation



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House File 872 - Introduced continued

3 1 shall collect the following annual license fees beginning July  
3 2 1, 2008:  
3 3 a. For a hotel containing fifteen guest rooms or less,  
3 4 forty dollars.  
3 5 b. For a hotel containing more than fifteen but less than  
3 6 thirty-one guest rooms, sixty dollars.  
3 7 c. For a hotel containing more than thirty but less than  
3 8 seventy-six guest rooms, eighty dollars.  
3 9 d. For a hotel containing more than seventy-five but less  
3 10 than one hundred fifty guest rooms, one hundred dollars.  
3 11 e. For a hotel containing one hundred fifty or more guest  
3 12 rooms, one hundred fifty dollars.  
3 13 3. Fees collected by the department shall be deposited in  
3 14 the general fund of the state. Fees collected by a municipal  
3 15 corporation shall be retained by it and for its use.  
3 16 Sec. 3. Section 137D.2, subsection 1, Code 2007, is  
3 17 amended to read as follows:  
3 18 1. A person shall not open or operate a home food  
3 19 establishment until a license has been obtained from the  
3 20 department of inspections and appeals. The department shall  
3 21 collect a fee of ~~twenty-five~~ thirty-five dollars for a license  
3 22 through June 30, 2008, and a fee of fifty dollars for a  
3 23 license beginning July 1, 2008. After collection, the fees  
3 24 shall be deposited in the general fund of the state. A  
3 25 license shall expire one year from date of issue. A license  
3 26 is renewable.  
3 27 Sec. 4. Section 137F.1, subsection 7, Code 2007, is  
3 28 amended by striking the subsection.  
3 29 Sec. 5. Section 137F.1, subsection 8, unnumbered paragraph  
3 30 1, Code 2007, is amended to read as follows:  
3 31 "Food establishment" means an operation that stores,  
3 32 prepares, packages, serves, vends, or otherwise provides food  
3 33 for human consumption and includes a food service operation in  
3 34 a salvage or distressed food operation, school, summer camp,  
3 35 residential service substance abuse treatment facility,



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House File 872 - Introduced continued

4 1 halfway house substance abuse treatment facility, correctional  
4 2 facility operated by the department of corrections, the state  
4 3 training school, or the Iowa juvenile home. "Food  
4 4 establishment" does not include the following:  
4 5 Sec. 6. Section 137F.2, Code 2007, is amended by striking  
4 6 the section and inserting in lieu thereof the following:  
4 7 137F.2 ADOPTION BY RULE.  
4 8 The department shall, in accordance with chapter 17A, adopt  
4 9 rules setting minimum standards for entities covered under  
4 10 this chapter to protect consumers from foodborne illness. In  
4 11 so doing, the department may adopt by reference, with or  
4 12 without amendment, the United States food and drug  
4 13 administration food code, which shall be specified by title  
4 14 and edition, date of publication, or similar information. The  
4 15 rules and standards shall be formulated in consultation with  
4 16 municipal corporations under agreement with the department,  
4 17 affected state agencies, and industry, professional, and  
4 18 consumer groups.  
4 19 Sec. 7. Section 137F.3, Code 2007, is amended to read as  
4 20 follows:  
4 21 137F.3 AUTHORITY TO ENFORCE.  
4 22 1. The director shall regulate, license, and inspect food  
4 23 establishments and food processing plants and enforce this  
4 24 chapter pursuant to rules adopted by the department in  
4 25 accordance with chapter 17A. Municipal corporations shall not  
4 26 regulate, license, inspect, or collect license fees from food  
4 27 establishments and food processing plants, except as provided  
4 28 in this section.  
4 29 2. A municipal corporation may enter into an agreement  
4 30 with the director to provide that the municipal corporation  
4 31 shall license, inspect, and otherwise enforce this chapter  
4 32 within its jurisdiction. The director may enter into the  
4 33 agreement if the director finds that the municipal corporation  
4 34 has adequate resources to perform the required functions. A  
4 35 municipal corporation may only enter into an agreement to



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5 1 ~~enforce the Iowa food code~~ rules setting minimum standards to  
5 2 ~~protect consumers from foodborne illness adopted pursuant to~~  
5 3 ~~this~~ section 137F.2 if it also agrees to enforce the Iowa  
5 4 hotel sanitation code pursuant to section 137C.6. However,  
5 5 the department shall license and inspect all food processing  
5 6 plants which manufacture, package, or label food products. A  
5 7 municipal corporation may license and inspect, as authorized  
5 8 by this section, food processing plants whose operations are  
5 9 limited to the storage of food products.

5 10 3. If the director enters into an agreement with a  
5 11 municipal corporation as provided by this section, the  
5 12 director shall provide that the inspection practices of a  
5 13 municipal corporation are spot-checked on a regular basis.

5 14 4. A municipal corporation that is responsible for  
5 15 enforcing this chapter within its jurisdiction pursuant to an  
5 16 agreement shall make an annual report to the director  
5 17 providing the following information:

5 18 ~~1.~~ a. The total number of licenses granted or renewed by  
5 19 the municipal corporation under this chapter during the year.

5 20 ~~2.~~ b. The number of licenses granted or renewed by the  
5 21 municipal corporation under this chapter during the year in  
5 22 each of the following categories:

5 23 ~~a.~~ (1) Food establishments.  
5 24 ~~b.~~ (2) Food processing plants.  
5 25 ~~c.~~ (3) Mobile food units and pushcarts.  
5 26 ~~d.~~ (4) Temporary food establishments.  
5 27 ~~e.~~ (5) Vending machines.

5 28 ~~3.~~ c. The amount of money collected in license fees  
5 29 during the year.

5 30 ~~4.~~ d. Other information the director requests.

5 31 5. The director shall monitor municipal corporations which  
5 32 have entered into an agreement pursuant to this section to  
5 33 determine if they are enforcing this chapter within their  
5 34 respective jurisdictions. If the director determines that  
5 35 this chapter is not enforced by a municipal corporation, the



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6 1 director may rescind the agreement after reasonable notice and  
6 2 an opportunity for a hearing. If the agreement is rescinded,  
6 3 the director shall assume responsibility for enforcement in  
6 4 the jurisdiction involved.

6 5 Sec. 8. Section 137F.3A, Code 2007, is amended to read as  
6 6 follows:

6 7 137F.3A MUNICIPAL CORPORATION INSPECTIONS == CONTINGENT  
6 8 APPROPRIATION.

6 9 1. If a municipal corporation operating pursuant to a  
6 10 chapter 28E agreement with the department of inspections and  
6 11 appeals to enforce this chapter and chapters 137C and 137D  
6 12 either fails to renew the agreement effective after July 1,  
6 13 2005, ~~but before July 1, 2007,~~ or discontinues ~~prior to July~~  
~~6 14 1, 2007,~~ enforcement activities in one or more jurisdictions  
6 15 during the agreement time frame, or the department of  
6 16 inspections and appeals cancels an agreement ~~prior to July 1,~~  
~~6 17 2007,~~ due to noncompliance with the terms of the agreement,  
6 18 the department of inspections and appeals may employ  
6 19 additional full-time equivalent positions ~~for the fiscal years~~  
~~6 20 ending prior to July 1, 2007,~~ to enforce the provisions of the  
6 21 chapters, with the approval of the department of management.  
6 22 Before approval is given, the director of the department of  
6 23 management shall determine that the expenses exceed the funds  
6 24 budgeted by the general assembly for food inspections to the  
6 25 department of inspections and appeals. The department of  
6 26 inspections and appeals may hire no more than one full-time  
6 27 equivalent position for each six hundred inspections required  
6 28 pursuant to this chapter and chapters 137C and 137D.

6 29 2. Notwithstanding chapter 137D, and sections 137C.9 and  
6 30 137F.6, if the conditions described in this section are met,  
6 31 fees imposed pursuant to that chapter and those sections shall  
6 32 be retained by and are appropriated to the department of  
6 33 inspections and appeals ~~for the each fiscal years ending prior~~  
~~6 34 to July 1, 2007,~~ year to provide for salaries, support,  
6 35 maintenance, and miscellaneous purposes associated with the



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7 1 additional inspections.  
7 2 ~~3. This section is repealed July 1, 2007.~~  
7 3 Sec. 9. Section 137F.6, Code 2007, is amended to read as  
7 4 follows:  
7 5 137F.6 LICENSE == REINSPECTION == PLAN REVIEW FEES.  
7 6 1. The regulatory authority shall collect the following  
7 7 annual license fees through June 30, 2008:  
7 8 ~~1.~~ a. For a mobile food unit or pushcart, ~~twenty~~ sixty  
7 9 dollars.  
7 10 ~~2.~~ b. For a temporary food establishment per fixed  
7 11 location, ~~twenty=five~~ thirty=five dollars.  
7 12 ~~3.~~ c. For a vending machine, twenty dollars for the first  
7 13 machine and five dollars for each additional machine.  
7 14 ~~4.~~ d. For a food establishment which prepares or serves  
7 15 food for individual portion service intended for consumption  
7 16 on=the=premises, the annual license fee shall correspond to  
7 17 the annual gross food and beverage sales of the food  
7 18 establishment, as follows:  
7 19 ~~a.~~ (1) Annual gross sales of under fifty thousand  
7 20 dollars, ~~fifty~~ seventy=five dollars.  
7 21 ~~b.~~ (2) Annual gross sales of at least fifty thousand  
7 22 dollars but less than one hundred thousand dollars,  
7 23 ~~eighty=five~~ one hundred twenty=five dollars.  
7 24 ~~c.~~ (3) Annual gross sales of at least one hundred  
7 25 thousand dollars but less than two hundred fifty thousand  
7 26 dollars, ~~one hundred seventy=five~~ two hundred sixty dollars.  
7 27 ~~d.~~ (4) Annual gross sales of two hundred fifty thousand  
7 28 dollars but less than five hundred thousand dollars, ~~two~~ three  
7 29 hundred dollars.  
7 30 ~~e.~~ (5) Annual gross sales of five hundred thousand  
7 31 dollars or more, ~~two hundred twenty=five~~ three hundred  
7 32 thirty=five dollars.  
7 33 5. e. For a food establishment which sells food or food  
7 34 products to consumer customers intended for preparation or  
7 35 consumption off=the=premises, the annual license fee shall



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8 1 correspond to the annual gross food and beverage sales of the  
8 2 food establishment, as follows:

8 3 ~~a.~~ (1) Annual gross sales of under ten thousand dollars,  
8 4 ~~thirty forty=~~five dollars.

8 5 ~~b.~~ (2) Annual gross sales of at least ten thousand  
8 6 dollars but less than two hundred fifty thousand dollars,  
8 7 ~~seventy=~~five one hundred ten dollars.

8 8 ~~c.~~ (3) Annual gross sales of at least two hundred fifty  
8 9 thousand dollars but less than five hundred thousand dollars,  
8 10 ~~one hundred fifteen~~ one hundred seventy dollars.

8 11 ~~d.~~ (4) Annual gross sales of at least five hundred  
8 12 thousand dollars but less than seven hundred fifty thousand  
8 13 dollars, ~~one hundred fifty~~ two hundred twenty=five dollars.

8 14 ~~e.~~ (5) Annual gross sales of seven hundred fifty thousand  
8 15 dollars or more, ~~two hundred twenty=~~five three hundred  
8 16 thirty=five dollars.

8 17 ~~6.~~ f. For a food processing plant, the annual license fee  
8 18 shall correspond to the annual gross food and beverage sales  
8 19 of the food processing plant, as follows:

8 20 ~~a.~~ (1) Annual gross sales of under fifty thousand  
8 21 dollars, ~~fifty~~ seventy=five dollars.

8 22 ~~b.~~ (2) Annual gross sales of at least fifty thousand  
8 23 dollars but less than two hundred fifty thousand dollars, one  
8 24 hundred fifty dollars.

8 25 ~~c.~~ (3) Annual gross sales of at least two hundred fifty  
8 26 thousand dollars but less than five hundred thousand dollars,  
8 27 ~~one hundred fifty~~ two hundred twenty=five dollars.

8 28 ~~d.~~ (4) Annual gross sales of five hundred thousand  
8 29 dollars or more, ~~two hundred fifty~~ three hundred seventy=five  
8 30 dollars.

8 31 ~~7.~~ g. For a farmers market where potentially hazardous  
8 32 food is sold or distributed, one seasonal license fee of one  
8 33 hundred dollars for each vendor on a countywide basis.

8 34 ~~h.~~ A food establishment covered by ~~subsections 4 and 5~~  
8 35 paragraphs "d" and "e" shall be assessed license fees not to  
9 1 exceed seventy=five percent of the total fees applicable under  
9 2 both ~~subsections~~ paragraphs.

9 3 i. Upon transfer of ownership of an existing food  
9 4 establishment or food processing plant subject to a license  
9 5 fee under paragraph "d", "e", or "f", the new owner shall pay  
9 6 the last license fee amount paid by the previous owner for the  
9 7 first year of licensure. In subsequent years, the licensee  
9 8 shall pay the fee specified for the licensee's annual gross  
9 9 sales.

9 10 j. A new applicant subject to a license fee under  
9 11 paragraph "d", "e", or "f" shall pay the license fee based on  
9 12 projected gross sales under each of the applicable paragraphs  
9 13 for the first year of licensure. In subsequent years, the  
9 14 licensee shall pay the fee specified for the licensee's annual  
9 15 gross sales.

9 16 k. For a food establishment or food processing plant that  
9 17 is being remodeled or newly constructed and that is subject to  
9 18 a license fee under paragraph "d", "e", or "f", the applicant  
9 19 shall pay, in addition to any other fees assessed under this  
9 20 chapter, a plan review fee of up to two hundred fifty dollars,  
9 21 as determined by the regulatory authority.



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9 22     1. For a food establishment or food processing plant that  
9 23 is being remodeled and that is subject to a license fee under  
9 24 paragraph "d", "e", or "f", the licensee shall pay, in  
9 25 addition to any other fees assessed under this chapter, a plan  
9 26 review fee of up to two hundred fifty dollars, as determined  
9 27 by the regulatory authority.

9 28     m. If a routine inspection or a complaint investigation of  
9 29 a food establishment or food processing plant subject to a  
9 30 license fee under paragraph "d", "e", or "f" reveals the  
9 31 presence of one or more critical violations and requires one  
9 32 or more physical reinspections, a reinspection fee equal to  
9 33 fifty dollars shall be assessed for each reinspection.  
9 34 Failure to pay the reinspection fee shall subject a food  
9 35 establishment or food processing plant to suspension or



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10 1 revocation of the food establishment's or food processing  
10 2 plant's license pursuant to section 137F.7 and to the penalty  
10 3 provisions of section 137F.17.  
10 4 2. The regulatory authority shall collect the following  
10 5 annual license fees beginning July 1, 2008:  
10 6 a. For a mobile food unit or pushcart, one hundred  
10 7 dollars.  
10 8 b. For a temporary food establishment per fixed location,  
10 9 fifty dollars.  
10 10 c. For a vending machine, twenty dollars for the first  
10 11 machine and five dollars for each additional machine.  
10 12 d. For a food establishment which prepares or serves food  
10 13 for individual portion service intended for consumption  
10 14 on-the-premises, the annual license fee shall correspond to  
10 15 the annual gross food and beverage sales of the food  
10 16 establishment, as follows:  
10 17 (1) Annual gross sales of under fifty thousand dollars,  
10 18 one hundred dollars.  
10 19 (2) Annual gross sales of at least fifty thousand dollars  
10 20 but less than one hundred thousand dollars, one hundred  
10 21 seventy dollars.  
10 22 (3) Annual gross sales of at least one hundred thousand  
10 23 dollars but less than two hundred fifty thousand dollars,  
10 24 three hundred fifty dollars.  
10 25 (4) Annual gross sales of two hundred fifty thousand  
10 26 dollars but less than five hundred thousand dollars, four  
10 27 hundred dollars.  
10 28 (5) Annual gross sales of five hundred thousand dollars or  
10 29 more, four hundred fifty dollars.  
10 30 e. For a food establishment which sells food or food  
10 31 products to consumer customers intended for preparation or  
10 32 consumption off-the-premises, the annual license fee shall  
10 33 correspond to the annual gross food and beverage sales of the  
10 34 food establishment, as follows:  
10 35 (1) Annual gross sales of under ten thousand dollars,



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11 1 sixty dollars.  
11 2 (2) Annual gross sales of at least ten thousand dollars  
11 3 but less than two hundred fifty thousand dollars, one hundred  
11 4 fifty dollars.  
11 5 (3) Annual gross sales of at least two hundred fifty  
11 6 thousand dollars but less than five hundred thousand dollars,  
11 7 two hundred thirty dollars.  
11 8 (4) Annual gross sales of at least five hundred thousand  
11 9 dollars but less than seven hundred fifty thousand dollars,  
11 10 three hundred dollars.  
11 11 (5) Annual gross sales of seven hundred fifty thousand  
11 12 dollars or more, four hundred fifty dollars.  
11 13 f. For a food processing plant, the annual license fee  
11 14 shall correspond to the annual gross food and beverage sales  
11 15 of the food processing plant, as follows:  
11 16 (1) Annual gross sales of under fifty thousand dollars,  
11 17 one hundred dollars.  
11 18 (2) Annual gross sales of at least fifty thousand dollars  
11 19 but less than two hundred fifty thousand dollars, two hundred  
11 20 dollars.  
11 21 (3) Annual gross sales of at least two hundred fifty  
11 22 thousand dollars but less than five hundred thousand dollars,  
11 23 three hundred dollars.  
11 24 (4) Annual gross sales of five hundred thousand dollars or  
11 25 more, five hundred dollars.  
11 26 g. For a farmers market where potentially hazardous food  
11 27 is sold or distributed, one seasonal license fee of one  
11 28 hundred dollars for each vendor on a countywide basis.  
11 29 h. A food establishment covered by paragraphs "d" and "e"  
11 30 shall be assessed license fees not to exceed seventy-five  
11 31 percent of the total fees applicable under both paragraphs.  
11 32 i. Upon transfer of ownership of an existing food  
11 33 establishment or food processing plant subject to a license  
11 34 fee under paragraph "d", "e", or "f", the new owner shall pay  
11 35 the last license fee amount paid by the previous owner for the



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12 1 first year of licensure. In subsequent years, the licensee  
12 2 shall pay the fee specified for the licensee's annual gross  
12 3 sales.  
12 4 j. A new applicant subject to a license fee under  
12 5 paragraph "d", "e", or "f" shall pay the license fee based on  
12 6 projected gross sales under each of the applicable paragraphs  
12 7 for the first year of licensure. In subsequent years, the  
12 8 licensee shall pay the fee specified for the licensee's annual  
12 9 gross sales.  
12 10 k. For a food establishment or food processing plant that  
12 11 is being remodeled or newly constructed and that is subject to  
12 12 a license fee under paragraph "d", "e", or "f", the applicant  
12 13 shall pay, in addition to any other fees assessed under this  
12 14 chapter, a plan review fee of up to two hundred fifty dollars,  
12 15 as determined by the regulatory authority.  
12 16 l. For a food establishment or food processing plant that  
12 17 is being remodeled and that is subject to a license fee under  
12 18 paragraph "d", "e", or "f", the licensee shall pay, in  
12 19 addition to any other fees assessed under this chapter, a plan  
12 20 review fee of up to two hundred fifty dollars, as determined  
12 21 by the regulatory authority.  
12 22 m. If a routine inspection or a complaint investigation of  
12 23 a food establishment or food processing plant subject to a  
12 24 license fee under paragraph "d", "e", or "f" reveals the  
12 25 presence of one or more critical violations and requires one  
12 26 or more physical reinspections, a reinspection fee equal to  
12 27 fifty dollars shall be assessed for each reinspection.  
12 28 Failure to pay the reinspection fee shall subject a food  
12 29 establishment or food processing plant to suspension or  
12 30 revocation of the food establishment's or food processing  
12 31 plant's license pursuant to section 137F.7 and to the penalty  
12 32 provisions of section 137F.17.  
12 33 3. All fees imposed pursuant to this chapter shall be  
12 34 increased annually in an amount equal to the greater of five  
12 35 dollars, or the consumer price index for all urban consumers



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13 1 for the immediately preceding calendar year, as published in  
13 2 the federal register by the United States department of  
13 3 labor's bureau of labor statistics and rounded to the nearest  
13 4 increment of five dollars.

13 5 4. Fees collected by the department shall be deposited in  
13 6 the general fund of the state. Fees collected by a municipal  
13 7 corporation shall be retained by the municipal corporation for  
13 8 regulation of food establishments and food processing plants  
13 9 licensed under this chapter.

13 10 5. Each vending machine licensed under this chapter shall  
13 11 bear a readily visible identification tag or decal provided by  
13 12 the licensee, containing the licensee's business address and  
13 13 phone number, and a company license number assigned by the  
13 14 regulatory authority.

13 15 Sec. 10. Section 331.756, subsection 32, Code 2007, is  
13 16 amended to read as follows:

13 17 32. Assist the department of inspections and appeals in  
13 18 the enforcement of the ~~Iowa food code~~ rules setting minimum  
13 19 standards to protect consumers from foodborne illness adopted  
13 20 pursuant to section 137F.2 and the Iowa hotel sanitation code,  
13 21 as provided in sections 137F.19 and 137C.30.

13 22 Sec. 11. FOOD CODE APPLICABILITY == TEMPORARY PROVISIONS.  
13 23 Pending the adoption of rules pursuant to section 137F.2, as  
13 24 amended by this Act, the 1997 edition of the United States  
13 25 food and drug administration food code, with the amendments or  
13 26 exceptions thereto in effect prior to the effective date of  
13 27 this Act, shall continue in effect.

13 28 Sec. 12. EFFECTIVE DATE. The section of this Act amending  
13 29 section 137F.3A, being deemed of immediate importance, takes  
13 30 effect upon enactment.

13 31 EXPLANATION

13 32 This bill makes changes regarding the licensing and  
13 33 inspection of hotels, home food establishments, and food  
13 34 establishments.

13 35 The bill provides for phased-in increases in the license



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14 1 fees imposed on hotels pursuant to Code section 137C.9, for  
14 2 home food establishments pursuant to Code section 137D.2, and  
14 3 for food establishments and food processing plants pursuant to  
14 4 Code section 137F.6. Except in the case of a mobile food unit  
14 5 or pushcart licensed pursuant to Code section 137F.6,  
14 6 subsection 1, whose fee is increased from \$20 to \$100, all  
14 7 other fees are doubled in amount over the two-year period.  
14 8 The bill provides for the deletion of a specific reference  
14 9 to the adoption of the "food code" in Code section 137F.2,  
14 10 statutory amendments or exceptions to the food code, providing  
14 11 instead for the adoption of rules setting minimum standards to  
14 12 protect consumers from foodborne illness. The bill provides  
14 13 that the rules may incorporate by reference, with or without  
14 14 amendment, the United States food and drug administration food  
14 15 code, which if incorporated shall be specified by title and  
14 16 edition, date of publication, or similar information, and that  
14 17 the rules and standards shall be formulated in consultation  
14 18 with municipal corporations under agreement with the  
14 19 department, affected state agencies, and industry,  
14 20 professional, and consumer groups. Conforming changes are  
14 21 made to other Code provisions currently referencing the "food  
14 22 code" as referred to in Code chapter 137F. The bill specifies  
14 23 that until the rules are adopted, the 1997 edition of the  
14 24 United States food and drug administration food code, with the  
14 25 amendments or exceptions in effect prior to the effective date  
14 26 of the bill, shall continue to apply.  
14 27 The bill includes in the definition of a "food  
14 28 establishment" in Code section 137F.1 a salvage or distressed  
14 29 food operation.  
14 30 Code section 137F.3A, enacted in 2006, is amended to  
14 31 provide that the department of inspections and appeals may  
14 32 retain fees imposed on hotels, home food establishments, and  
14 33 on certain food establishments, each fiscal year and use the  
14 34 fees retained for costs associated with having the department  
14 35 conduct food inspections in jurisdictions where the applicable



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15 1 municipal corporation fails to conduct the inspections on or  
15 2 after July 1, 2005. Current law allows the department to  
15 3 retain and use such fees between July 1, 2005, and July 1,  
15 4 2007. The bill eliminates the future repeal of the provision  
15 5 on July 1, 2007. This provision of the bill takes effect upon  
15 6 enactment.

15 7       The bill provides for new categories of fees for  
15 8 reinspection and plan review relating to food establishments  
15 9 under Code chapter 137F. The bill provides that if a transfer  
15 10 of ownership of a certain type of existing food establishment  
15 11 or food processing plant licensed under Code section 137F.6  
15 12 occurs, which would include a food establishment which  
15 13 prepares or serves food for individual portion service  
15 14 intended for consumption on=the=premises, a food establishment  
15 15 which sells food or food products to consumer customers  
15 16 intended for preparation or consumption off=the=premises, or a  
15 17 food processing plant, the new owner shall pay the highest  
15 18 license fee for the first year of licensure, and in subsequent  
15 19 years, the fee specified for their annual gross sales.

15 20       The bill additionally provides that an applicant for  
15 21 certain new licenses under Code section 137F.6 shall pay the  
15 22 license fee based on projected gross sales or the previous  
15 23 owner's license fee, whichever is applicable to the applicant,  
15 24 for the first year of licensure and, in subsequent years, the  
15 25 fee specified for their annual gross sales.

15 26       Further, for certain food establishments and food  
15 27 processing plants to be licensed under Code section 137F.6  
15 28 that are being newly constructed or remodeled, or for an  
15 29 existing licensee undergoing remodeling, the bill provides  
15 30 that the applicant or licensee shall pay, in addition to any  
15 31 other fees assessed, a plan review fee of up to \$250, as  
15 32 determined by the regulatory authority.

15 33       Additionally, the bill provides that if a routine  
15 34 inspection or a complaint investigation of certain food  
15 35 establishments and food processing plants licensed under Code



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16 1 section 137F.6 reveals the presence of one or more critical  
16 2 violations and requires one or more physical reinspections, a  
16 3 reinspection fee equal to \$50 shall be assessed for each  
16 4 reinspection. The bill specifies that failure to pay the  
16 5 reinspection fee shall subject a licensee to suspension or  
16 6 revocation of the license pursuant to Code section 137F.7, and  
16 7 the penalty provisions of Code section 137F.17.  
16 8 The bill provides that all fees imposed pursuant to Code  
16 9 chapter 137F shall be increased annually in an amount equal to  
16 10 the greater of \$5, or the consumer price index for all urban  
16 11 consumers for the immediately preceding calendar year, as  
16 12 published in the federal register by the United States  
16 13 department of labor's bureau of labor statistics and rounded  
16 14 to the nearest increment of \$5.  
16 15 LSB 1378HV 82  
16 16 nh:rj/je/5



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House File 873 - Introduced

HOUSE FILE  
BY COMMITTEE ON ENVIRONMENTAL  
PROTECTION

(SUCCESSOR TO HSB 267)

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

A BILL FOR

1 An Act providing for environmental protection of facilities and  
2 practices related to the production of livestock, including  
3 animal feeding operations, providing for fees and tax  
4 exemptions, making penalties applicable, and providing  
5 effective and applicability dates.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
7 TLSB 2838HV 82  
8 da/je/5



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PAG LIN

1 1 DIVISION I  
1 2 REGULATION OF ANIMAL FEEDING OPERATIONS  
1 3 Section 1. Section 331.304A, Code 2007, is amended to read  
1 4 as follows:  
1 5 331.304A LIMITATIONS ON COUNTY LEGISLATION.  
1 6 1. As used in this section:  
1 7 a. "Aerobic structure", "animal", "animal feeding  
1 8 operation", "animal feeding operation structure", "confinement  
1 9 feeding operation structure", and "manure" mean the same as  
1 10 defined in section 459.102.  
1 11 b. "County legislation" means any ordinance, motion,  
1 12 resolution, or amendment adopted by a county pursuant to  
1 13 section 331.302.  
1 14 2. a. A Except as provided in subsection 3, a county  
1 15 shall not adopt or enforce county legislation regulating a  
1 16 condition or activity occurring on land used for the  
1 17 production, care, feeding, or housing of animals unless the  
1 18 regulation of the production, care, feeding, or housing of  
1 19 animals is expressly authorized by state law. County  
1 20 legislation adopted in violation of this section is void and  
1 21 unenforceable and any enforcement activity conducted in  
1 22 violation of this section is void.  
1 23 b. A condition or activity occurring on land used for the  
1 24 production, care, feeding, or housing of animals includes but  
1 25 is not limited to the construction, operation, or management  
1 26 of an animal feeding operation, an animal feeding operation  
1 27 structure, or aerobic structure, and to the storage, handling,  
1 28 or application of manure or egg washwater.  
1 29 3. A county shall participate in reviewing an application  
1 30 to construct a confinement feeding operation structure to be  
1 31 located in the county as provided in section 459.304.  
1 32 Sec. 2. Section 455B.134, subsection 3, paragraph f,  
1 33 subparagraph (1), unnumbered paragraphs 1 and 2, Code 2007,  
1 34 are amended by striking the unnumbered paragraphs.  
1 35 Sec. 3. Section 459.102, Code 2007, is amended by adding



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2 1 the following new subsections:

2 2 NEW SUBSECTION. 8A. "Benefited object or location" means  
2 3 any of the following:

2 4 a. A residence.

2 5 b. A commercial enterprise.

2 6 c. A bona fide religious institution.

2 7 d. An educational institution.

2 8 e. A public use area.

2 9 f. A qualified city.

2 10 g. A public thoroughfare.

2 11 h. A swine gestating-to=farrowing operation structure.

2 12 i. A planned residential housing development.

2 13 j. A tourism destination.

2 14 NEW SUBSECTION. 9A. "City" means the same as defined in  
2 15 section 362.2.

2 16 NEW SUBSECTION. 20A. "Designated groundwater access  
2 17 point" means a known sinkhole, or a cistern, abandoned well,  
2 18 unplugged agricultural drainage well, agricultural drainage  
2 19 well surface inlet, or drinking water well. However, a  
2 20 designated groundwater access point does not include a terrace  
2 21 tile inlet.

2 22 NEW SUBSECTION. 37A. "Planned residential housing  
2 23 development" means a lot in which residences are planned to be  
2 24 constructed according to a scaled drawing on a subdivision  
2 25 plat that conforms with the applicable requirements of chapter  
2 26 355, as prepared by a registered land surveyor and recorded  
2 27 with a county recorder as provided in section 355.10.

2 28 NEW SUBSECTION. 40A. "Qualified city" means a city which  
2 29 has adopted a plan, including but not limited to a  
2 30 comprehensive plan, that provides for managed growth of the  
2 31 city.

2 32 NEW SUBSECTION. 45A. "Swine confinement feeding  
2 33 operation" means a confinement feeding operation in which only  
2 34 swine are confined in a building which is part of the  
2 35 confinement feeding operation.



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3 1 NEW SUBSECTION. 46A. "Swine gestating=to=farrowing  
3 2 operation" means an animal feeding operation maintaining at  
3 3 least fifty sows and which is devoted to that portion of the  
3 4 phases of the swine production cycle that may include breeding  
3 5 but must include gestation and farrowing.

3 6 NEW SUBSECTION. 46B. "Swine gestating=to=farrowing  
3 7 operation structure" means a structure which houses sows and  
3 8 their litters of immature swine weighing fifteen pounds or  
3 9 less, if the structure is associated with a swine  
3 10 gestating=to=farrowing operation.

3 11 NEW SUBSECTION. 46C. "Tourism destination" means a  
3 12 portion of real estate having unique archaeological, cultural,  
3 13 historical, recreational, scenic, or scientific significance,  
3 14 and that tends to attract the visiting public.

3 15 Sec. 4. Section 459.102, subsection 21, Code 2007, is  
3 16 amended to read as follows:

3 17 21. "Designated wetland" means land designated as a  
3 18 protected wetland by the ~~United States department of the~~  
~~3 19 interior or the department of natural resources~~, including but  
3 20 not limited to a protected wetland as defined in section  
3 21 456B.1, if the land is owned and managed by the department,  
3 22 the federal government, or ~~the department of natural resources~~  
3 23 a county or city. However, a designated wetland does not  
3 24 include land where an agricultural drainage well has been  
3 25 plugged causing a temporary wetland or land within a drainage  
3 26 district or levee district.

3 27 Sec. 5. Section 459.102, subsection 41, paragraphs a and  
3 28 b, Code 2007, are amended to read as follows:

3 29 a. For a confinement feeding operation maintaining animals  
3 30 other than swine as part of a ~~farrowing and gestating swine~~  
3 31 gestating=to=farrowing operation or swine farrow=to=finish  
3 32 operation or cattle as part of a cattle operation, five  
3 33 thousand three hundred thirty=three or more animal units.

3 34 b. For a confinement feeding operation maintaining swine  
3 35 as part of a ~~farrowing and gestating swine~~



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4 1 ~~gestating=to=farrowing~~ operation, two thousand five hundred or  
4 2 more animal units.  
4 3 Sec. 6. Section 459.201, subsection 1, paragraph b,  
4 4 subparagraphs (1), (2), and (3), Code 2007, are amended to  
4 5 read as follows:  
4 6 (1) (a) One thousand two hundred fifty feet for a  
4 7 confinement feeding operation having an animal unit capacity  
4 8 of less than three thousand animal units for animals other  
4 9 than swine maintained as part of a swine ~~farrowing and~~  
4 10 ~~gestating~~ gestating=to=farrowing operation or swine  
4 11 ~~farrow=to=finish~~ operation, or cattle maintained as part of a  
4 12 cattle operation.  
4 13 (b) One thousand two hundred fifty feet for a confinement  
4 14 feeding operation having an animal unit capacity of less than  
4 15 one thousand two hundred fifty animal units for swine  
4 16 maintained as part of a ~~farrowing and gestating~~ swine  
4 17 gestating=to=farrowing operation, less than two thousand seven  
4 18 hundred animal units for swine maintained as part of a swine  
4 19 ~~farrow=to=finish~~ operation, or less than four thousand animal  
4 20 units for cattle maintained as part of a cattle operation.  
4 21 (2) (a) One thousand five hundred feet for a confinement  
4 22 feeding operation having an animal unit capacity of three  
4 23 thousand or more but less than five thousand animal units for  
4 24 animals other than swine maintained as part of a swine  
4 25 ~~farrowing and gestating~~ gestating=to=farrowing operation or  
4 26 swine ~~farrow=to=finish~~ operation, or cattle maintained as part  
4 27 of a cattle operation.  
4 28 (b) One thousand five hundred feet for a confinement  
4 29 feeding operation having an animal unit capacity of one  
4 30 thousand two hundred fifty or more but less than two thousand  
4 31 animal units for swine maintained as part of a swine ~~farrowing~~  
4 32 ~~and gestating~~ gestating=to=farrowing operation, two thousand  
4 33 seven hundred or more but less than five thousand four hundred  
4 34 animal units for swine maintained as part of a swine  
4 35 ~~farrow=to=finish~~ operation, or four thousand or more but less



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5 1 than six thousand five hundred animal units for cattle  
5 2 maintained as part of a cattle operation.  
5 3 (3) (a) Two thousand five hundred feet for a confinement  
5 4 feeding operation having an animal unit capacity of five  
5 5 thousand or more animal units for animals other than swine  
5 6 maintained as part of a swine ~~farrowing and gestating~~  
5 7 gestating-to=farrowing operation or swine farrow-to=finish  
5 8 operation, or cattle maintained as part of a cattle operation.

5 9 (b) Two thousand five hundred feet for a confinement  
5 10 feeding operation having an animal unit capacity of two  
5 11 thousand or more animal units for swine maintained as part of  
5 12 a swine ~~farrowing and gestating~~ gestating-to=farrowing  
5 13 operation, five thousand four hundred animal units or more for  
5 14 swine maintained as part of a swine farrow-to=finish  
5 15 operation, or six thousand five hundred or more animal units  
5 16 for cattle maintained as part of a cattle operation.

5 17 Sec. 7. Section 459.201, Code 2007, is amended by adding  
5 18 the following new subsection:

5 19 NEW SUBSECTION. 4A. The department shall adopt rules  
5 20 designating tourism destinations, including the boundaries of  
5 21 tourism destinations. The department shall adopt the rules in  
5 22 cooperation with the department of economic development and  
5 23 the department of cultural affairs.

5 24 Sec. 8. Section 459.201, subsection 5, Code 2007, is  
5 25 amended to read as follows:

5 26 5. All distances between ~~locations of objects a benefited~~  
5 27 object or location and a confinement feeding operation

5 28 structure or the application of manure as provided in this  
5 29 part subchapter shall be measured in feet from their closest  
5 30 points, as provided by rules adopted by the department.

5 31 a. ~~However, a~~ A distance between a confinement feeding  
5 32 operation structure and a public thoroughfare and a  
5 33 ~~confinement feeding operation structure~~ shall be measured from  
5 34 the portion of the right-of-way which is closest to the  
5 35 confinement feeding operation structure.





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7 1 structure 1,320 2,640 5,280  
7 2 2. a. A confinement feeding operation structure shall not  
7 3 be constructed or expanded within the following minimum  
7 4 separation distances from a tourism destination:  
7 5 (1) For a tourism destination which is not a high-quality  
7 6 water resource, 5,280 feet.  
7 7 (2) For a tourism destination which is a high-quality  
7 8 water resource, 10,560 feet. However, this subparagraph shall  
7 9 not apply to a high-quality water resource which is a water  
7 10 course principally used for trout fishing as determined by the  
7 11 department.  
7 12 b. A confinement feeding operation shall not be  
7 13 constructed or expanded within the following minimum  
7 14 separation distance from a qualified city which is identified  
7 15 as an Iowa great place as provided in section 303.3C, 10,560  
7 16 feet.  
7 17 c. A confinement feeding operation structure shall not be  
7 18 constructed or expanded within the following minimum  
7 19 separation distance from a "public thoroughfare", 100 feet.  
7 20 Sec. 10. NEW SECTION. 459.202A SWINE CONFINEMENT FEEDING  
7 21 OPERATION STRUCTURES == ALTERNATIVE MINIMUM SEPARATION  
7 22 DISTANCE REQUIREMENTS.  
7 23 This section provides for alternative minimum separation  
7 24 distance requirements which apply to the construction or  
7 25 expansion of a confinement feeding operation structure which  
7 26 is part of a swine confinement feeding operation.  
7 27 1. Except as provided in section 459.205, the alternative  
7 28 minimum separation distance requirements shall apply in lieu  
7 29 of the standard minimum separation distance requirements as  
7 30 otherwise provided in section 459.202, if the construction or  
7 31 expansion of the confinement feeding operation structure is  
7 32 approved by the department pursuant to section 459.303 after  
7 33 the department reviews a community-based odor assessment  
7 34 report as provided in this section. However, this section  
7 35 does not require that a person construct a confinement feeding



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8 1 operation structure under this section, if the person elects  
8 2 to comply with the standard minimum separation distance  
8 3 requirements otherwise provided in section 459.202.

8 4 2. A person proposing to construct or expand a confinement  
8 5 feeding operation structure may apply to the university in  
8 6 order to develop the community-based odor assessment plan.  
8 7 Iowa state university may assess a fee to develop the plan.  
8 8 The amount of the fee shall not be more than five hundred  
8 9 dollars. Iowa state university's collection of the fees shall  
8 10 be treated as repayment receipts as defined in section 8.2.

8 11 3. Iowa state university shall establish a community-based  
8 12 odor assessment process that utilizes computer modeling to  
8 13 analyze the statistical probability of dispersions of odor  
8 14 emitted from a confinement feeding operation structure  
8 15 measured within a distance which is at least equal to the  
8 16 standard minimum separation distances required in section  
8 17 459.202. In conducting the community-based odor assessment  
8 18 process, the university shall do all of the following:

8 19 a. Establish one or more general odor thresholds for  
8 20 detectable dispersions of odor.

8 21 b. Map the statistical probability that odor emitted from  
8 22 a particular confinement feeding operation structure as  
8 23 proposed to be constructed or expanded will be dispersed to a  
8 24 benefited object or location.

8 25 4. a. At the conclusion of the community-based odor  
8 26 assessment process as provided in this section, Iowa state  
8 27 university shall issue a community-based odor assessment  
8 28 report which identifies each benefited object or location  
8 29 where the general odor thresholds will be exceeded. The  
8 30 report shall identify at least all of the following:

8 31 (1) The type of manure storage structure and the  
8 32 orientation of a confinement feeding operation structure  
8 33 proposed to be constructed or expanded.

8 34 (2) Any proposed management practices for operating the  
8 35 confinement feeding operation, which may include the  
9 1 installation, use, and scheduled maintenance and replacement  
9 2 of items, mechanisms, and infrastructure to reduce odor  
9 3 emitted from the confinement feeding operation.

9 4 b. Iowa state university shall provide the community-based  
9 5 odor assessment report to the applicant who may submit it to  
9 6 the department of natural resources as part of an application  
9 7 to construct or expand a confinement feeding operation  
9 8 structure as provided in section 459.303.

9 9 Sec. 11. Section 459.204, Code 2007, is amended to read as  
9 10 follows:

9 11 459.204 ~~LIQUID~~ MANURE APPLICATION == SEPARATION DISTANCE.

9 12 Except as provided in section 459.205, a this section  
9 13 applies to the application of manure from an animal feeding  
9 14 operation.

~~9 15 1. A person shall not apply liquid manure from a~~  
~~9 16 confinement feeding operation on land located within seven~~  
~~9 17 hundred fifty feet from a residence not owned by the~~  
~~9 18 titleholder of the land, a commercial enterprise, a bona fide~~  
~~9 19 religious institution, an educational institution, or a public~~  
~~9 20 use area within the following minimum separation distances~~  
9 21 from a benefited object or location:



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9 22     a. For dry manure, four hundred feet.  
9 23     b. For liquid manure, seven hundred fifty feet.  
9 24     2. Liquid manure shall be injected into the soil or  
9 25 incorporated within the soil during the same day.  
9 26     Sec. 12. Section 459.205, Code 2007, is amended to read as  
9 27 follows:  
9 28     459.205 ~~SEPARATION DISTANCE REQUIREMENTS == EXEMPTIONS.~~  
9 29     1. A For the construction or expansion of a confinement  
9 30 feeding operation structure, a standard minimum separation  
9 31 distance requirement provided in this subchapter section  
9 32 459.202 or an alternative minimum separation distance  
9 33 requirement provided in section 459.202A shall not apply to  
9 34 any of the following:  
9 35     1. A confinement feeding operation structure, if the



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~~10 1 structure is part of a confinement feeding operation which~~  
~~10 2 qualifies as a small animal feeding operation. However, this~~  
~~10 3 subsection shall not apply if the confinement feeding~~  
~~10 4 operation structure is an unformed manure storage structure.~~  
10 5 a. A confinement feeding operation structure which was  
10 6 constructed or expanded on a date which complied with the  
10 7 minimum separation distance requirement as provided in state  
10 8 law, including chapter 455B or this chapter. However, any  
10 9 construction or expansion of a confinement feeding operation  
10 10 structure after the effective date of this section of this Act  
10 11 shall comply with the requirements of this subchapter.  
10 12 ~~2. a.~~ b. A confinement feeding operation structure which  
10 13 is constructed or expanded, if the titleholder of the land  
10 14 benefiting from the distance separation requirement where the  
10 15 benefited object or location is situated executes a written  
10 16 waiver with the titleholder of the land where the structure is  
10 17 located situated. However, all of the following shall apply:  
10 18 (1) (a) If a confinement feeding operation structure is  
10 19 constructed or expanded within the separation distance  
10 20 required between a confinement feeding operation structure and  
10 21 a public thoroughfare as required pursuant to section 459.202,  
10 22 the state or a political subdivision constructing or  
10 23 maintaining the public thoroughfare benefiting from the  
10 24 distance separation requirement may execute a written waiver  
10 25 with the titleholder of the land where the confinement feeding  
10 26 operation structure is located.  
10 27 (b) If the confinement feeding operation structure is  
10 28 constructed or expanded within the separation distance  
10 29 required between a confinement feeding operation structure and  
10 30 a city, the city may execute a written waiver in a manner  
10 31 provided for by the city.  
10 32 (c) If a confinement feeding operation structure is  
10 33 constructed or expanded within the separation distance  
10 34 required between a confinement feeding operation structure and  
10 35 a lot of a planned residential housing development, the person



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11 1 who is the titleholder of the lot and who resides on the lot  
11 2 may execute a written waiver with the titleholder of the land  
11 3 where the confinement feeding operation structure is located.  
11 4 (2) The confinement feeding operation structure shall be  
11 5 constructed or expanded under such terms and conditions that  
11 6 the parties negotiate.  
11 7 ~~b.~~ (3) A written waiver under this subsection becomes  
11 8 effective only upon the recording of the waiver in the office  
11 9 of the recorder of deeds of the county in which the benefited  
11 10 land is located. The filed waiver shall preclude enforcement  
11 11 by the state of section 459.202 or 459.202A as it relates to a  
11 12 distance requirement between the confinement feeding operation  
11 13 structure and the benefited object or location ~~or object~~  
11 14 ~~benefiting from the separation distance requirement.~~  
11 15 ~~3. c.~~ A confinement feeding operation structure which is  
11 16 constructed or expanded within any distance from a ~~residence,~~  
11 17 ~~educational institution, commercial enterprise, bona fide~~  
11 18 ~~religious institution, city, or public use area benefited~~  
11 19 object or location, if any of the following applies:  
11 20 (1) (a) A residence, educational institution, commercial  
11 21 enterprise, or bona fide religious institution, public  
11 22 thoroughfare, or swine gestating-to=farrowing operation  
11 23 structure was constructed or expanded, ~~or~~ after the date that  
11 24 the confinement feeding operation was established.  
11 25 (b) The boundaries of the city, ~~or~~ public use area, or  
11 26 tourism destination were established or expanded, after the  
11 27 date that the confinement feeding operation was established.  
11 28 (2) The date the confinement feeding operation was  
11 29 established is the date on which the confinement feeding  
11 30 operation commenced operating. A change in ownership or  
11 31 expansion of the confinement feeding operation shall not  
11 32 change the established date of operation.  
11 33 d. The confinement feeding operation includes a  
11 34 confinement feeding operation structure that is expanded by  
11 35 replacing one or more unformed manure storage structures with



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12 1 one or more formed manure storage structures, if all of the  
12 2 following apply:  
12 3 (1) The animal weight capacity or animal unit capacity,  
12 4 whichever is applicable, is not increased for that portion of  
12 5 the confinement feeding operation that utilizes all  
12 6 replacement formed manure storage structures.  
12 7 (2) Use of each replaced unformed manure storage structure  
12 8 is discontinued within one year after the construction of the  
12 9 replacement formed manure storage structure.  
12 10 (3) The capacity of all replacement formed manure storage  
12 11 structures does not exceed the amount required to store manure  
12 12 produced by that portion of the confinement feeding operation  
12 13 utilizing the formed manure storage structures during any  
12 14 fourteen-month period.  
12 15 (4) No portion of the replacement formed manure storage  
12 16 structure is closer to a benefited object or location for  
12 17 which separation is required under section 459.202 than any  
12 18 other confinement feeding operation structure which is part of  
12 19 the operation.  
12 20 4. 2. ~~The~~ For the application of liquid manure on land  
12 21 within a separation distance required between the applied  
12 22 manure and an object or location for which separation is  
12 23 required under originating from a confinement feeding  
12 24 operation, a requirement provided in section 459.204, shall  
12 25 not apply if any of the following apply:  
12 26 a. ~~The liquid manure is injected into the soil or~~  
12 27 ~~incorporated within the soil not later than twenty-four hours~~  
12 28 ~~from the original application, as provided by rules adopted by~~  
12 29 ~~the commission.~~  
12 30 b. ~~The~~ the titleholder of the land benefiting from the  
12 31 ~~separation distance requirement where the benefited object or~~  
12 32 ~~location is situated executes a written waiver with the~~  
12 33 ~~titleholder of the land where the manure is applied.~~  
12 34 c. ~~The liquid manure originates from a small animal~~  
12 35 ~~feeding operation.~~



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13 1 ~~d. The liquid manure is applied by spray irrigation~~  
~~13 2 equipment using a center pivot mechanism as provided by rules~~  
~~13 3 adopted by the department, if all of the following apply:~~  
13 4 (1) ~~The spray irrigation equipment uses hoses which~~  
~~13 5 discharge the liquid manure in a downward direction at a~~  
~~13 6 height of not more than nine feet above the soil.~~  
13 7 (2) ~~The spray irrigation equipment disperses manure~~  
~~13 8 through an orifice at a maximum pressure of not more than~~  
~~13 9 twenty-five pounds per square inch.~~  
13 10 (3) ~~The liquid manure is not applied within two hundred~~  
~~13 11 fifty feet from a residence not owned by the titleholder of~~  
~~13 12 the land, a commercial enterprise, a bona fide religious~~  
~~13 13 institution, an educational institution, or a public use area.~~  
13 14 5. ~~The distance between a confinement feeding operation~~  
~~13 15 structure and a cemetery, if any of the following applies:~~  
13 16 a. ~~The confinement feeding operation structure was~~  
~~13 17 constructed or expanded prior to January 1, 1999.~~  
13 18 b. ~~The construction or expansion of the confinement~~  
~~13 19 feeding operation structure began prior to January 1, 1999.~~  
13 20 Sec. 13. Section 459.207, subsection 1, paragraph b, Code  
13 21 2007, is amended to read as follows:  
13 22 b. "Separated location" means a benefited object or  
13 23 location or object from which a separation distance is  
~~13 24 required under section 459.202 or 459.204, other than a public~~  
13 25 thoroughfare.  
13 26 Sec. 14. Section 459.303, subsection 1, paragraphs a and  
13 27 b, Code 2007, are amended to read as follows:  
13 28 a. Except as provided in paragraph "b", a person must  
13 29 obtain be issued a permit to construct ~~any of the following:~~  
13 30 (1) ~~A~~ a confinement feeding operation structure ~~if after~~  
~~13 31 construction its confinement feeding operation would have an~~  
~~13 32 animal unit capacity of at least one thousand animal units.~~  
13 33 (2) ~~The confinement feeding operation structure is an~~  
~~13 34 unformed manure storage structure.~~  
13 35 b. A person is not required to obtain a permit to



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14 1 construct a confinement feeding operation structure if any of  
14 2 the following apply:

14 3 (1) The confinement feeding operation structure, if  
14 4 constructed, would be part of a small animal feeding  
14 5 operation. However, the person must ~~obtain~~ be issued a permit  
14 6 under this section if any of the following apply:

14 7 (a) The confinement feeding operation structure is an  
14 8 unformed manure storage structure.

14 9 (b) The confinement feeding operation structure may be  
14 10 constructed within the standard minimum separation distance  
14 11 requirement as provided in section 459.202, because it  
14 12 complies with an alternative minimum separation distance  
14 13 requirement as provided in section 459.202A.

14 14 (2) The confinement feeding operation structure is part of  
14 15 a confinement feeding operation which is owned by a research  
14 16 college conducting research activities as provided in section  
14 17 459.318.

14 18 Sec. 15. Section 459.303, subsections 2 and 3, Code 2007,  
14 19 are amended to read as follows:

14 20 2. The department shall issue a construction permit upon  
14 21 the department's approval of an application. The department  
14 22 shall approve the application if the application is submitted  
14 23 to the county board of supervisors in the county where the  
14 24 proposed confinement feeding operation structure is to be  
14 25 located as required pursuant to section 459.304, and the  
14 26 application meets the requirements of this chapter. ~~If a~~  
14 27 ~~county submits an approved recommendation pursuant to a~~  
14 28 ~~construction evaluation resolution filed with the department,~~  
14 29 ~~the application must also achieve which may include a~~  
14 30 satisfactory rating produced by the master matrix used by the  
14 31 board or department under section 459.304. The department  
14 32 shall approve the application which meets the requirements of  
14 33 this chapter regardless of whether the applicant is required  
14 34 to be issued a construction permit.

14 35 3. The department shall not approve an application for a



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15 1 construction permit unless the applicant submits all of the  
15 2 following to the department:  
15 3 a. A construction permit application and construction  
15 4 permit application fee as provided in section 459.400. An  
15 5 application to construct a confinement feeding operation  
15 6 structure in compliance with an alternative minimum separation  
15 7 distance requirement from a benefited object or location must  
15 8 include a community-based odor assessment report issued by  
15 9 Iowa state university as provided in section 459.202A.  
15 10 b. A manure management plan as provided in section 459.312  
15 11 and manure management plan filing fee as provided in section  
15 12 459.400.  
15 13 ~~a. c.~~ An indemnity fee as provided in section 459.502  
15 14 that the department shall deposit into the manure storage  
15 15 indemnity fund created in section 459.501.  
15 16 ~~b. A manure management plan as provided in section 459.312~~  
~~15 17 and manure management plan filing fee as provided in section~~  
~~15 18 459.400.~~  
15 19 ~~c. A construction permit application fee as provided in~~  
~~15 20 section 459.400.~~  
15 21 Sec. 16. Section 459.303, Code 2007, is amended by adding  
15 22 the following new subsection:  
15 23 NEW SUBSECTION. 3A. If the applicant has submitted a  
15 24 community-based odor assessment report provided by Iowa state  
15 25 university pursuant to section 459.202A, the department shall  
15 26 review the report only to confirm that the general odor  
15 27 thresholds as measured from each benefited object or location  
15 28 within the standard minimum separation distance requirements  
15 29 provided in section 459.202 will not be met by the proposed  
15 30 confinement feeding operation structure.  
15 31 a. Except as provided in paragraph "b", the department  
15 32 shall not disapprove an application because the confinement  
15 33 feeding operation structure is constructed or expanded within  
15 34 the minimum separation distance requirements.  
15 35 b. The department may disapprove an application to



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16 1 construct a confinement feeding operation structure which is  
16 2 constructed or expanded within the minimum separation distance  
16 3 requirements if it determines that there is a preponderance of  
16 4 evidence that the construction would be detrimental to persons  
16 5 at the benefited object or location.

16 6 Sec. 17. Section 459.303, subsection 5, paragraph a,  
16 7 subparagraphs (1) and (2), Code 2007, are amended to read as  
16 8 follows:

16 9 (1) Three thousand animal units for animals other than  
16 10 swine maintained as part of a swine ~~farrowing and gestating~~  
16 11 gestating=to=farrowing operation or swine farrow=to=finish  
16 12 operation or cattle maintained as part of a cattle operation.

16 13 (2) One thousand two hundred fifty animal units for swine  
16 14 maintained as part of a swine ~~farrowing and gestating~~  
16 15 gestating=to=farrowing operation.

16 16 Sec. 18. Section 459.304, subsection 1, Code 2007, is  
16 17 amended to read as follows:

16 18 A county board of supervisors shall review an application  
16 19 to construct, including expand, a confinement feeding  
16 20 operation structure proposed to be located in the county and  
16 21 requiring a permit issued by the department pursuant to  
16 22 section 459.303 as follows:

16 23 1. a. The department shall deliver a copy or require the  
16 24 applicant to deliver a copy of the application ~~for a permit to~~  
~~16 25 construct, including expanding, a confinement feeding~~  
~~16 26 operation structure pursuant to section 459.303, including~~  
16 27 supporting documents, to the county board of supervisors ~~in~~  
~~16 28 the county where the confinement feeding operation structure~~  
~~16 29 subject to the permit is proposed to be constructed.~~

16 30 b. The county auditor or ~~other~~ another county officer  
16 31 designated by the county board of supervisors may accept the  
16 32 application on behalf of the board. If the department  
16 33 requires the applicant to deliver a copy of the application to  
16 34 the county board of supervisors, the board shall notify the  
16 35 department that the board has received the application



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17 1 according to procedures required by the department.

17 2 c. A county board of supervisors may assess an applicant a  
17 3 construction permit application fee of not more than one  
17 4 hundred dollars which shall be deposited in the general fund  
17 5 of the county.

17 6 Sec. 19. Section 459.304, subsection 2, unnumbered  
17 7 paragraph 1, Code 2007, is amended to read as follows:

17 8 ~~Regardless of whether the county board of supervisors has~~  
17 9 ~~adopted a construction evaluation resolution, the county may~~  
17 10 The county board of supervisors shall provide county comment  
17 11 to the department on a construction permit for the approval or  
17 12 disapproval of an application for a confinement feeding  
17 13 operation structure.

17 14 Sec. 20. Section 459.304, subsection 2, paragraph b,  
17 15 unnumbered paragraph 1, Code 2007, is amended to read as  
17 16 follows:

17 17 ~~The board may hold~~ shall prepare its county comment by  
17 18 holding a public hearing to receive public comments of the  
17 19 public regarding the application. The county board of  
17 20 ~~supervisors may submit its own comments by the board regarding~~  
17 21 the application and shall submit comments of the public to the  
17 22 department as provided in this section, including but not  
17 23 limited to all of the following:

17 24 Sec. 21. Section 459.304, subsection 2, paragraph b,  
17 25 subparagraph (1), Code 2007, is amended to read as follows:

17 26 (1) The existence of an object or location not included in  
17 27 the application that benefits from a separation distance  
17 28 requirement as provided in section 459.202, 459.202A, ~~or~~  
17 29 459.204, or 459.310.

17 30 Sec. 22. Section 459.304, subsections 3 through 8, Code  
17 31 2007, are amended to read as follows:

17 32 3. A county board of supervisors ~~may adopt a construction~~  
17 33 ~~evaluation resolution relating to the construction of a~~  
17 34 ~~confinement feeding operation structure. The board must~~  
17 35 ~~submit such resolution to the department for filing. If the~~



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~~18 1 board has submitted such resolution to the department, the~~  
~~18 2 board may shall~~ evaluate the construction permit an  
 18 3 application and submit ~~an adopted~~ a timely recommendation to  
 18 4 the department to approve or disapprove a construction permit  
 18 5 the application as provided in this subsection. The board  
 18 6 must make its decision to recommend approval or disapproval of  
 18 7 the permit application as provided in this subsection.  
 18 8 a. For the expansion of a confinement feeding operation  
 18 9 that includes a confinement feeding operation structure  
 18 10 constructed prior to April 1, 2002, the board shall not  
 18 11 evaluate a construction permit the application for the  
 18 12 construction or expansion of a confinement feeding operation  
 18 13 structure if after the expansion of the confinement feeding  
 18 14 operation, its animal unit capacity is one thousand six  
 18 15 hundred sixty-six animal units or less.  
 18 16 b. The board ~~must~~ shall conduct an evaluation of the  
 18 17 application using the master matrix as provided in section  
 18 18 459.305. The board's recommendation may be based on the  
 18 19 results produced by using the master matrix ~~or~~ and may be  
 18 20 based on ~~comments under~~ county comment as provided in this  
 18 21 section regardless of the results of the master matrix.  
 18 22 c. In completing the master matrix, the board shall not  
 18 23 score criteria on a selective basis. The board ~~must~~ shall  
 18 24 score all criteria which is part of the master matrix  
 18 25 according to the terms and conditions relating to construction  
 18 26 as specified in the application or commitments for manure  
 18 27 management that are to be incorporated into a manure  
 18 28 management plan as provided in section 459.312.  
 18 29 d. The board's ~~adopted~~ recommendation to the department  
 18 30 shall include the specific reasons and any supporting  
 18 31 documentation for the decision to recommend approval or  
 18 32 disapproval of the application.  
 18 33 4. The department must receive the county board of  
 18 34 ~~supervisor's comments or supervisors' recommendation,~~  
 18 35 including county comment and the county board of supervisors'  
 19 1 evaluation ~~for approval or disapproval~~ of an application ~~for a~~  
~~19 2 construction permit~~ not later than ~~thirty~~ sixty days following  
 19 3 the applicant's delivery of the application to the department.  
 19 4 Regardless of whether the department receives ~~comments or an~~  
~~19 5 evaluation~~ a timely submitted recommendation by a ~~county~~ board  
 19 6 of supervisors, the department must approve or disapprove ~~an~~  
 19 7 the application ~~for a construction permit~~ within ~~sixty~~ ninety  
 19 8 days following the applicant's delivery of the application to  
 19 9 the department. However, the applicant may deliver a notice  
 19 10 requesting a continuance. Upon receipt of a notice, the time  
 19 11 required for the county or department to act upon the  
 19 12 application shall be suspended for the period provided in the  
 19 13 notice, but for not more than thirty days after the  
 19 14 department's receipt of the notice. The applicant may submit  
 19 15 more than one notice. However, the department may provide  
 19 16 that an application is terminated if no action is required by  
 19 17 the department for one year following delivery of the  
 19 18 application to the board. The department may also provide for  
 19 19 a continuance when it considers the application. The  
 19 20 department shall provide notice to the applicant and the board  
 19 21 of the continuance. The time required for the department to



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19 22 act upon the application shall be suspended for the period  
19 23 provided in the notice, but for not more than thirty days.  
19 24 However, the department shall not provide for more than one  
19 25 continuance.

19 26 5. a. The department shall approve an application ~~for a~~  
~~19 27 construction permit~~ if the county board of supervisors ~~which~~  
~~19 28 has filed a county construction evaluation resolution~~ timely  
19 29 submits an ~~adopted~~ a recommendation to approve the  
19 30 ~~construction permit~~ application which ~~may~~ shall at least be  
19 31 based on a satisfactory rating produced by the master matrix  
19 32 to the department and the department determines that the  
19 33 application meets the requirements of this chapter without  
19 34 conducting an independent evaluation of the application using  
19 35 the master matrix. The department shall disapprove an



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20 1 application that does not ~~satisfy the~~ meet those requirements  
20 2 ~~of this chapter~~ regardless of the ~~adopted~~ recommendation of  
20 3 the board. The department shall consider ~~any timely filed~~  
~~20 4 comments made~~ county comment timely submitted by the board as  
20 5 provided in this section to determine if an application meets  
20 6 ~~the those~~ requirements ~~of this chapter~~.  
20 7 b. If the board submits to the department ~~an adopted a~~  
20 8 recommendation to disapprove an application ~~for a construction~~  
~~20 9 permit~~ that is based on ~~a~~ an unsatisfactory rating produced by  
20 10 using the master matrix, the department shall first determine  
20 11 if the application meets the requirements of this chapter ~~as~~  
~~20 12 provided in section 459.103~~ without conducting an independent  
20 13 evaluation of the application using the master matrix. The  
20 14 department shall disapprove an application that does not  
20 15 ~~satisfy the~~ meet those requirements ~~of this chapter~~ regardless  
20 16 of any result produced by using the master matrix. If the  
20 17 application meets ~~the those~~ requirements ~~of this chapter~~, the  
20 18 department shall conduct an independent evaluation of the  
20 19 application by using the master matrix. The department shall  
20 20 approve the application if it ~~achieves~~ produces a satisfactory  
20 21 rating according to the department's independent evaluation.  
20 22 The department shall disapprove the application if it produces  
20 23 an unsatisfactory rating regardless of whether the application  
20 24 otherwise satisfies the requirements of this chapter. The  
20 25 department shall consider ~~any timely filed comments made~~  
20 26 county comment timely submitted by the board as provided in  
20 27 this section to determine if an application meets ~~the those~~  
20 28 requirements ~~of this chapter~~.  
20 29 c. If the ~~county board of supervisors~~ does not timely  
20 30 submit a ~~construction evaluation resolution to the department,~~  
~~20 31 fails to submit an adopted recommendation, submits only~~  
~~20 32 comments, or fails to submit comments to approve or disapprove~~  
20 33 an application based on a rating produced by using the master  
20 34 matrix, the department shall approve the application if the  
~~20 35 application meets the requirements of this chapter as provided~~



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~~21 1 in section 459.103 board shall be deemed to have submitted to  
21 2 the department a recommendation to disapprove an application  
21 3 that is based on an unsatisfactory rating produced by using  
21 4 the master matrix as provided in this section.~~

21 5 6. The department may conduct an inspection of the site on  
21 6 which the construction is proposed after providing at a  
21 7 minimum twenty-four hours' notice or upon receiving consent  
21 8 from the construction permit applicant. The county board of  
21 9 supervisors ~~that has adopted a construction evaluation~~  
~~21 10 resolution~~ may designate a county employee to accompany a  
21 11 departmental official during the site inspection. The county  
21 12 employee shall have the same right to access to the site's  
21 13 real estate as the departmental official conducting the  
21 14 inspection during the period that the county employee  
21 15 accompanies the departmental official. The departmental  
21 16 official and the county employee shall comply with standard  
21 17 biosecurity requirements customarily required by the  
21 18 confinement feeding operation that are necessary in order to  
21 19 control the spread of disease among an animal population.

21 20 7. Upon written request by a county resident, the county  
21 21 board of supervisors shall forward to the county resident a  
21 22 copy of the county comment, the board's adopted  
21 23 recommendation, any county comments to the department on the  
~~21 24 permit application, and the department's responses, as~~  
21 25 provided in chapter 22.

21 26 8. a. The department shall deliver a notice to the  
21 27 applicant within three days of the department's decision to  
21 28 approve or disapprove an application ~~for a construction~~  
~~21 29 permit. If the board of supervisors has submitted an adopted~~  
~~21 30 recommendation to the~~ The department for the approval or  
~~21 31 disapproval of a construction permit application as provided~~  
~~21 32 in this section, the department shall notify the county board~~  
21 33 of supervisors of the department's decision to approve or  
21 34 disapprove the application at the same time.

21 35 b. (1) The applicant may contest the department's



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22 1 decision by requesting a hearing and may elect to have the  
22 2 hearing conducted before an administrative law judge pursuant  
22 3 to chapter 17A or before the commission. If the applicant and  
22 4 a board of ~~supervisors~~ are both contesting the department's  
22 5 decision, the applicant may request that the commission  
22 6 conduct the hearing on a consolidated basis. The commission  
22 7 shall hear the case according to procedures established by  
22 8 rules adopted by the department. The commission may hear the  
22 9 case as a contested case proceeding under chapter 17A. The  
22 10 department, upon petition by the applicant, shall deliver to  
22 11 the administrative law judge or the commission a copy of the  
22 12 ~~board of supervisors'~~ county comment, the board's  
22 13 recommendation together with the results produced by its using  
22 14 the master matrix and any supporting data or documents  
22 15 submitted with the results, ~~comments submitted by the board to~~  
~~22 16 ~~the department,~~ and the department's independent evaluation of~~  
22 17 the application including the results produced by its matrix  
22 18 and any supporting data or documents. If the commission hears  
22 19 the case, its decision shall be the department's final agency  
22 20 action. The commission shall render a decision within  
22 21 thirty-five days from the date that the applicant or board  
22 22 files a demand for a hearing.  
22 23 (2) A ~~county board of supervisors that has submitted an~~  
~~22 24 ~~adopted recommendation to the department~~ may contest the~~  
22 25 department's decision by requesting a hearing before the  
22 26 commission. The commission shall hear the case according to  
22 27 procedures established by rules adopted by the department.  
22 28 The commission may hear the case as a contested case  
22 29 proceeding under chapter 17A. A party in the case may elect  
22 30 to have the hearing conducted before an administrative law  
22 31 judge. The board may request that the department submit a  
22 32 copy of the department's independent evaluation of the  
22 33 application including the results produced by its matrix and  
22 34 any supporting data or documents. The decision by the  
22 35 commission shall be the department's final agency action. The



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23 1 commission shall render a decision within thirty-five days  
23 2 from the date that the board initiates the proceeding.  
23 3 c. Judicial review of ~~the~~ a decision ~~of~~ by either the  
23 4 department or the commission may be sought in accordance with  
23 5 the terms of chapter 17A.  
23 6 Sec. 23. Section 459.305, subsection 1, paragraph b, Code  
23 7 2007, is amended to read as follows:  
23 8 b. The master matrix shall be designed to produce  
23 9 quantifiable results based on the scoring of all objective  
23 10 criteria according to an established value scale. The  
23 11 applicant shall provide an adequate response necessary to  
23 12 score each criterion. Each criterion shall be assigned points  
23 13 corresponding to the value scale. The master matrix shall  
23 14 consider risks and factors mitigating risks if the confinement  
23 15 feeding operation structure were constructed according to the  
23 16 application.  
23 17 Sec. 24. Section 459.305, subsection 2, unnumbered  
23 18 paragraph 1, Code 2007, is amended to read as follows:  
23 19 The master matrix shall include ~~criteria valuing~~  
~~23 20 environmental and community impacts for use by county boards~~  
~~23 21 of supervisors and the department~~ three categories which  
23 22 measure impacts upon air quality, water quality, and  
23 23 communities. The master matrix shall include definite point  
23 24 selections for all criteria provided in the master matrix.  
23 25 The master matrix shall provide ~~only~~ for scoring of positive  
23 26 points and shall not provide for deduction of points, except  
23 27 as provided in this section. If an applicant fails to provide  
23 28 an adequate response necessary to score the criterion, the  
23 29 point value for the criterion shall be deducted from the  
23 30 relevant category score and overall score. The master matrix  
23 31 shall provide for a minimum threshold score for each of the  
23 32 categories and a minimum threshold overall score required to  
23 33 receive a satisfactory rating. The master matrix shall be  
23 34 structured to ensure that it feasibly ~~provides for~~ produces a  
23 35 satisfactory rating. The master matrix shall include types of



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24 1 criteria developed by Iowa state university which are part of  
24 2 its community-based odor assessment process as provided in  
24 3 section 459.202A. Criteria valuing environmental impacts  
24 4 shall account for animal agriculture's relationship to quality  
24 5 of the environment and the conservation of natural resources,  
24 6 and may include factors that refer to all of the following:  
24 7 Sec. 25. Section 459.308, subsection 3, Code 2007, is  
24 8 amended to read as follows:  
24 9 3. a. A person shall not construct an unformed manure  
24 10 storage structure on karst terrain or on an area that drains  
24 11 into a known sinkhole. However, a person may construct an  
24 12 unformed manure storage structure, if there is a  
24 13 twenty-five-foot vertical separation distance between the  
24 14 bottom of the unformed manure storage structure and underlying  
24 15 limestone, dolomite, or other soluble rock.  
24 16 b. A person shall not construct an earthen manure storage  
24 17 basin which is part of a swine confinement feeding operation.  
24 18 Sec. 26. Section 459.310, subsection 1, paragraphs a, b,  
24 19 and c, Code 2007, are amended to read as follows:  
24 20 a. A confinement feeding operation structure shall not be  
24 21 constructed closer to a designated groundwater access point  
24 22 than the standard minimum separation distance requirement as  
24 23 follows:  
24 24 (1) five hundred feet away from the For the surface intake  
24 25 inlet of an agricultural drainage well, five hundred feet.  
24 26 (2) A confinement feeding operation structure shall not be  
24 27 constructed closer than one thousand feet from For a wellhead,  
24 28 cistern of an agricultural drainage well, or known sinkhole,  
24 29 one thousand three hundred twenty feet. However, the  
24 30 department may adopt rules requiring an increased separation  
24 31 distance under this paragraph in order to protect the  
24 32 integrity of a water of the state. The increased separation  
24 33 distance shall not be more than two thousand feet. If the  
24 34 department exercises its discretion to increase the separation  
24 35 distance requirement, the department shall not approve an



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~~25 1 application for the construction of a confinement feeding  
25 2 operation structure within that separation distance as  
25 3 provided in section 459.303.~~

25 4 b. A confinement feeding operation structure shall not be  
25 5 constructed if the confinement feeding operation structure as  
~~25 6 constructed is closer to a water source or designated wetland~~  
25 7 than ~~any of the following~~ the standard minimum separation  
25 8 distance requirement as follows:

25 9 (1) ~~Five hundred feet away from~~ For a water source other  
25 10 than a major water source, five hundred feet.

25 11 (2) ~~One thousand feet away from~~ For a major water source,  
25 12 one thousand three hundred twenty feet.

25 13 (3) ~~Two thousand five hundred feet away from~~ For a  
25 14 designated wetland, two thousand six hundred forty feet.

25 15 c. (1) A water source, other than a major water source,  
25 16 shall not be constructed, expanded, or diverted, if the water  
25 17 source as constructed, expanded, or diverted is closer than  
25 18 five hundred feet ~~away~~ from a confinement feeding operation  
25 19 structure.

25 20 (2) A major water source shall not be constructed,  
25 21 expanded, or diverted, if the major water source as  
25 22 constructed, expanded, or diverted is closer than one thousand  
25 23 three hundred twenty feet from a confinement feeding operation  
25 24 structure.

25 25 (3) A designated wetland shall not be established, if the  
25 26 designated wetland is closer than two thousand ~~five~~ six  
25 27 hundred forty feet ~~away~~ from a confinement feeding operation  
25 28 structure.

25 29 Sec. 27. Section 459.310, subsection 3, Code 2007, is  
25 30 amended to read as follows:

25 31 3. A standard minimum separation distance required in  
25 32 subsection 1 shall not apply to any of the following:

25 33 a. ~~A location or object and a farm pond or privately owned~~  
~~25 34 lake, as defined in section 462A.2.~~

25 35 ~~b.~~ a. A confinement feeding operation building, an egg



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26 1 washwater storage structure, or a manure storage structure  
26 2 constructed with a secondary containment barrier. The  
26 3 department shall adopt rules providing for the construction  
26 4 and use of a secondary containment barrier, including  
26 5 construction design standards.

26 6 b. A confinement feeding operation subject to an  
26 7 alternative minimum separation distance requirement, in lieu  
26 8 of the standard minimum separation distance required in  
26 9 subsection 1, determined as follows:

26 10 (1) The department may adopt rules providing for an  
26 11 increase in the standard minimum separation distance  
26 12 requirement in order to protect the integrity of a water of  
26 13 the state. The increased separation distance requirement  
26 14 shall be not more than the following:

26 15 (a) For the surface inlet of an agricultural drainage  
26 16 well, two thousand feet.

26 17 (b) For a wellhead, cistern of an agricultural drainage  
26 18 well, or known sinkhole, two thousand six hundred forty feet.

26 19 (2) The department may adopt rules to decrease the  
26 20 standard minimum separation distance requirement if the  
26 21 department determines that the alternative minimum separation  
26 22 distance requirement protects the integrity of a water of the  
26 23 state to the same extent as the standard minimum separation  
26 24 distance requirement. The department may also act on a  
26 25 case-by-case basis to grant a waiver to a person applying for  
26 26 a decrease in the standard minimum separation distance  
26 27 requirement based on the same determination.

26 28 Sec. 28. Section 459.310, subsection 4, unnumbered  
26 29 paragraph 1, Code 2007, is amended to read as follows:

26 30 A standard minimum separation distance required in  
26 31 subsection 1, ~~or~~ the prohibition against construction of a  
26 32 confinement feeding operation structure on a one hundred year  
26 33 floodplain as provided in subsection 2, and the alternative  
26 34 minimum separation distance requirement provided in subsection  
26 35 3, shall not apply to a confinement feeding operation that



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27 1 includes a confinement feeding operation structure ~~that was~~  
~~27 2 constructed prior to March 1, 2003~~, if any of the following  
27 3 apply:  
27 4     Sec. 29. Section 459.311, subsection 2, Code 2007, is  
27 5 amended to read as follows:  
27 6     2. Manure from an animal feeding operation shall be  
27 7 disposed of in a manner which will not cause surface water or  
27 8 groundwater pollution. Disposal in accordance with the  
27 9 provisions of state law, including this chapter, rules adopted  
27 10 pursuant to the provisions of state law, including this  
27 11 chapter, and guidelines adopted pursuant to this chapter, ~~and~~  
~~27 12 section 459.314~~, shall be deemed as compliance with this  
27 13 requirement.  
27 14     Sec. 30. Section 459.312, subsection 1, paragraph a, Code  
27 15 2007, is amended to read as follows:  
27 16     a. The owner of a confinement feeding operation, other  
27 17 than a small animal feeding operation, ~~if any of the following~~  
~~27 18 apply:~~  
27 19         (1) ~~The confinement feeding operation was constructed~~  
~~27 20 after May 31, 1985, regardless of whether the confinement~~  
~~27 21 feeding operation structure was required to be constructed~~  
~~27 22 pursuant to a construction permit.~~  
27 23         (2) ~~The owner constructs a manure storage structure,~~  
~~27 24 regardless of whether the person is required to be issued a~~  
~~27 25 permit for the construction pursuant to section 459.303 or~~  
~~27 26 whether the person has submitted a prior manure management~~  
~~27 27 plan.~~  
27 28     Sec. 31. Section 459.312, subsection 10, unnumbered  
27 29 paragraph 1, Code 2007, is amended to read as follows:  
27 30     A Except as otherwise provided in this section, a manure  
27 31 management plan shall include all of the following standard  
27 32 minimum requirements:  
27 33     Sec. 32. Section 459.312, subsection 10, is amended by  
27 34 adding the following new paragraph:  
27 35     NEW PARAGRAPH. h. Best management practices for operating



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28 1 the confinement feeding operation which are part of a  
28 2 community-based odor assessment report which the department  
28 3 approves as part of an application for a permit to construct a  
28 4 confinement feeding operation structure which is part of the  
28 5 confinement feeding operation as provided in section 459.303.  
28 6 Sec. 33. Section 459.312, Code 2007, is amended by adding  
28 7 the following new subsection:

28 8 NEW SUBSECTION. 10A. The department may provide a  
28 9 procedure for the approval and monitoring of alternative or  
28 10 experimental practices, mechanisms, processes, or  
28 11 infrastructure which meets the purposes of this section, which  
28 12 may be incorporated as part of the manure management plan.  
28 13 The department may approve a manure management plan that  
28 14 includes an alternative minimum requirement in lieu of a  
28 15 standard minimum requirement otherwise provided in this  
28 16 section. The department may approve the alternative minimum  
28 17 requirement on a trial or permanent basis.

28 18 Sec. 34. Section 459.313, Code 2007, is amended to read as  
28 19 follows:

28 20 459.313 MANURE APPLICATION == RULES.

28 21 This section applies to the application of manure from an  
28 22 animal feeding operation.

28 23 1. The department shall adopt rules governing all of the  
28 24 following:

28 25 a. The application of manure in close proximity to any of  
28 26 the following:

28 27 (1) A designated groundwater access point.

28 28 (2) A water source.

28 29 (3) A designated wetland.

28 30 b. The application of manure originating from an anaerobic  
28 31 lagoon or aerobic structure which is part of a confinement  
28 32 feeding operation. The rules shall establish application  
28 33 rates and practices to minimize groundwater or surface water  
28 34 pollution resulting from application, including pollution  
28 35 caused by runoff or other manure flow resulting from  
29 1 precipitation events. The rules shall establish different  
29 2 application rates and practices based on the water holding  
29 3 capacity of the soil at the time of application.

29 4 2. A person shall ~~not~~ only apply manure by spray  
29 5 irrigation equipment, ~~except~~ as follows:

29 6 a. A person shall not apply manure by using spray  
29 7 irrigation equipment if the manure originates from a swine  
29 8 confinement feeding operation.

29 9 b. A person may apply manure by spray irrigation equipment  
29 10 if the manure is from an animal feeding operation other than a  
29 11 swine confinement feeding operation and the person applies the  
29 12 liquid manure as provided by rules adopted by the department  
29 13 pursuant to chapter 17A. However, a person shall not use

29 14 restricted spray irrigation equipment to apply manure  
29 15 originating from a confinement feeding operation, unless the  
29 16 manure has been diluted as provided by rules adopted by the  
29 17 department, including diluted by use of an anaerobic lagoon.

29 18 3. a. Except as provided in paragraph "b", a person shall  
29 19 not apply manure if the manure is applied closer than a  
29 20 standard minimum separation distance requirement as follows:

29 21 (1) For a designated groundwater access point, two hundred



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29 22 feet.

29 23 (2) For a water source other than a high-quality water  
29 24 resource, two hundred feet.

29 25 (3) For a high-quality water resource, four hundred feet.

29 26 b. The department provides for an alternative minimum

29 27 separation distance requirement in lieu of the standard

29 28 minimum separation distance requirement in paragraph "a" for a

29 29 high-quality water resource. The alternative minimum

29 30 separation distance requirement shall increase the standard

29 31 minimum separation distance requirement as necessary to

29 32 protect the integrity of the high-quality water resource as

29 33 provided by rules adopted by the department.

29 34 Sec. 35. DEPARTMENT OF NATURAL RESOURCE STUDY ==

29 35 REEVALUATION OF MASTER MATRIX. The department of natural



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30 1 resources shall conduct a reevaluation of the master matrix  
30 2 used to evaluate confinement feeding operations as provided in  
30 3 section 459.305.

30 4 1. The department shall consider if the master matrix  
30 5 provides a comprehensive assessment mechanism in order to  
30 6 produce a statistically verifiable basis for determining  
30 7 whether to approve or disapprove an application for the  
30 8 construction, including expansion, of a confinement feeding  
30 9 operation structure requiring a permit pursuant to section  
30 10 459.303.

30 11 2. The department shall consider the categories and  
30 12 criteria listed as part of each of the categories, the point  
30 13 totals in each category required to achieve a satisfactory  
30 14 rating, and the deduction of points.

30 15 3. The department shall prepare and submit a report to the  
30 16 governor and general assembly not later than January 11, 2008.  
30 17 The report shall contain findings and recommendations.

30 18 Sec. 36. Section 459.203, Code 2007, is repealed.

30 19 Sec. 37. Section 459.314, Code 2007, is repealed.

30 20 Sec. 38. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
30 21 3, shall not apply to this Act.

30 22 Sec. 39. EFFECTIVE DATE. The section of this Act  
30 23 requiring the department of natural resources to conduct a  
30 24 reevaluation of the master matrix used to evaluate confinement  
30 25 feeding operations, being deemed of immediate importance,  
30 26 takes effect upon enactment.

30 27 DIVISION II

30 28 TAXATION INVOLVING ANIMAL FEEDING OPERATIONS

30 29 Sec. 40. Section 427.1, subsection 19, Code 2007, is  
30 30 amended to read as follows:

30 31 19. POLLUTION CONTROL AND RECYCLING. Pollution=control or  
30 32 recycling property as defined in this subsection shall be  
30 33 exempt from taxation to the extent provided in this  
30 34 subsection, upon compliance with the provisions of this  
30 35 subsection.



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31 1     a. This exemption shall apply to new installations of  
31 2 pollution-control or recycling property beginning on January 1  
31 3 after the construction or installation of the property is  
31 4 completed. This exemption shall apply beginning on January 1,  
31 5 1975, to existing pollution-control property if its  
31 6 construction or installation was completed after September 23,  
31 7 1970, and this exemption shall apply beginning January 1,  
31 8 1994, to recycling property.

31 9     b. This exemption shall be limited to the market value, as  
31 10 defined in section 441.21, of the pollution-control or  
31 11 recycling property. If the pollution-control or recycling  
31 12 property is assessed with other property as a unit, this  
31 13 exemption shall be limited to the net market value added by  
31 14 the pollution-control or recycling property, determined as of  
31 15 the assessment date.

31 16     c. Application for this exemption shall be filed with the  
31 17 assessing authority not later than the first of February of  
31 18 the first year for which the exemption is requested, on forms  
31 19 provided by the department of revenue.

31 20     (1) The application shall describe and locate the specific  
31 21 pollution-control or recycling property to be exempted.

31 22     (2) The application for a specific pollution-control or  
31 23 recycling property shall be accompanied by a certificate of  
31 24 the department of natural resources certifying that the  
31 25 primary use of the pollution-control property is to control or  
31 26 abate pollution of any air or water of this state or to  
31 27 enhance the quality of any air or water of this state or, if  
31 28 the property is recycling property, that the primary use of  
31 29 the property is for recycling.

31 30     d. A taxpayer may seek judicial review of a determination  
31 31 of the department or, on appeal, of the environmental  
31 32 protection commission in accordance with the provisions of  
31 33 chapter 17A.

31 34     e. The environmental protection commission of the  
31 35 department of natural resources shall adopt rules relating to



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32 1 certification under this subsection and information to be  
32 2 submitted for evaluating ~~pollution-control~~ or recycling  
32 3 property for which a certificate is requested. The department  
32 4 of revenue shall adopt any rules necessary to implement this  
32 5 subsection, including rules on identification and valuation of  
32 6 ~~pollution-control~~ or recycling property. All rules adopted  
32 7 shall be subject to the provisions of chapter 17A.

32 8 f. For the purposes of this subsection, ~~"pollution-control~~  
32 9 all of the following apply:

32 10 (1) (a) "Pollution-control property" means personal  
32 11 property or improvements to real property, or any portion  
32 12 thereof, used primarily to control or abate pollution of any  
32 13 air or water of this state or used primarily to enhance the  
32 14 quality of any air or water of this state and "recycling  
32 15 property" means personal property or improvements to real  
32 16 property or any portion of the property, used primarily in the  
32 17 manufacturing process and resulting directly in the conversion  
32 18 of waste glass, waste plastic, wastepaper products, waste  
32 19 paperboard, or waste wood products into new raw materials or  
32 20 products composed primarily of recycled material. In the  
32 21 event such property shall also serve other purposes or uses of  
32 22 productive benefit to the owner of the property, only such  
32 23 portion of the assessed valuation thereof as may reasonably be  
32 24 calculated to be necessary for and devoted to the control or  
32 25 abatement of pollution, to the enhancement of the quality of  
32 26 the air or water of this state, or for recycling shall be  
32 27 exempt from taxation under this subsection.

32 28 (b) "Pollution-control property" or "recycling property"  
32 29 does not include property used for purposes related to the  
32 30 care and feeding of livestock as defined in section 169C.1,  
32 31 except for property which is eligible for a family farm tax  
32 32 credit as provided in chapter 425A. The exemption calculated  
32 33 for ~~pollution-control property~~ or recycling property used for  
32 34 the purpose of care and feeding of livestock and which is  
32 35 eligible for a family farm tax credit is limited to the first



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33 1 one hundred thousand dollars of the property's assessed value.

33 2 ~~(2) For the purposes of this subsection, "pollution"~~

33 3 "Pollution" means air pollution as defined in section 455B.131

33 4 or water pollution as defined in section 455B.171.

33 5 (3) "Water of the state" means the water of the state as

33 6 defined in section 455B.171.

33 7 (4) "Enhance the quality" means to diminish the level of

33 8 pollutants below the air or water quality standards

33 9 established by the environmental protection commission of the

33 10 department of natural resources.

33 11 Sec. 41. APPLICABILITY. This division of this Act is

33 12 applicable for tax years beginning on and after January 1,

33 13 2008.

33 14

EXPLANATION

33 15 DIVISION I == REGULATION OF ANIMAL FEEDING OPERATIONS.

33 16 This bill amends provisions in Code chapter 459 regulating

33 17 animal feeding operations (a place where livestock are

33 18 confined and fed and maintained for 45 days or more in any

33 19 12-month period), and specifically confinement feeding

33 20 operations and their associated structures (confinement

33 21 buildings, manure storage structures, and egg washwater

33 22 storage structures). A manure storage structure includes both

33 23 a formed structure made of concrete or steel. An unformed

33 24 manure storage structure is an impoundment used to store

33 25 manure including an anaerobic lagoon, aerobic structure, or

33 26 earthen manure storage basin (where wastes are removed at

33 27 least one each year). The Code chapter also regulates the

33 28 application of manure originating from an animal feeding

33 29 operation.

33 30 AIR QUALITY == SITING. Code section 459.202 provides

33 31 various separation distance requirements between confinement

33 32 feeding operation structures and homes, schools, businesses,

33 33 churches, public use areas (portions of parks and cemeteries).

33 34 The Code section also provides various separation distance

33 35 requirements between those structures and homes, schools,



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34 1 businesses, and churches located within the corporate limits  
34 2 of a city. According to Code section 459.202, the amount of  
34 3 the separation distance required depends upon: (1) when the  
34 4 confinement feeding operation structure was constructed or  
34 5 expanded which is related to the date when a new separation  
34 6 distance became effective, and (2) the size of the confinement  
34 7 feeding operation which increases the distance according to  
34 8 the capacity of the confinement feeding operation (either by  
34 9 animal weight capacity or animal unit capacity).

34 10 Code section 459.203 provides that a confinement feeding  
34 11 operation constructed or expanded prior to the date that a  
34 12 distance requirement became effective may continue to operate  
34 13 regardless of the new distance requirement, and under certain  
34 14 circumstances may be expanded. For example, a confinement  
34 15 feeding operation may expand if it continues to meet the  
34 16 separation distance requirements applicable when the  
34 17 confinement feeding operation was established or it meets  
34 18 minimum capacity threshold requirements after expansion. It  
34 19 may expand so long as the confinement feeding operation stays  
34 20 within a minimum capacity (e.g., double its capacity on the  
34 21 date that a new separation requirement was established).  
34 22 Finally, it authorizes expansion by replacing an unformed  
34 23 (earthen) manure storage structure with a formed (concrete)  
34 24 manure storage structure.

34 25 AIR QUALITY SITING == INCREASED SEPARATION DISTANCES. The  
34 26 bill amends Code section 459.202 to provide increased  
34 27 separation distance requirements for confinement feeding  
34 28 operation structures constructed on or after the effective  
34 29 date of the bill, or expanded on or after the effective date  
34 30 of the bill regardless of the date of construction. It adds a  
34 31 number of new types of places benefiting from the separation  
34 32 distance requirements, including a city, a structure  
34 33 associated with a gestating-to=farrowing operation, a lot of a  
34 34 planned residential housing development which has been  
34 35 platted, and a tourism destination as provided by the



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35 1 department of economic development in cooperation with the  
35 2 department of natural resources. All places which benefit  
35 3 from a separation distance are referred to collectively as a  
35 4 "benefited object or location". The separation distance  
35 5 requirement is increased if the tourism destination is a  
35 6 high-quality water resource. It also provides a special  
35 7 separation distance for a qualified city which is classified  
35 8 as an Iowa great place. The bill eliminates special  
35 9 provisions that allow a confinement feeding operation  
35 10 established prior to a given effective date of a separation  
35 11 distance to expand, with one exception. A confinement feeding  
35 12 operation may expand by replacing an unformed manure storage  
35 13 structure with a formed manure structure regardless of the  
35 14 date that the confinement feeding operation was constructed.  
35 15 The bill requires in new Code section 459.202A that Iowa  
35 16 state university establish a community-based odor assessment  
35 17 process that utilizes computer modeling to analyze the  
35 18 statistical probability of dispersions of odor emitted from a  
35 19 confinement feeding operation structure based on an odor  
35 20 threshold. Based on a finding of that odor threshold, a  
35 21 confinement feeding operation may be located within the  
35 22 standard minimum separation distance requirements, unless the  
35 23 department determines that construction would be detrimental  
35 24 to persons at the benefited object or location.  
35 25 Code section 459.205 provides a number of exceptions to the  
35 26 separation distance requirements including when: (1) the  
35 27 confinement feeding operation qualifies as a small animal  
35 28 feeding operation (having an animal unit capacity of 500 or  
35 29 fewer animal units), (2) the neighboring titleholder  
35 30 benefiting from separation distance executes a written waiver  
35 31 with the titleholder of the land where the confinement feeding  
35 32 operation structure is located, or (3) the object or location  
35 33 benefiting from the separation distance requirement encroaches  
35 34 within the separation distance. The bill eliminates the  
35 35 exception for confinement feeding operations associated with



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36 1 small animal feeding operations, and makes the existing  
36 2 exceptions applicable to the new types of benefited objects or  
36 3 locations.

36 4 AIR QUALITY == MANURE APPLICATION. Code section 459.204  
36 5 provides that a person cannot apply liquid manure originating  
36 6 from a confinement feeding operation on land located within  
36 7 750 feet from a benefited object or location. Code section  
36 8 459.205 provides exceptions from the separation distance  
36 9 requirements if: (1) the liquid manure is injected into the  
36 10 soil or incorporated within the soil not later than 24 hours  
36 11 from the original application, (2) the titleholder of the land  
36 12 benefiting from the separation distance executes a written  
36 13 waiver, (3) the liquid manure originates from a small animal  
36 14 feeding operation, or (4) the liquid manure is applied by  
36 15 spray irrigation equipment.

36 16 The bill provides that a person cannot apply dry manure  
36 17 closer than 400 feet from the object or location. The bill  
36 18 provides that liquid manure must be incorporated within or  
36 19 injected into the soil within the same day. It retains the  
36 20 exceptions in cases of waiver, and eliminates an exception for  
36 21 small animal feeding operations and spray irrigation.

36 22 WATER QUALITY == SITING. Code section 459.310 provides  
36 23 that a confinement feeding operation structure cannot be  
36 24 constructed closer than a specific distance from the opening  
36 25 to groundwater (i.e., the surface inlet of an agricultural  
36 26 drainage well or a wellhead, cistern of an agricultural  
36 27 drainage well, or known sinkhole) and also from areas where  
36 28 surface water is present; a water source such as a lake,  
36 29 river, reservoir, creek, or stream; a major water source  
36 30 capable of supporting a floating vessel during a total of a  
36 31 six-month period in 10 years; or a wetland designated by the  
36 32 federal or state government. The Code section provides that  
36 33 the same distance requirements that apply to the construction  
36 34 of a confinement feeding operation in proximity to an area  
36 35 where surface water is present also apply to the establishment



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37 1 of an area of surface water in proximity to an existing  
37 2 confinement feeding operation structure.  
37 3     WATER QUALITY SITING == INCREASED SEPARATION DISTANCES FOR  
37 4 SUBSURFACE WATER. The division increases the separation  
37 5 distances applicable to openings to groundwater (referred to  
37 6 as a designated groundwater access point) including a surface  
37 7 inlet of an agricultural drainage well, wellhead, cistern of  
37 8 an agricultural drainage well, or known sinkhole.  
37 9     WATER QUALITY SITING == INCREASED SEPARATION DISTANCES FOR  
37 10 SURFACE WATER. The bill increases the separation distances  
37 11 applicable to areas where surface water is present including a  
37 12 major water source, and a designated wetland. These increased  
37 13 separation distances apply to both construction of confinement  
37 14 feeding operation structures and the establishment or  
37 15 diversion of water sources or designated wetlands. The bill  
37 16 provides that the department may increase or decrease these  
37 17 separation distances.  
37 18     WATER QUALITY == CONSTRUCTION OR EXPANSION OF EARTHEN  
37 19 MANURE STORAGE BASINS PROHIBITED. The bill prohibits a person  
37 20 from constructing or expanding an earthen manure storage  
37 21 structure (an impoundment in which manure is accumulated  
37 22 without removal for at least once each year) which is part of  
37 23 a swine confinement feeding operation.  
37 24     WATER QUALITY == APPLICATION == SPRAY IRRIGATION EQUIPMENT.  
37 25 The bill prohibits the use of spray irrigation equipment to  
37 26 apply manure if the manure originates from a swine confinement  
37 27 feeding operation.  
37 28     APPROVAL OF CONSTRUCTION PERMITS == MATRIX. Code sections  
37 29 459.304 and 459.305 provide for county participation in the  
37 30 approval of permits for the construction of confinement  
37 31 feeding operation structures by the department of natural  
37 32 resources. Currently, counties are prohibited from adopting  
37 33 or enforcing county legislation regulating a condition or  
37 34 activity occurring on land used for the production, care,  
37 35 feeding, or housing of animals unless the regulation is



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38 1 expressly authorized by state law (Code section 331.304A).  
38 2 One exception allows a county to provide comments to the  
38 3 department regarding the issuance of a permit for construction  
38 4 of confinement feeding operation structures. A second  
38 5 exception allows a county to participate in the scoring of a  
38 6 master matrix. The purpose of the master matrix is to provide  
38 7 a comprehensive assessment mechanism in order to produce a  
38 8 statistically verifiable basis for determining whether to  
38 9 approve or disapprove an application for a construction  
38 10 permit. A county board of supervisors may adopt a  
38 11 construction evaluation resolution in order to use a master  
38 12 matrix. If the board submits a resolution to the department,  
38 13 the board may evaluate a construction permit application and  
38 14 submit a recommendation to the department to approve or  
38 15 disapprove the application. The department must approve an  
38 16 application if the board submits a recommendation to approve  
38 17 the application, and the department determines that the  
38 18 application meets the requirements of Code chapter 459. The  
38 19 department must disapprove an application that the department  
38 20 determines does not satisfy the requirements of Code chapter  
38 21 459 regardless of the recommendation from the board. If the  
38 22 board submits a recommendation to disapprove the application,  
38 23 the department must first determine if the application meets  
38 24 the requirements of Code chapter 459. If the application  
38 25 meets the requirements of the chapter, the department must  
38 26 conduct an independent evaluation of the application using the  
38 27 master matrix. The department must approve the application if  
38 28 it achieves a satisfactory rating according to the  
38 29 department's evaluation. The department must disapprove the  
38 30 application if it produces an unsatisfactory rating regardless  
38 31 of whether the application satisfies the requirements of Code  
38 32 chapter 459. Both the applicant and the board may contest the  
38 33 department's decision to the environmental protection  
38 34 commission. The applicant may also contest the decision as a  
38 35 contested case proceeding before an administrative law judge.

39 1 PARTICIPATION REQUIRED. The bill amends Code section  
39 2 331.304A to specifically require that a county must  
39 3 participate in reviewing an application to construct a  
39 4 confinement feeding operation structure to be located in the  
39 5 county. The county is allowed to assess a fee of \$100 for  
39 6 processing the application. The bill amends Code sections  
39 7 459.303 relating to the issuance of permits and 459.304  
39 8 providing for county participation, by providing that the  
39 9 department shall only issue a permit to construct a  
39 10 confinement feeding operation structure after the review of an  
39 11 application by the board of supervisors in the county where  
39 12 the proposed construction is to be located. The review must  
39 13 consist of providing for a public hearing and collecting  
39 14 comments and engaging in an analysis of the application using  
39 15 the master matrix.

39 16 The bill eliminates references to the construction  
39 17 evaluation resolution. The bill requires that the department  
39 18 must receive the board's comments or recommendation to approve  
39 19 or disapprove the application within 60, instead of 30, days  
39 20 following the applicant's delivery of the application to the  
39 21 department, and must issue or not issue the permit within 90,



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39 22 instead of 60, days following the applicant's delivery of the  
39 23 application to the department. The bill retains the process  
39 24 for departmental review of the application except that the  
39 25 department must conduct an independent evaluation of  
39 26 applications using the master matrix if a county board of  
39 27 supervisors does not submit its evaluation.

39 28 The bill also requires the department to conduct a  
39 29 reevaluation of the master matrix and report to the general  
39 30 assembly the results of its reevaluation in 2008.

39 31 MANURE MANAGEMENT PLAN. Code section 459.310 requires the  
39 32 owner of a confinement feeding operation, or a person taking  
39 33 manure from an out-of-state confinement feeding operation for  
39 34 application on land in this state, to submit a manure  
39 35 management plan to the department for approval. A manure



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40 1 management plan must include a number of items relating to the  
40 2 application of manure including manure nutrient levels,  
40 3 methods, and timing. The bill in Code section 459.312  
40 4 provides that best management practices for operating the  
40 5 confinement feeding operation which is part of Iowa state  
40 6 university's community-based odor assessment report must be  
40 7 included as part of the manure management plan. The bill also  
40 8 provides that the department may provide a procedure for the  
40 9 approval and monitoring of alternative or experimental  
40 10 practices.

40 11 STATE MANDATE. The bill may include a state mandate as  
40 12 defined in Code section 25B.3. The bill makes inapplicable  
40 13 Code section 25B.2, subsection 3, which would relieve a  
40 14 political subdivision from complying with a state mandate if  
40 15 funding for the cost of the state mandate is not provided or  
40 16 specified. Therefore, political subdivisions are required to  
40 17 comply with any state mandate included in the bill.

40 18 EFFECTIVE DATE. This part of the bill takes effect on July  
40 19 1, 2007, except for the study involving the master matrix  
40 20 which takes effect upon enactment.

40 21 APPLICABLE PENALTIES. According to Code section 459.602, a  
40 22 person who violates provisions relating to air quality are  
40 23 subject to a civil penalty as provided in Code section  
40 24 455B.109 which authorizes the environmental protection  
40 25 commission to establish penalty amounts according to a  
40 26 schedule not to exceed \$10,000. According to Code section  
40 27 459.603, a person who violates a provision relating to water  
40 28 quality is subject to penalties as provided in Code section  
40 29 455B.191 which includes a judicially assessed civil penalty of  
40 30 up to \$5,000.

40 31 DIVISION II == TAXATION INVOLVING ANIMAL FEEDING  
40 32 OPERATIONS. The bill amends Code section 427.1, which  
40 33 provides a number of exemptions from property taxation. The  
40 34 section includes an exemption for certain types of  
40 35 pollution-control and recycling property as certified by the



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41 1 department of natural resources. The bill limits this tax  
41 2 exemption for such property that is related to the care and  
41 3 feeding of livestock by requiring that the property used for  
41 4 the care and feeding of livestock must be eligible for a  
41 5 family farm tax credit under Code chapter 425A. The bill also  
41 6 provides that the tax credit still available is limited to the  
41 7 first \$100,000 of the property's assessed value.  
41 8 This part of the bill is applicable for tax years beginning  
41 9 on and after January 1, 2008.  
41 10 LSB 2838HV 82  
41 11 da:rj/je/5



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House File 874 - Introduced

HOUSE FILE  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HSB 284)

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

A BILL FOR

1 An Act relating to and making appropriations to certain state  
2 departments, agencies, funds, and certain other entities and  
3 providing an effective date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1126HV 82  
6 ec/je/5



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PAG LIN

1 1 Section 1. DEPARTMENT OF ADMINISTRATIVE SERVICES.  
 1 2 1. There is appropriated from the general fund of the  
 1 3 state to the department of administrative services for the  
 1 4 fiscal year beginning July 1, 2007, and ending June 30, 2008,  
 1 5 the following amounts, or so much thereof as is necessary, to  
 1 6 be used for the purposes designated:  
 1 7 a. For salaries, support, maintenance, and miscellaneous  
 1 8 purposes, and for not more than the following full-time  
 1 9 equivalent positions:  
 1 10 ..... \$ 6,296,623  
 1 11 ..... FTEs 419.85  
 1 12 b. For the payment of utility costs:  
 1 13 ..... \$ 3,822,105  
 1 14 Notwithstanding section 8.33, any excess funds appropriated  
 1 15 for utility costs in this lettered paragraph shall not revert  
 1 16 to the general fund of the state at the end of the fiscal year  
 1 17 but shall remain available for expenditure for the purposes of  
 1 18 this lettered paragraph during the succeeding fiscal year.  
 1 19 It is the intent of the general assembly that the  
 1 20 department shall reduce utility costs through energy  
 1 21 conservation practices. The goal of the general assembly is  
 1 22 to reduce energy use by ten percent to save money, conserve  
 1 23 energy resources, and reduce pollution.  
 1 24 c. For distribution to other governmental entities:  
 1 25 ..... \$ 2,000,000  
 1 26 Moneys appropriated in this lettered paragraph shall be  
 1 27 separately accounted for in a distribution account and shall  
 1 28 be distributed to other governmental entities based upon a  
 1 29 formula established by the department to pay for services  
 1 30 provided during the fiscal year to such other governmental  
 1 31 entities by the department associated with the integrated  
 1 32 information for Iowa system.  
 1 33 2. Members of the general assembly serving as members of  
 1 34 the deferred compensation advisory board shall be entitled to  
 1 35 receive per diem and necessary travel and actual expenses



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2 1 pursuant to section 2.10, subsection 5, while carrying out  
2 2 their official duties as members of the board.  
2 3 3. Any funds and premiums collected by the department for  
2 4 workers' compensation shall be segregated into a separate  
2 5 workers' compensation fund in the state treasury to be used  
2 6 for payment of state employees' workers' compensation claims  
2 7 and administrative costs. Notwithstanding section 8.33,  
2 8 unencumbered or unobligated moneys remaining in this workers'  
2 9 compensation fund at the end of the fiscal year shall not  
2 10 revert but shall be available for expenditure for purposes of  
2 11 the fund for subsequent fiscal years.

2 12 Sec. 2. REVOLVING FUNDS. There is appropriated to the  
2 13 department of administrative services for the fiscal year  
2 14 beginning July 1, 2007, and ending June 30, 2008, from the  
2 15 revolving funds designated in chapter 8A and from internal  
2 16 service funds created by the department, such amounts as the  
2 17 department deems necessary for the operation of the department  
2 18 consistent with the requirements of chapter 8A.

2 19 Sec. 3. FUNDING FOR IOWACCESS.

2 20 1. Notwithstanding section 321A.3, subsection 1, for the  
2 21 fiscal year beginning July 1, 2007, and ending June 30, 2008,  
2 22 the first \$1,000,000 collected and transferred by the  
2 23 department of transportation to the treasurer of state with  
2 24 respect to the fees for transactions involving the furnishing  
2 25 of a certified abstract of a vehicle operating record under  
2 26 section 321A.3, subsection 1, shall be transferred to the  
2 27 IowAccess revolving fund established by section 8A.224 and  
2 28 administered by the department of administrative services for  
2 29 the purposes of developing, implementing, maintaining, and  
2 30 expanding electronic access to government records as provided  
2 31 by law.

2 32 2. All fees collected with respect to transactions  
2 33 involving IowAccess shall be deposited in the IowAccess  
2 34 revolving fund and shall be used only for the support of  
2 35 IowAccess projects.



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3 1       Sec. 4. STATE EMPLOYEE HEALTH INSURANCE ADMINISTRATION  
 3 2 CHARGE. For the fiscal year beginning July 1, 2007, and  
 3 3 ending June 30, 2008, the monthly per contract administrative  
 3 4 charge which may be assessed by the department of  
 3 5 administrative services shall be \$2.00 per contract on all  
 3 6 health insurance plans administered by the department.  
 3 7       Sec. 5. AUDITOR OF STATE. There is appropriated from the  
 3 8 general fund of the state to the office of the auditor of  
 3 9 state for the fiscal year beginning July 1, 2007, and ending  
 3 10 June 30, 2008, the following amount, or so much thereof as is  
 3 11 necessary, to be used for the purposes designated:  
 3 12       For salaries, support, maintenance, and miscellaneous  
 3 13 purposes, and for not more than the following full-time  
 3 14 equivalent positions:  
 3 15 ..... \$ 1,211,873  
 3 16 ..... FTEs       103.00  
 3 17       The auditor of state may retain additional full-time  
 3 18 equivalent positions as is reasonable and necessary to perform  
 3 19 governmental subdivision audits which are reimbursable  
 3 20 pursuant to section 11.20 or 11.21, to perform audits which  
 3 21 are requested by and reimbursable from the federal government,  
 3 22 and to perform work requested by and reimbursable from  
 3 23 departments or agencies pursuant to section 11.5A or 11.5B.  
 3 24 The auditor of state shall notify the department of  
 3 25 management, the legislative fiscal committee, and the  
 3 26 legislative services agency of the additional full-time  
 3 27 equivalent positions retained.  
 3 28       Sec. 6. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There  
 3 29 is appropriated from the general fund of the state to the Iowa  
 3 30 ethics and campaign disclosure board for the fiscal year  
 3 31 beginning July 1, 2007, and ending June 30, 2008, the  
 3 32 following amount, or so much thereof as is necessary, for the  
 3 33 purposes designated:  
 3 34       For salaries, support, maintenance, and miscellaneous  
 3 35 purposes, and for not more than the following full-time



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4 1 equivalent positions:  
 4 2 ..... \$ 517,669  
 4 3 ..... FTEs 6.00  
 4 4 Sec. 7. DEPARTMENT OF COMMERCE. There is appropriated  
 4 5 from the general fund of the state to the department of  
 4 6 commerce for the fiscal year beginning July 1, 2007, and  
 4 7 ending June 30, 2008, the following amounts, or so much  
 4 8 thereof as is necessary, for the purposes designated:  
 4 9 1. ALCOHOLIC BEVERAGES DIVISION  
 4 10 For salaries, support, maintenance, and miscellaneous  
 4 11 purposes, and for not more than the following full-time  
 4 12 equivalent positions:  
 4 13 ..... \$ 2,057,289  
 4 14 ..... FTEs 32.00  
 4 15 2. BANKING DIVISION  
 4 16 a. Banking. For salaries, support, maintenance, and  
 4 17 miscellaneous purposes, and for not more than the following  
 4 18 full-time equivalent positions:  
 4 19 ..... \$ 7,632,241  
 4 20 ..... FTEs 73.00  
 4 21 b. Professional licensing and regulation. For salaries,  
 4 22 support, maintenance, and miscellaneous purposes, and for not  
 4 23 more than the following full-time equivalent positions:  
 4 24 ..... \$ 898,343  
 4 25 ..... FTEs 16.00  
 4 26 3. CREDIT UNION DIVISION  
 4 27 For salaries, support, maintenance, and miscellaneous  
 4 28 purposes, and for not more than the following full-time  
 4 29 equivalent positions:  
 4 30 ..... \$ 1,557,726  
 4 31 ..... FTEs 19.00  
 4 32 4. INSURANCE DIVISION  
 4 33 a. For salaries, support, maintenance, and miscellaneous  
 4 34 purposes, and for not more than the following full-time  
 4 35 equivalent positions:



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5 1 ..... \$ 4,655,809  
5 2 ..... FTEs 100.50  
5 3 b. The insurance division may reallocate authorized full=  
5 4 time equivalent positions as necessary to respond to  
5 5 accreditation recommendations or requirements. The insurance  
5 6 division expenditures for examination purposes may exceed the  
5 7 projected receipts, refunds, and reimbursements, estimated  
5 8 pursuant to section 505.7, subsection 7, including the  
5 9 expenditures for retention of additional personnel, if the  
5 10 expenditures are fully reimbursable and the division first  
5 11 does both of the following:  
5 12 (1) Notifies the department of management, the legislative  
5 13 services agency, and the legislative fiscal committee of the  
5 14 need for the expenditures.  
5 15 (2) Files with each of the entities named in subparagraph  
5 16 (1) the legislative and regulatory justification for the  
5 17 expenditures, along with an estimate of the expenditures.  
5 18 c. The insurance division shall allocate \$10,000 from the  
5 19 examination receipts for the payment of its fees to the  
5 20 national conference of insurance legislators.  
5 21 5. UTILITIES DIVISION  
5 22 a. For salaries, support, maintenance, and miscellaneous  
5 23 purposes, and for not more than the following full-time  
5 24 equivalent positions:  
5 25 ..... \$ 7,266,919  
5 26 ..... FTEs 75.00  
5 27 b. The utilities division may expend additional funds,  
5 28 including funds for additional personnel, if those additional  
5 29 expenditures are actual expenses which exceed the funds  
5 30 budgeted for utility regulation and the expenditures are fully  
5 31 reimbursable. Before the division expends or encumbers an  
5 32 amount in excess of the funds budgeted for regulation, the  
5 33 division shall first do both of the following:  
5 34 (1) Notify the department of management, the legislative  
5 35 services agency, and the legislative fiscal committee of the



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6 1 need for the expenditures.

6 2 (2) File with each of the entities named in subparagraph

6 3 (1) the legislative and regulatory justification for the

6 4 expenditures, along with an estimate of the expenditures.

6 5 6. CHARGES == TRAVEL. Each division and the office of

6 6 consumer advocate shall include in its charges assessed or

6 7 revenues generated, an amount sufficient to cover the amount

6 8 stated in its appropriation, and any state-assessed indirect

6 9 costs determined by the department of administrative services.

6 10 The director of the department of commerce shall review on a

6 11 quarterly basis all out-of-state travel for the previous

6 12 quarter for officers and employees of each division of the

6 13 department if the travel is not already authorized by the

6 14 executive council.

6 15 Sec. 8. DEPARTMENT OF COMMERCE == PROFESSIONAL LICENSING

6 16 AND REGULATION BUREAU. There is appropriated from the housing

6 17 improvement fund of the Iowa department of economic

6 18 development to the bureau of professional licensing and

6 19 regulation of the banking division of the department of

6 20 commerce for the fiscal year beginning July 1, 2007, and

6 21 ending June 30, 2008, the following amount, or so much thereof

6 22 as is necessary, to be used for the purposes designated:

6 23 For salaries, support, maintenance, and miscellaneous

6 24 purposes:

6 25 ..... \$ 62,317

6 26 Sec. 9. GOVERNOR AND LIEUTENANT GOVERNOR. There is

6 27 appropriated from the general fund of the state to the offices

6 28 of the governor and the lieutenant governor for the fiscal

6 29 year beginning July 1, 2007, and ending June 30, 2008, the

6 30 following amounts, or so much thereof as is necessary, to be

6 31 used for the purposes designated:

6 32 1. GENERAL OFFICE

6 33 For salaries, support, maintenance, and miscellaneous

6 34 purposes for the general office of the governor and the

6 35 general office of the lieutenant governor, and for not more



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7 1 than the following full-time equivalent positions:

7 2 ..... \$ 2,168,269

7 3 ..... FTEs 19.25

7 4 2. TERRACE HILL QUARTERS

7 5 For salaries, support, maintenance, and miscellaneous

7 6 purposes for the governor's quarters at Terrace Hill, and for

7 7 not more than the following full-time equivalent positions:

7 8 ..... \$ 466,310

7 9 ..... FTEs 10.00

7 10 3. ADMINISTRATIVE RULES COORDINATOR

7 11 For salaries, support, maintenance, and miscellaneous

7 12 purposes for the office of administrative rules coordinator,

7 13 and for not more than the following full-time equivalent

7 14 positions:

7 15 ..... \$ 154,755

7 16 ..... FTEs 3.00

7 17 4. NATIONAL GOVERNORS ASSOCIATION

7 18 For payment of Iowa's membership in the national governors

7 19 association:

7 20 ..... \$ 80,600

7 21 5. STATE=FEDERAL RELATIONS

7 22 For salaries, support, maintenance, and miscellaneous

7 23 purposes, and for not more than the following full-time

7 24 equivalent positions:

7 25 ..... \$ 123,927

7 26 ..... FTEs 2.00

7 27 Sec. 10. GOVERNOR'S OFFICE OF DRUG CONTROL POLICY.

7 28 1. There is appropriated from the general fund of the

7 29 state to the governor's office of drug control policy for the

7 30 fiscal year beginning July 1, 2007, and ending June 30, 2008,

7 31 the following amount, or so much thereof as is necessary, to

7 32 be used for the purposes designated:

7 33 a. For salaries, support, maintenance, and miscellaneous

7 34 purposes, including statewide coordination of the drug abuse

7 35 resistance education (D.A.R.E.) programs or similar programs,



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8 1 and for not more than the following full-time equivalent  
 8 2 positions:  
 8 3 ..... \$ 338,099  
 8 4 ..... FTEs 8.00  
 8 5 b. For support of multijurisdictional drug enforcement  
 8 6 programs:  
 8 7 ..... \$ 1,400,000  
 8 8 If federal funding is received for multijurisdictional drug  
 8 9 enforcement programs during the fiscal year beginning July 1,  
 8 10 2007, and ending June 30, 2008, of the moneys appropriated in  
 8 11 this lettered paragraph an amount equal to the federal funding  
 8 12 received less \$600,000 shall revert to the general fund of the  
 8 13 state at the end of the fiscal year. The programs shall  
 8 14 provide for at least a 25 percent local match.  
 8 15 2. The governor's office of drug control policy, in  
 8 16 consultation with the department of public health, and after  
 8 17 discussion and collaboration with all interested agencies,  
 8 18 shall coordinate substance abuse treatment and prevention  
 8 19 efforts in order to avoid duplication of services.  
 8 20 Sec. 11. DEPARTMENT OF HUMAN RIGHTS. There is  
 8 21 appropriated from the general fund of the state to the  
 8 22 department of human rights for the fiscal year beginning July  
 8 23 1, 2007, and ending June 30, 2008, the following amounts, or  
 8 24 so much thereof as is necessary, to be used for the purposes  
 8 25 designated:  
 8 26 1. CENTRAL ADMINISTRATION DIVISION  
 8 27 For salaries, support, maintenance, and miscellaneous  
 8 28 purposes, and for not more than the following full-time  
 8 29 equivalent positions:  
 8 30 ..... \$ 341,425  
 8 31 ..... FTEs 7.00  
 8 32 Of the moneys appropriated in this subsection, \$15,000  
 8 33 shall be used for expenses related to Iowa's participation in  
 8 34 the Abraham Lincoln bicentennial commission.  
 8 35 2. DEAF SERVICES DIVISION  
 9 1 For salaries, support, maintenance, and miscellaneous  
 9 2 purposes, and for not more than the following full-time  
 9 3 equivalent positions:  
 9 4 ..... \$ 390,315  
 9 5 ..... FTEs 6.00  
 9 6 The fees collected by the division for provision of  
 9 7 interpretation services by the division to obligated agencies  
 9 8 shall be disbursed pursuant to the provisions of section 8.32,  
 9 9 and shall be dedicated and used by the division for continued  
 9 10 and expanded interpretation services.  
 9 11 3. STATUS OF IOWANS OF ASIAN AND PACIFIC ISLANDER HERITAGE  
 9 12 DIVISION  
 9 13 For salaries, support, maintenance, and miscellaneous  
 9 14 purposes, and for not more than the following full-time  
 9 15 equivalent positions:  
 9 16 ..... \$ 126,000  
 9 17 ..... FTEs 1.00  
 9 18 4. PERSONS WITH DISABILITIES DIVISION  
 9 19 For salaries, support, maintenance, and miscellaneous  
 9 20 purposes, and for not more than the following full-time  
 9 21 equivalent positions:



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9 22	.....	\$	194,212
9 23	.....	FTEs	3.20
9 24	5. LATINO AFFAIRS DIVISION		
9 25	For salaries, support, maintenance, and miscellaneous		
9 26	purposes, and for not more than the following full-time		
9 27	equivalent positions:		
9 28	.....	\$	179,433
9 29	.....	FTEs	3.00
9 30	6. STATUS OF WOMEN DIVISION		
9 31	For salaries, support, maintenance, and miscellaneous		
9 32	purposes, including the Iowans in transition program, and the		
9 33	domestic violence and sexual assault-related grants, and for		
9 34	not more than the following full-time equivalent positions:		
9 35	.....	\$	343,555



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10 1 ..... FTEs 3.00

10 2 7. STATUS OF AFRICAN-AMERICANS DIVISION

10 3 For salaries, support, maintenance, and miscellaneous

10 4 purposes, and for not more than the following full-time

10 5 equivalent positions:

10 6 ..... \$ 354,725

10 7 ..... FTEs 2.00

10 8 Of the moneys appropriated in this subsection, the division

10 9 may use a portion for projects and programs of the division,

10 10 including the covenant project, cultural competency project,

10 11 sensitivity training program, and the study circle project.

10 12 8. CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION

10 13 For salaries, support, maintenance, and miscellaneous

10 14 purposes, and for not more than the following full-time

10 15 equivalent positions:

10 16 ..... \$ 1,587,333

10 17 ..... FTEs 11.18

10 18 The criminal and juvenile justice planning advisory council

10 19 and the juvenile justice advisory council shall coordinate

10 20 their efforts in carrying out their respective duties relative

10 21 to juvenile justice.

10 22 9. SHARED STAFF. The divisions of the department of human

10 23 rights shall retain their individual administrators, but shall

10 24 share staff to the greatest extent possible.

10 25 Sec. 12. DEPARTMENT OF INSPECTIONS AND APPEALS. There is

10 26 appropriated from the general fund of the state to the

10 27 department of inspections and appeals for the fiscal year

10 28 beginning July 1, 2007, and ending June 30, 2008, the

10 29 following amounts, or so much thereof as is necessary, for the

10 30 purposes designated:

10 31 1. ADMINISTRATION DIVISION

10 32 For salaries, support, maintenance, and miscellaneous

10 33 purposes, and for not more than the following full-time

10 34 equivalent positions:

10 35 ..... \$ 2,074,767



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11	1	.....	FTEs	37.25
11	2	2. ADMINISTRATIVE HEARINGS DIVISION		
11	3	For salaries, support, maintenance, and miscellaneous		
11	4	purposes, and for not more than the following full-time		
11	5	equivalent positions:		
11	6	.....	\$	680,533
11	7	.....	FTEs	23.00
11	8	3. INVESTIGATIONS DIVISION		
11	9	For salaries, support, maintenance, and miscellaneous		
11	10	purposes, and for not more than the following full-time		
11	11	equivalent positions:		
11	12	.....	\$	1,526,415
11	13	.....	FTEs	47.00
11	14	4. HEALTH FACILITIES DIVISION		
11	15	For salaries, support, maintenance, and miscellaneous		
11	16	purposes, and for not more than the following full-time		
11	17	equivalent positions:		
11	18	.....	\$	2,412,647
11	19	.....	FTEs	127.25
11	20	5. EMPLOYMENT APPEAL BOARD		
11	21	For salaries, support, maintenance, and miscellaneous		
11	22	purposes, and for not more than the following full-time		
11	23	equivalent positions:		
11	24	.....	\$	56,294
11	25	.....	FTEs	15.00
11	26	The employment appeal board shall be reimbursed by the		
11	27	labor services division of the department of workforce		
11	28	development for all costs associated with hearings conducted		
11	29	under chapter 91C, related to contractor registration. The		
11	30	board may expend, in addition to the amount appropriated under		
11	31	this subsection, additional amounts as are directly billable		
11	32	to the labor services division under this subsection and to		
11	33	retain the additional full-time equivalent positions as needed		
11	34	to conduct hearings required pursuant to chapter 91C.		
11	35	6. CHILD ADVOCACY BOARD		



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12 1 For foster care review and the court appointed special  
 12 2 advocate program, including salaries, support, maintenance,  
 12 3 and miscellaneous purposes, and for not more than the  
 12 4 following full-time equivalent positions:  
 12 5 ..... \$ 2,629,308  
 12 6 ..... FTEs 45.12  
 12 7 a. The department of human services, in coordination with  
 12 8 the child advocacy board and the department of inspections and  
 12 9 appeals, shall submit an application for funding available  
 12 10 pursuant to Title IV-E of the federal Social Security Act for  
 12 11 claims for child advocacy board administrative review costs.  
 12 12 b. The court appointed special advocate program shall  
 12 13 investigate and develop opportunities for expanding fund=  
 12 14 raising for the program.  
 12 15 c. Administrative costs charged by the department of  
 12 16 inspections and appeals for items funded under this subsection  
 12 17 shall not exceed 4 percent of the amount appropriated in this  
 12 18 subsection.  
 12 19 Sec. 13. RACING AND GAMING COMMISSION.  
 12 20 1. RACETRACK REGULATION  
 12 21 There is appropriated from the general fund of the state to  
 12 22 the racing and gaming commission of the department of  
 12 23 inspections and appeals for the fiscal year beginning July 1,  
 12 24 2007, and ending June 30, 2008, the following amount, or so  
 12 25 much thereof as is necessary, to be used for the purposes  
 12 26 designated:  
 12 27 For salaries, support, maintenance, and miscellaneous  
 12 28 purposes for the regulation of pari-mutuel racetracks, and for  
 12 29 not more than the following full-time equivalent positions:  
 12 30 ..... \$ 2,671,410  
 12 31 ..... FTEs 27.53  
 12 32 2. EXCURSION BOAT REGULATION  
 12 33 There is appropriated from the general fund of the state to  
 12 34 the racing and gaming commission of the department of  
 12 35 inspections and appeals for the fiscal year beginning July 1,



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13 1 2007, and ending June 30, 2008, the following amount, or so  
 13 2 much thereof as is necessary, to be used for the purposes  
 13 3 designated:  
 13 4     For salaries, support, maintenance, and miscellaneous  
 13 5 purposes for administration and enforcement of the excursion  
 13 6 boat gambling laws, and for not more than the following full=  
 13 7 time equivalent positions:  
 13 8 ..... \$ 3,199,440  
 13 9 ..... FTEs 43.22  
 13 10     Sec. 14. USE TAX APPROPRIATION. There is appropriated  
 13 11 from the use tax receipts collected pursuant to sections  
 13 12 423.26 and 423.27 prior to their deposit in the road use tax  
 13 13 fund pursuant to section 423.43 to the administrative hearings  
 13 14 division of the department of inspections and appeals for the  
 13 15 fiscal year beginning July 1, 2007, and ending June 30, 2008,  
 13 16 the following amount, or so much thereof as is necessary, for  
 13 17 the purposes designated:  
 13 18     For salaries, support, maintenance, and miscellaneous  
 13 19 purposes:  
 13 20 ..... \$ 1,543,342  
 13 21     Sec. 15. DEPARTMENT OF MANAGEMENT. There is appropriated  
 13 22 from the general fund of the state to the department of  
 13 23 management for the fiscal year beginning July 1, 2007, and  
 13 24 ending June 30, 2008, the following amounts, or so much  
 13 25 thereof as is necessary, to be used for the purposes  
 13 26 designated:  
 13 27     1. GENERAL OFFICE  
 13 28     For salaries, support, maintenance, and miscellaneous  
 13 29 purposes, and for not more than the following full-time  
 13 30 equivalent positions:  
 13 31 ..... \$ 3,031,168  
 13 32 ..... FTEs 37.50  
 13 33     Of the moneys appropriated in this subsection, the  
 13 34 department shall use a portion for enterprise resource  
 13 35 planning, providing for a salary model administrator,



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14 1 conducting performance audits, and for the department's LEAN  
 14 2 process.  
 14 3     2. LOCAL GOVERNMENT INNOVATION FUND  
 14 4     For deposit in the local government innovation fund  
 14 5 established in the department of management:  
 14 6 ..... \$     300,000  
 14 7     Sec. 16. ROAD USE TAX APPROPRIATION. There is  
 14 8 appropriated from the road use tax fund to the department of  
 14 9 management for the fiscal year beginning July 1, 2007, and  
 14 10 ending June 30, 2008, the following amount, or so much thereof  
 14 11 as is necessary, to be used for the purposes designated:  
 14 12     For salaries, support, maintenance, and miscellaneous  
 14 13 purposes:  
 14 14 ..... \$     56,000  
 14 15     Sec. 17. DEPARTMENT OF REVENUE. There is appropriated  
 14 16 from the general fund of the state to the department of  
 14 17 revenue for the fiscal year beginning July 1, 2007, and ending  
 14 18 June 30, 2008, the following amounts, or so much thereof as is  
 14 19 necessary, to be used for the purposes designated:  
 14 20     For salaries, support, maintenance, and miscellaneous  
 14 21 purposes, and for not more than the following full-time  
 14 22 equivalent positions:  
 14 23 ..... \$ 25,301,646  
 14 24 ..... FTEs     385.03  
 14 25     Of the funds appropriated pursuant to this section,  
 14 26 \$400,000 shall be used to pay the direct costs of compliance  
 14 27 related to the collection and distribution of local sales and  
 14 28 services taxes imposed pursuant to chapters 423B and 423E.  
 14 29     The director of revenue shall prepare and issue a state  
 14 30 appraisal manual and the revisions to the state appraisal  
 14 31 manual as provided in section 421.17, subsection 17, without  
 14 32 cost to a city or county.  
 14 33     The department of revenue shall submit a written report to  
 14 34 the general assembly by January 1, 2008, concerning the  
 14 35 department's progress in developing a system to track tax



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15 1 credits.

15 2 If the director of revenue determines that contracting for  
15 3 an upgrade of the department's computer assisted collections  
15 4 system would result in generating significantly increased net  
15 5 collection revenues for the fiscal year beginning July 1,  
15 6 2007, and ending June 30, 2008, in excess of \$3.3 million, the  
15 7 director is authorized to procure such upgrade from the  
15 8 current vendor.

15 9 Sec. 18. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is  
15 10 appropriated from the motor fuel tax fund created by section  
15 11 452A.77 to the department of revenue for the fiscal year  
15 12 beginning July 1, 2007, and ending June 30, 2008, the  
15 13 following amount, or so much thereof as is necessary, to be  
15 14 used for the purposes designated:

15 15 For salaries, support, maintenance, and miscellaneous  
15 16 purposes for administration and enforcement of the provisions  
15 17 of chapter 452A and the motor vehicle use tax program:  
15 18 ..... \$ 1,291,841

15 19 Sec. 19. SECRETARY OF STATE. There is appropriated from  
15 20 the general fund of the state to the office of the secretary  
15 21 of state for the fiscal year beginning July 1, 2007, and  
15 22 ending June 30, 2008, the following amounts, or so much  
15 23 thereof as is necessary, to be used for the purposes  
15 24 designated:

15 25 1. ADMINISTRATION AND ELECTIONS

15 26 For salaries, support, maintenance, and miscellaneous  
15 27 purposes, and for not more than the following full-time  
15 28 equivalent positions:  
15 29 ..... \$ 1,431,015  
15 30 ..... FTEs 17.00

15 31 The state department or state agency which provides data  
15 32 processing services to support voter registration file  
15 33 maintenance and storage shall provide those services without  
15 34 charge.

15 35 2. BUSINESS SERVICES



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16 1 For salaries, support, maintenance, and miscellaneous  
 16 2 purposes, and for not more than the following full-time  
 16 3 equivalent positions:  
 16 4 ..... \$ 1,818,716  
 16 5 ..... FTEs 26.00

16 6 Sec. 20. SECRETARY OF STATE FILING FEES REFUND.  
 16 7 Notwithstanding the obligation to collect fees pursuant to the  
 16 8 provisions of section 490.122, subsection 1, paragraphs "a"  
 16 9 and "s", and section 504.113, subsection 1, paragraphs "a",  
 16 10 "c", "d", "j", "k", "l", and "m", for the fiscal year  
 16 11 beginning July 1, 2007, and ending June 30, 2008, the  
 16 12 secretary of state may refund these fees to the filer pursuant  
 16 13 to rules established by the secretary of state. The decision  
 16 14 of the secretary of state not to issue a refund under rules  
 16 15 established by the secretary of state is final and not subject  
 16 16 to review pursuant to the provisions of the Iowa  
 16 17 administrative procedure Act, chapter 17A.

16 18 Sec. 21. TREASURER. There is appropriated from the  
 16 19 general fund of the state to the office of treasurer of state  
 16 20 for the fiscal year beginning July 1, 2007, and ending June  
 16 21 30, 2008, the following amount, or so much thereof as is  
 16 22 necessary, to be used for the purposes designated:

16 23 For salaries, support, maintenance, and miscellaneous  
 16 24 purposes, and for not more than the following full-time  
 16 25 equivalent positions:  
 16 26 ..... \$ 962,520  
 16 27 ..... FTEs 28.80

16 28 The office of treasurer of state shall supply clerical and  
 16 29 secretarial support for the executive council.

16 30 Sec. 22. ROAD USE TAX APPROPRIATION. There is  
 16 31 appropriated from the road use tax fund to the office of  
 16 32 treasurer of state for the fiscal year beginning July 1, 2007,  
 16 33 and ending June 30, 2008, the following amount, or so much  
 16 34 thereof as necessary, to be used for the purposes designated:

16 35 For enterprise resource management costs related to the





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18 1 state departments, agencies, and funds for the fiscal year  
18 2 beginning July 1, 2007, and ending June 30, 2008. The  
18 3 division makes appropriations to state departments and  
18 4 agencies including the department of administrative services,  
18 5 auditor of state, Iowa ethics and campaign disclosure board,  
18 6 department of commerce, offices of governor and lieutenant  
18 7 governor, Terrace Hill quarters and drug control policy  
18 8 office, department of human rights, department of inspections  
18 9 and appeals, department of management, Iowa public employees'  
18 10 retirement system, secretary of state, treasurer of state, and  
18 11 department of revenue. The bill also appropriates funding for  
18 12 the state's membership in the national governors association.  
18 13 The bill also authorizes the utility board to use  
18 14 unexpended moneys for the fiscal year beginning July 1, 2006,  
18 15 and ending June 30, 2007, for the utilities board's building  
18 16 project. This provision takes effect upon enactment.  
18 17 LSB 1126HV 82  
18 18 ec:mg/je/5



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House File 875 - Introduced

HOUSE FILE  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 264)

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

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

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

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

A BILL FOR

1 An Act relating to general provisions of the uniform commercial  
2 code relating to the construction and application of its  
3 subject matter, and providing for a contingent effective date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1072HV 82  
6 da/je/5



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PAG LIN

1 1 DIVISION I  
 1 2 REVISION TO ARTICLE 1  
 1 3 ARTICLE 1  
 1 4 GENERAL PROVISIONS  
 1 5 PART 1  
 1 6 ~~SHORT TITLE, CONSTRUCTION, APPLICATION,~~  
 1 7 ~~AND SUBJECT MATTER OF THE CHAPTER~~  
 1 8 GENERAL PROVISIONS  
 1 9 Section 1. Section 554.1101, Code 2007, is amended to read  
 1 10 as follows:  
 1 11 554.1101 ~~SHORT TITLE~~ TITLES.  
 1 12 1. This chapter ~~shall be known and~~ may be cited as the  
 1 13 Uniform Commercial Code.  
 1 14 2. This Article may be cited as Uniform Commercial Code ==  
 1 15 General Provisions.  
 1 16 Sec. 2. NEW SECTION. 554.1102A SCOPE OF ARTICLE.  
 1 17 This Article applies to a transaction to the extent that it  
 1 18 is governed by another Article of this chapter.  
 1 19 Sec. 3. Section 554.1103, Code 2007, is amended to read as  
 1 20 follows:  
 1 21 554.1103 ~~SUPPLEMENTARY GENERAL PRINCIPLES OF LAW~~  
 1 22 ~~APPLICABLE CONSTRUCTION OF THIS CHAPTER TO PROMOTE ITS~~  
 1 23 ~~PURPOSES AND POLICIES == APPLICABILITY OF SUPPLEMENTAL~~  
 1 24 ~~PRINCIPLES OF LAW.~~  
 1 25 1. This chapter must be liberally construed and applied to  
 1 26 promote its underlying purposes and policies, which are:  
 1 27 a. to simplify, clarify, and modernize the law governing  
 1 28 commercial transactions;  
 1 29 b. to permit the continued expansion of commercial  
 1 30 practices through custom, usage, and agreement of the parties;  
 1 31 and  
 1 32 c. to make uniform the law among the various  
 1 33 jurisdictions.  
 1 34 2. Unless displaced by the particular provisions of this  
 1 35 chapter, the principles of law and equity, including the law



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2 1 merchant and the law relative to capacity to contract,  
2 2 principal and agent, estoppel, fraud, misrepresentation,  
2 3 duress, coercion, mistake, bankruptcy, ~~or~~ and other validating  
2 4 or invalidating cause ~~shall~~ supplement its provisions.

2 5 Sec. 4. Section 554.1104, Code 2007, is amended to read as  
2 6 follows:

2 7 554.1104 CONSTRUCTION AGAINST ~~IMPLICIT~~ IMPLIED REPEAL.

2 8 This chapter being a general ~~act~~ Act intended as a unified  
2 9 coverage of its subject matter, no part of it shall be deemed  
2 10 to be impliedly repealed by subsequent legislation if such  
2 11 construction can reasonably be avoided.

2 12 Sec. 5. Section 554.1105, Code 2007, is amended by  
2 13 striking the section and inserting in lieu thereof the  
2 14 following:

2 15 554.1105 TERRITORIAL APPLICABILITY == PARTIES' POWER TO  
2 16 CHOOSE APPLICABLE LAW.

2 17 1. Except as otherwise provided in this section, when a  
2 18 transaction bears a reasonable relation to this state and also  
2 19 to another state or nation the parties may agree that the law  
2 20 either of this state or of such other state or nation shall  
2 21 govern their rights and duties.

2 22 2. In the absence of an agreement effective under  
2 23 subsection 1, and except as provided in subsection 3, this  
2 24 chapter applies to transactions bearing an appropriate  
2 25 relation to this state.

2 26 3. If one of the following provisions of this chapter  
2 27 specifies the applicable law, that provision governs and a  
2 28 contrary agreement is effective only to the extent permitted  
2 29 by the law so specified:

2 30 a. Section 554.2402;

2 31 b. Section 554.4102;

2 32 c. Section 554.5116;

2 33 d. Section 554.8110;

2 34 e. Sections 554.9301 through 554.9307;

2 35 f. Section 554.12507;



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3 1 g. Sections 554.13105 and 554.13106.  
3 2 Sec. 6. Section 554.1106, subsection 1, Code 2007, is  
3 3 amended to read as follows:  
3 4 1. The remedies provided by this chapter ~~shall~~ must be  
3 5 liberally administered to the end that the aggrieved party may  
3 6 be put in as good a position as if the other party had fully  
3 7 performed but neither consequential or special damages nor  
3 8 penal damages may be had except as specifically provided in  
3 9 this chapter or by other rule of law.  
3 10 Sec. 7. NEW SECTION. 554.1106A USE OF SINGULAR AND  
3 11 PLURAL == GENDER.  
3 12 In this chapter, unless the statutory context otherwise  
3 13 requires:  
3 14 1. words in the singular number include the plural, and  
3 15 those in the plural include the singular; and  
3 16 2. words of any gender also refer to any other gender.  
3 17 Sec. 8. Section 554.1107, Code 2007, is amended to read as  
3 18 follows:  
3 19 554.1107 WAIVER OR RENUNCIATION OF CLAIM OR RIGHT AFTER  
3 20 BREACH.  
3 21 ~~Any~~ A claim or right arising out of an alleged breach ~~can~~  
3 22 may be discharged in whole or in part without consideration by  
3 23 ~~a written waiver or renunciation signed and delivered by~~  
3 24 agreement of the aggrieved party in an authenticated record.  
3 25 Sec. 9. Section 554.1108, Code 2007, is amended to read as  
3 26 follows:  
3 27 554.1108 SEVERABILITY.  
3 28 If any provision or clause of this chapter or its  
3 29 application ~~thereof~~ to any person or ~~circumstances~~  
3 30 circumstance is held invalid, ~~such the~~ invalidity ~~shall~~ does  
3 31 not affect other provisions or applications of ~~the~~ this  
3 32 chapter which can be given effect without the invalid  
3 33 provision or application, and to this end the provisions of  
3 34 this chapter are ~~declared to be~~ severable.  
3 35 Sec. 10. NEW SECTION. 554.1108A RELATION TO ELECTRONIC



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4 1 SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT.  
 4 2 This Article modifies, limits, and supersedes the federal  
 4 3 Electronic Signatures in Global and National Commerce Act, 15  
 4 4 U.S.C. } 7001 et seq., except that nothing in this Article  
 4 5 modifies, limits, or supersedes } 7001(c) of that Act or  
 4 6 authorizes electronic delivery of any of the notices described  
 4 7 in } 7003(b) of that Act.

PART 2

GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION

4 9 Sec. 11. Section 554.1201, Code 2007, is amended to read  
 4 10 as follows:

554.1201 GENERAL DEFINITIONS.

4 12 1. Unless the context otherwise requires, words or phrases  
 4 13 defined in this section, or in the additional definitions  
 4 14 contained in other Articles of this chapter that apply to  
 4 15 particular Articles or Parts thereof, have the meanings  
 4 16 stated.

4 17 2. Subject to ~~additional~~ definitions contained in ~~the~~  
~~4 18 subsequent~~ other Articles of this chapter ~~which are applicable~~  
 4 19 that apply to specific particular Articles or Parts thereof,  
~~4 20 and unless the context otherwise requires, in this chapter:~~

4 21 1. a. "Action" in the sense of a judicial proceeding,  
 4 22 includes recoupment, counterclaim, setoff, suit in equity, and  
 4 23 any other proceedings in which rights are determined.

4 24 2. b. "Aggrieved party" means a party entitled to ~~resort~~  
~~4 25 to pursue~~ a remedy.

4 26 3. c. "Agreement", as distinguished from "contract",  
 4 27 means the bargain of the parties in fact, as found in their  
 4 28 language or ~~by implication~~ inferred from other circumstances,  
 4 29 including course of performance, course of dealing, or usage,  
 4 30 of trade or course of performance as provided in ~~this chapter~~  
~~4 31 (sections 554.1205 and 554.2208) section 554.1303. Whether an~~  
~~4 32 agreement has legal consequences is determined by the~~  
~~4 33 provisions of this chapter, if applicable; otherwise by the~~  
~~4 34 law of contracts (section 554.1103). (Compare "Contract".)~~



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5 1     ~~4.~~ d. "Bank" means ~~any~~ a person engaged in the business  
5 2 of banking and includes a savings bank, savings and loan  
5 3 association, credit union, and trust company.  
5 4     ~~5.~~ e. "Bearer" means ~~the~~ a person in possession of ~~an~~ a  
5 5 negotiable instrument, document of title, or certificated  
5 6 security that is payable to bearer or ~~endorsed~~ indorsed in  
5 7 blank.  
5 8     ~~6.~~ f. "Bill of lading" means a document evidencing the  
5 9 receipt of goods for shipment issued by a person engaged in  
5 10 the business of transporting or forwarding goods, ~~and includes~~  
~~5 11 an airbill. "Airbill" means a document serving for air~~  
~~5 12 transportation as a bill of lading does for marine or rail~~  
~~5 13 transportation, and includes an air consignment note or air~~  
~~5 14 waybill.~~  
5 15     ~~7.~~ g. "Branch" includes a separately incorporated foreign  
5 16 branch of a bank.  
5 17     ~~8.~~ h. "Burden of establishing" a fact means the burden of  
5 18 persuading the ~~triers~~ trier of fact that the existence of the  
5 19 fact is more probable than its nonexistence.  
5 20     ~~9.~~ i. "Buyer in ordinary course of business" means a  
5 21 person that buys goods in good faith, without knowledge that  
5 22 the sale violates the rights of another person in the goods,  
5 23 and in the ordinary course from a person, other than a  
5 24 pawnbroker, in the business of selling goods of that kind. A  
5 25 person buys goods in the ordinary course if the sale to the  
5 26 person comports with the usual or customary practices in the  
5 27 kind of business in which the seller is engaged or with the  
5 28 seller's own usual or customary practices. A person that  
5 29 sells oil, gas, or other minerals at the wellhead or minehead  
5 30 is a person in the business of selling goods of that kind. A  
5 31 buyer in ordinary course of business may buy for cash, by  
5 32 exchange of other property, or on secured or unsecured credit,  
5 33 and may acquire goods or documents of title under a  
5 34 ~~pre-existing~~ preexisting contract for sale. Only a buyer that  
5 35 takes possession of the goods or has a right to recover the



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6 1 goods from the seller under Article 2 may be a buyer in  
6 2 ordinary course of business. A "Buyer in ordinary course of  
6 3 business" does not include a person that acquires goods in a  
6 4 transfer in bulk or as security for or in total or partial  
6 5 satisfaction of a money debt ~~is not a buyer in ordinary course~~  
~~6 6 of business.~~

6 7 ~~10. j. "Conspicuous":—A, with reference to a term, or~~  
~~6 8 clause is conspicuous when it is means so written, displayed,~~  
6 9 or presented that a reasonable person against whom which it is  
6 10 to operate ought to have noticed it. A printed heading in  
~~6 11 capitals (as: "Nonnegotiable Bill of Lading") is conspicuous.~~  
~~6 12 Language in the body of a form is "conspicuous" if it is in~~  
~~6 13 larger or other contrasting type or color. But in a telegram~~  
~~6 14 any stated term is "conspicuous". Whether a term or clause is~~  
6 15 "conspicuous" or not is for a decision by for the court.

6 16 Conspicuous terms include the following:  
6 17 (1) a heading in capitals equal to or greater in size than  
6 18 the surrounding text, or in contrasting type, font, or color  
6 19 to the surrounding text of the same or lesser size; and  
6 20 (2) language in the body of a record or display in larger  
6 21 type than the surrounding text, or in contrasting type, font,  
6 22 or color to the surrounding text of the same size, or set off  
6 23 from surrounding text of the same size by symbols or other  
6 24 marks that call attention to the language.

6 25 k. "Consumer" means an individual who enters into a  
6 26 transaction primarily for personal, family, or household  
6 27 purposes.

6 28 ~~11. l. "Contract", as distinguished from "agreement",~~  
6 29 means the total legal obligation which that results from the  
6 30 parties' agreement as affected determined by this chapter and  
6 31 as supplemented by any other applicable rules of law laws.  
6 32 ~~(Compare "Agreement".)~~

6 33 ~~12. m. "Creditor" includes a general creditor, a secured~~  
6 34 creditor, a lien creditor, and any representative of  
6 35 creditors, including an assignee for the benefit of creditors,



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7 1 a trustee in bankruptcy, a receiver in equity, and an executor  
7 2 or administrator of an insolvent debtor's or assignor's  
7 3 estate.

7 4 ~~13. n.~~ "Defendant" includes a person in the position of  
7 5 defendant in a ~~cross-action or~~ counterclaim, cross-claim, or  
7 6 third-party claim.

7 7 ~~14. o.~~ "Delivery", with respect to ~~instruments an~~  
7 8 instrument, documents document of title, or chattel paper, ~~or~~  
7 9 ~~certificated securities~~ means voluntary transfer of  
7 10 possession.

7 11 ~~15. p.~~ "Document of title" includes bill of lading, dock  
7 12 warrant, dock receipt, warehouse receipt or order for the  
7 13 delivery of goods, and also any other document which in the  
7 14 regular course of business or financing is treated as  
7 15 adequately evidencing that the person in possession of it is  
7 16 entitled to receive, hold, and dispose of the document and the  
7 17 goods it covers. To be a document of title, a document must  
7 18 purport to be issued by or addressed to a bailee and purport  
7 19 to cover goods in the bailee's possession which are either  
7 20 identified or are fungible portions of an identified mass.

7 21 ~~16. q.~~ "Fault" means a default, breach, or wrongful act,  
7 22 or omission or breach.

7 23 ~~17. r.~~ "Fungible" with respect to goods or securities  
7 24 "Fungible goods" means:

7 25 (1) goods ~~or securities~~ of which any unit ~~is~~, by nature or  
7 26 usage of trade, is the equivalent of any other like unit; or

7 27 (2) ~~Goods which~~ goods that by agreement are not fungible  
7 28 ~~shall be deemed fungible for the purposes of this chapter to~~

7 29 ~~the extent that under a particular agreement or document~~

7 30 ~~unlike units~~ are treated as equivalents equivalent.

7 31 ~~18. s.~~ "Genuine" means free of forgery or counterfeiting.

7 32 ~~19. t.~~ "Good faith", except as otherwise provided in  
7 33 Article 5, means honesty in fact ~~in the conduct or transaction~~

7 34 ~~concerned~~ and the observance of reasonable commercial

7 35 standards of fair dealing.



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8 1     20. u. "Holder", ~~with respect to a negotiable instrument,~~  
8 2 means:  
8 3     (1) the person in possession ~~if the~~ of a negotiable  
8 4 instrument that is payable either to bearer or, ~~in the case of~~  
~~8 5 an instrument payable to an identified person, if the~~  
~~8 6 identified that is the person is in possession;~~ or  
8 7     (2) "Holder" ~~with respect to a document of title means the~~  
8 8 person in possession of a document of title if the goods are  
8 9 deliverable either to bearer or to the order of the person in  
8 10 possession.  
8 11     21. ~~To "honor" is to pay or to accept and pay, or where a~~  
~~8 12 credit so engages to purchase or discount a draft complying~~  
~~8 13 with the terms of the credit.~~  
8 14     22. v. "Insolvency ~~proceedings~~" proceeding includes any  
8 15 assignment for the benefit of creditors or other ~~proceedings~~  
8 16 proceeding intended to liquidate or rehabilitate the estate of  
8 17 the person involved.  
8 18     23. w. ~~A person is "insolvent" who either has "Insolvent"~~  
8 19 means:  
8 20     (1) having generally ceased to pay ~~that person's~~ debts in  
8 21 the ordinary course of business ~~or cannot pay that person's~~  
~~8 22 debts other than as a result of a bona fide dispute;~~  
8 23     (2) being unable to pay debts as they become due; or  
8 24     (3) ~~is being~~ insolvent within the meaning of ~~the~~ federal  
8 25 bankruptcy law.  
8 26     24. x. "Money" means a medium of exchange currently  
8 27 authorized or adopted by a domestic or foreign government ~~and.~~  
8 28 The term includes a monetary unit of account established by an  
8 29 intergovernmental organization or by agreement between two or  
8 30 more ~~nations~~ countries.  
8 31     25. A person has "notice" of a fact when  
8 32     a. ~~the person has actual knowledge of it; or~~  
8 33     b. ~~the person has received a notice or notification of it;~~  
~~8 34 or~~  
8 35     c. ~~from all the facts and circumstances known to the~~  
~~9 1 person at the time in question the person has reason to know~~  
~~9 2 that it exists. A person "knows" or has "knowledge" of a fact~~  
~~9 3 when that person has actual knowledge of it. "Discover" or~~  
~~9 4 "learn" or a word or phrase of similar import refers to~~  
~~9 5 knowledge rather than to reason to know. The time and~~  
~~9 6 circumstances under which a notice or notification may cease~~  
~~9 7 to be effective are not determined by this chapter.~~  
9 8     26. A person "notifies" or "gives" a notice or  
~~9 9 notification to another by taking such steps as may be~~  
~~9 10 reasonably required to inform the other in ordinary course~~  
~~9 11 whether or not such other actually comes to know of it. A~~  
~~9 12 person "receives" a notice or notification when~~  
9 13     a. ~~it comes to that person's attention; or~~  
9 14     b. ~~it is duly delivered at the place of business through~~  
~~9 15 which the contract was made or at any other place held out by~~  
~~9 16 that person as the place for receipt of such communications.~~  
9 17     27. ~~Notice, knowledge or a notice or notification received~~  
~~9 18 by an organization is effective for a particular transaction~~  
~~9 19 from the time when it is brought to the attention of the~~  
~~9 20 individual conducting that transaction, and in any event from~~  
~~9 21 the time when it would have been brought to that individual's~~



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~~9 22 attention if the organization had exercised due diligence. An~~  
~~9 23 organization exercises due diligence if it maintains~~  
~~9 24 reasonable routines for communicating significant information~~  
~~9 25 to the person conducting the transaction and there is~~  
~~9 26 reasonable compliance with the routines. Due diligence does~~  
~~9 27 not require an individual acting for the organization to~~  
~~9 28 communicate information unless such communication is part of~~  
~~9 29 that individual's regular duties or unless the individual has~~  
~~9 30 reason to know of the transaction and that the transaction~~  
~~9 31 would be materially affected by the information.~~  
9 32 28. y. "Organization" includes means a corporation,  
~~9 33 government or governmental subdivision or agency, business~~  
~~9 34 trust, estate, trust, partnership or association, two or more~~  
~~9 35 persons having a joint or common interest, or any person other~~



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10 1 ~~legal or commercial entity~~ than an individual.  
10 2 29. z. "Party", as ~~distinct~~ distinguished from "third  
10 3 party", means a person ~~who~~ that has engaged in a transaction  
10 4 or made an agreement ~~within~~ subject to this chapter.  
10 5 30. aa. "Person" ~~includes~~ means an individual, ~~or an~~  
~~10 6 organization (See section 554.1102)~~ corporation, business  
10 7 trust, estate, trust, partnership, limited liability company,  
10 8 association, joint venture, government, governmental  
10 9 subdivision, agency, or instrumentality, public corporation,  
10 10 or any other legal or commercial entity.  
10 11 31. "Presumption" or "presumed" means ~~that the trier of~~  
~~10 12 fact must find the existence of the fact presumed unless and~~  
~~10 13 until evidence is introduced which would support a finding of~~  
~~10 14 its nonexistence.~~  
10 15 ab. "Present value" means the amount as of a date certain  
10 16 of one or more sums payable in the future, discounted to the  
10 17 date certain by use of either an interest rate specified by  
10 18 the parties if that rate is not manifestly unreasonable at the  
10 19 time the transaction is entered into or, if an interest rate  
10 20 is not so specified, a commercially reasonable rate that takes  
10 21 into account the facts and circumstances at the time the  
10 22 transaction is entered into.  
10 23 32. ac. "Purchase" means ~~any voluntary transaction~~  
~~10 24 creating an interest in property, including~~ taking by sale,  
10 25 lease, discount, negotiation, mortgage, pledge, voluntary  
10 26 lien, security interest, issue, or reissue, or gift, or any  
10 27 other voluntary transaction creating an interest in property.  
10 28 33. ad. "Purchaser" means a person who takes by purchase.  
10 29 ae. "Record" means information that is inscribed on a  
10 30 tangible medium or that is stored in an electronic or other  
10 31 medium and is retrievable in perceivable form.  
10 32 34. af. "Remedy" means any remedial right to which an  
10 33 aggrieved party is entitled with or without resort to a  
10 34 tribunal.  
10 35 35. ag. "Representative" ~~includes~~ means a person



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11 1 empowered to act for another, including an agent, an officer  
11 2 of a corporation or association, and a trustee, executor, or  
11 3 administrator of an estate, or any other person empowered to  
11 4 act for another.  
11 5 36. ah. "Rights" "Right" includes remedies remedy.  
11 6 37. a. ai. "Security interest" means an interest in  
11 7 personal property or fixtures which secures payment or  
11 8 performance of an obligation. The term also "Security  
11 9 interest" includes any interest of a consignor and a buyer of  
11 10 accounts, chattel paper, a payment intangible, or a promissory  
11 11 note in a transaction that is subject to Article 9. The  
11 12 "Security interest" does not include the special property  
11 13 interest of a buyer of goods on identification of those goods  
11 14 to a contract for sale under section 554.2401 is not a  
11 15 "security interest", but a buyer may also acquire a "security  
11 16 interest" by complying with Article 9. Except as otherwise  
11 17 provided in section 554.2505, the right of a seller or lessor  
11 18 of goods under Article 2 or 13 to retain or acquire possession  
11 19 of the goods is not a "security interest", but a seller or  
11 20 lessor may also acquire a "security interest" by complying  
11 21 with Article 9. The retention or reservation of title by a  
11 22 seller of goods notwithstanding shipment or delivery to the  
11 23 buyer (section 554.2401) under section 554.2401 is limited in  
11 24 effect to a reservation of a "security interest". Whether  
11 25 b. Whether a transaction in the form of a lease creates a  
11 26 lease or security interest "security interest" is determined  
11 27 by the facts of each case; however, a transaction creates a  
11 28 security interest if the consideration the lessee is to pay  
11 29 the lessor for the right to possession and use of the goods is  
11 30 an obligation for the term of the lease not subject to  
11 31 termination by the lessee, and  
11 32 (1) the original term of the lease is equal to or greater  
11 33 than the remaining economic life of the goods,  
11 34 (2) the lessee is bound to renew the lease for the  
11 35 remaining economic life of the goods or is bound to become the



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~~12 1 owner of the goods,~~  
12 2 (3) ~~the lessee has an option to renew the lease for the~~  
~~12 3 remaining economic life of the goods for no additional~~  
~~12 4 consideration or nominal additional consideration upon~~  
~~12 5 compliance with the lease agreement, or~~  
12 6 (4) ~~the lessee has an option to become the owner of the~~  
~~12 7 goods for no additional consideration or nominal additional~~  
~~12 8 consideration upon compliance with the lease agreement~~  
12 9 pursuant to section 554.1203.  
12 10 e. ~~A transaction does not create a security interest~~  
~~12 11 merely because it provides that~~  
12 12 (1) ~~the present value of the consideration the lessee is~~  
~~12 13 obligated to pay the lessor for the right to possession and~~  
~~12 14 use of the goods is substantially equal to or is greater than~~  
~~12 15 the fair market value of the goods at the time the lease is~~  
~~12 16 entered into,~~  
12 17 (2) ~~the lessee assumes risk of loss of the goods, or~~  
~~12 18 agrees to pay taxes, insurance, filing, recording, or~~  
~~12 19 registration fees, or service or maintenance costs with~~  
~~12 20 respect to the goods,~~  
12 21 (3) ~~the lessee has an option to renew the lease or to~~  
~~12 22 become the owner of the goods,~~  
12 23 (4) ~~the lessee has an option to renew the lease for a~~  
~~12 24 fixed rent that is equal to or greater than the reasonably~~  
~~12 25 predictable fair market rent for the use of the goods for the~~  
~~12 26 term of the renewal at the time the option is to be performed,~~  
~~12 27 or~~  
12 28 (5) ~~the lessee has an option to become the owner of the~~  
~~12 29 goods for a fixed price that is equal to or greater than the~~  
~~12 30 reasonably predictable fair market value of the goods at the~~  
~~12 31 time the option is to be performed.~~  
12 32 d. ~~For purposes of this subsection:~~  
12 33 (1) ~~Additional consideration is not nominal if (i) when~~  
~~12 34 the option to renew the lease is granted to the lessee the~~  
~~12 35 rent is stated to be the fair market rent for the use of the~~



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~~13 1 goods for the term of the renewal determined at the time the  
13 2 option is to be performed, or (ii) when the option to become  
13 3 the owner of the goods is granted to the lessee the price is  
13 4 stated to be the fair market value of the goods determined at  
13 5 the time the option is to be performed. Additional  
13 6 consideration is nominal if it is less than the lessee's  
13 7 reasonably predictable cost of performing under the lease  
13 8 agreement if the option is not exercised;~~

~~13 9 (2) "Reasonably predictable" and "remaining economic life  
13 10 of the goods" are to be determined with reference to the facts  
13 11 and circumstances at the time the transaction is entered into;  
13 12 and~~

~~13 13 (3) "Present value" means the amount as of a date certain  
13 14 of one or more sums payable in the future, discounted to the  
13 15 date certain. The discount is determined by the interest rate  
13 16 specified by the parties if the rate is not manifestly  
13 17 unreasonable at the time the transaction is entered into;  
13 18 otherwise, the discount is determined by a commercially  
13 19 reasonable rate that takes into account the facts and  
13 20 circumstances of each case at the time the transaction was  
13 21 entered into.~~

~~13 22 38. aj. "Send" in connection with any a writing, record,  
13 23 or notice means:~~

~~13 24 (1) to deposit in the mail or deliver for transmission by  
13 25 any other usual means of communication with postage or cost of  
13 26 transmission provided for and properly addressed and, in the  
13 27 case of an instrument, to an address specified thereon or  
13 28 otherwise agreed, or if there be none to any address  
13 29 reasonable under the circumstances; or~~

~~13 30 (2) The receipt of in any writing other way to cause to be  
13 31 received any record or notice within the time at which it  
13 32 would have arrived if properly sent has the effect of a proper  
13 33 sending.~~

~~13 34 39. ak. "Signed" includes using any symbol executed or  
13 35 adopted by a party with present intention to authenticate~~



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14 1 adopt or accept a writing.  
14 2 al. "State" means a state of the United States, the  
14 3 District of Columbia, Puerto Rico, the United States Virgin  
14 4 Islands, or any territory or insular possession subject to the  
14 5 jurisdiction of the United States.  
14 6 ~~40. am. "Surety" includes a guarantor or other secondary~~  
14 7 ~~obligor.~~  
14 8 ~~41. "Telegram" includes a message transmitted by radio,~~  
14 9 ~~teletype, cable, any mechanical method of transmission, or the~~  
14 10 ~~like.~~  
14 11 ~~42. an. "Term" means that portion of an agreement which~~  
14 12 ~~that relates to a particular matter.~~  
14 13 ~~43. ao. "Unauthorized" signature "Unauthorized signature"~~  
14 14 ~~means one a signature made without actual, implied, or~~  
14 15 ~~apparent authority and. The term includes a forgery.~~  
14 16 ~~44. "Value". Except as otherwise provided with respect to~~  
14 17 ~~negotiable instruments and bank collections (sections~~  
14 18 ~~554.3303, 554.4210, and 554.4211) a person gives "value" for~~  
14 19 ~~rights if the person acquires them~~  
14 20 ~~a. in return for a binding commitment to extend credit or~~  
14 21 ~~for the extension of immediately available credit whether or~~  
14 22 ~~not drawn upon and whether or not a charge-back is provided~~  
14 23 ~~for in the event of difficulties in collection; or~~  
14 24 ~~b. as security for or in total or partial satisfaction of~~  
14 25 ~~a pre-existing claim; or~~  
14 26 ~~c. by accepting delivery pursuant to a pre-existing~~  
14 27 ~~contract for purchase; or~~  
14 28 ~~d. generally, in return for any consideration sufficient~~  
14 29 ~~to support a simple contract.~~  
14 30 ~~45. ap. "Warehouse receipt" means a receipt issued by a~~  
14 31 ~~person engaged in the business of storing goods for hire.~~  
14 32 ~~46. aq. "Written" or "writing" "Writing" includes~~  
14 33 ~~printing, typewriting, or any other intentional reduction to~~  
14 34 ~~tangible form. "Written" has a corresponding meaning.~~  
14 35 Sec. 12. Section 554.1202, Code 2007, is amended to read



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15 1 as follows:

15 2 554.1202 PRIMA FACIE EVIDENCE BY ~~THIRD-PARTY~~ THIRD=PARTY  
15 3 DOCUMENTS.

15 4 A document in due form purporting to be a bill of lading,  
15 5 policy or certificate of insurance, official weigher's or  
15 6 inspector's certificate, consular invoice, or any other  
15 7 document authorized or required by the contract to be issued  
15 8 by a third party ~~shall be~~ is prima facie evidence of its own  
15 9 authenticity and genuineness and of the facts stated in the  
15 10 document by the third party.

15 11 Sec. 13. NEW SECTION. 554.1202A NOTICE == KNOWLEDGE.

15 12 1. Subject to subsection 6, a person has "notice" of a  
15 13 fact if the person:

15 14 a. has actual knowledge of it;

15 15 b. has received a notice or notification of it; or

15 16 c. from all the facts and circumstances known to the  
15 17 person at the time in question, has reason to know that it  
15 18 exists.

15 19 2. "Knowledge" means actual knowledge. "Knows" has a  
15 20 corresponding meaning.

15 21 3. "Discover", "learn", or words of similar import refer  
15 22 to knowledge rather than to reason to know.

15 23 4. A person "notifies" or "gives" a notice or notification  
15 24 to another person by taking such steps as may be reasonably  
15 25 required to inform the other person in ordinary course,  
15 26 whether or not the other person actually comes to know of it.

15 27 5. Subject to subsection 6, a person "receives" a notice  
15 28 or notification when:

15 29 a. it comes to that person's attention; or

15 30 b. it is duly delivered in a form reasonable under the  
15 31 circumstances at the place of business through which the  
15 32 contract was made or at another location held out by that  
15 33 person as the place for receipt of such communications.

15 34 6. Notice, knowledge, or a notice or notification received  
15 35 by an organization is effective for a particular transaction



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16 1 from the time it is brought to the attention of the individual  
16 2 conducting that transaction and, in any event, from the time  
16 3 it would have been brought to the individual's attention if  
16 4 the organization had exercised due diligence. An organization  
16 5 exercises due diligence if it maintains reasonable routines  
16 6 for communicating significant information to the person  
16 7 conducting the transaction and there is reasonable compliance  
16 8 with the routines. Due diligence does not require an  
16 9 individual acting for the organization to communicate  
16 10 information unless the communication is part of the  
16 11 individual's regular duties or the individual has reason to  
16 12 know of the transaction and that the transaction would be  
16 13 materially affected by the information.

16 14 Sec. 14. NEW SECTION. 554.1203A LEASE DISTINGUISHED FROM  
16 15 SECURITY INTEREST.

16 16 1. Whether a transaction in the form of a lease creates a  
16 17 lease or security interest is determined by the facts of each  
16 18 case.

16 19 2. A transaction in the form of a lease creates a security  
16 20 interest if the consideration that the lessee is to pay the  
16 21 lessor for the right to possession and use of the goods is an  
16 22 obligation for the term of the lease and is not subject to  
16 23 termination by the lessee, and:

16 24 a. the original term of the lease is equal to or greater  
16 25 than the remaining economic life of the goods;

16 26 b. the lessee is bound to renew the lease for the  
16 27 remaining economic life of the goods or is bound to become the  
16 28 owner of the goods;

16 29 c. the lessee has an option to renew the lease for the  
16 30 remaining economic life of the goods for no additional  
16 31 consideration or for nominal additional consideration upon  
16 32 compliance with the lease agreement; or

16 33 d. the lessee has an option to become the owner of the  
16 34 goods for no additional consideration or for nominal  
16 35 additional consideration upon compliance with the lease



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17 1 agreement.  
17 2     3. A transaction in the form of a lease does not create a  
17 3 security interest merely because:  
17 4     a. the present value of the consideration the lessee is  
17 5 obligated to pay the lessor for the right to possession and  
17 6 use of the goods is substantially equal to or is greater than  
17 7 the fair market value of the goods at the time the lease is  
17 8 entered into;  
17 9     b. the lessee assumes risk of loss of the goods;  
17 10     c. the lessee agrees to pay, with respect to the goods,  
17 11 taxes, insurance, filing, recording, or registration fees, or  
17 12 service or maintenance costs;  
17 13     d. the lessee has an option to renew the lease or to  
17 14 become the owner of the goods;  
17 15     e. the lessee has an option to renew the lease for a fixed  
17 16 rent that is equal to or greater than the reasonably  
17 17 predictable fair market rent for the use of the goods for the  
17 18 term of the renewal at the time the option is to be performed;  
17 19 or  
17 20     f. the lessee has an option to become the owner of the  
17 21 goods for a fixed price that is equal to or greater than the  
17 22 reasonably predictable fair market value of the goods at the  
17 23 time the option is to be performed.  
17 24     4. Additional consideration is nominal if it is less than  
17 25 the lessee's reasonably predictable cost of performing under  
17 26 the lease agreement if the option is not exercised.  
17 27 Additional consideration is not nominal if:  
17 28     a. when the option to renew the lease is granted to the  
17 29 lessee, the rent is stated to be the fair market rent for the  
17 30 use of the goods for the term of the renewal determined at the  
17 31 time the option is to be performed; or  
17 32     b. when the option to become the owner of the goods is  
17 33 granted to the lessee, the price is stated to be the fair  
17 34 market value of the goods determined at the time the option is  
17 35 to be performed.



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18 1 5. The "remaining economic life of the goods" and  
 18 2 "reasonably predictable" fair market rent, fair market value,  
 18 3 or cost of performing under the lease agreement must be  
 18 4 determined with reference to the facts and circumstances at  
 18 5 the time the transaction is entered into.  
 18 6 Sec. 15. Section 554.1204, Code 2007, is amended to read  
 18 7 as follows:  
 18 8 554.1204 ~~TIME == REASONABLE TIME == "SEASONABLY"~~  
 18 9 SEASONABLENESS.  
 18 10 1. ~~Whenever this chapter requires any action to be taken~~  
~~18 11 within a reasonable time, any time which is not manifestly~~  
~~18 12 unreasonable may be fixed by agreement.~~  
 18 13 2. ~~What is~~ Whether a reasonable time for taking ~~any an~~  
 18 14 action required by this chapter is reasonable depends on the  
 18 15 nature, purpose, and circumstances of such the action.  
 18 16 ~~3.~~ 2. An action is taken ~~"seasonably" when~~ seasonably if  
 18 17 it is taken at or within the time agreed or, if no time is  
 18 18 agreed, at or within a reasonable time.  
 18 19 Sec. 16. NEW SECTION. 554.1204A VALUE.  
 18 20 Except as otherwise provided in Articles 3, 4, and 5, a  
 18 21 person gives value for rights if the person acquires them:  
 18 22 1. in return for a binding commitment to extend credit or  
 18 23 for the extension of immediately available credit, whether or  
 18 24 not drawn upon and whether or not a charge-back is provided  
 18 25 for in the event of difficulties in collection;  
 18 26 2. as security for, or in total or partial satisfaction  
 18 27 of, a preexisting claim;  
 18 28 3. by accepting delivery under a preexisting contract for  
 18 29 purchase; or  
 18 30 4. in return for any consideration sufficient to support a  
 18 31 simple contract.  
 18 32 Sec. 17. Section 554.1205, Code 2007, is amended to read  
 18 33 as follows:  
 18 34 554.1205 COURSE OF PERFORMANCE, COURSE OF DEALING, AND  
 18 35 USAGE OF TRADE.  
 19 1 1. A "course of performance" is a sequence of conduct  
 19 2 between the parties to a particular transaction that exists  
 19 3 if:  
 19 4 a. the agreement of the parties with respect to the  
 19 5 transaction involves repeated occasions for performance by a  
 19 6 party; and  
 19 7 b. the other party, with knowledge of the nature of the  
 19 8 performance and opportunity for objection to it, accepts the  
 19 9 performance or acquiesces in it without objection.  
 19 10 ~~1.~~ 2. ~~A course of dealing~~ "course of dealing" is a  
 19 11 sequence of previous conduct concerning previous transactions  
 19 12 between the parties to a particular transaction which that is  
 19 13 fairly to be regarded as establishing a common basis of  
 19 14 understanding for interpreting their expressions and other  
 19 15 conduct.  
 19 16 ~~2.~~ 3. ~~A usage of trade~~ "usage of trade" is any practice  
 19 17 or method of dealing having such regularity of observance in a  
 19 18 place, vocation, or trade as to justify an expectation that it  
 19 19 will be observed with respect to the transaction in question.  
 19 20 The existence and scope of such a usage are to must be proved  
 19 21 as facts. If it is established that such a usage is embodied



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19 22 in a ~~written~~ trade code or similar ~~writing~~ record, the  
19 23 interpretation of the ~~writing~~ record is ~~for the court a~~  
19 24 question of law.

19 25 ~~3-~~ 4. A course of performance or course of dealing  
19 26 between the parties and any or usage of trade in the vocation  
19 27 or trade in which they are engaged or of which they are or  
19 28 should be aware ~~give particular meaning to and supplement or~~  
~~19 29 qualify terms of an~~ is relevant in ascertaining the meaning of  
19 30 the parties' agreement, may give particular meaning to  
19 31 specific terms of the agreement, and may supplement or qualify  
19 32 the terms of the agreement. A usage of trade applicable in  
19 33 the place in which part of the performance under the agreement  
19 34 is to occur may be so utilized as to that part of the  
19 35 performance.



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20 1     ~~4.~~ 5. The Except as otherwise provided in subsection 6,  
 20 2 the express terms of an agreement and an any applicable course  
 20 3 of dealing, or usage of trade shall must be construed wherever  
 20 4 reasonable as consistent with each other; but when. If such a  
 20 5 construction is unreasonable:

20 6     a. express terms control both prevail over course of  
 20 7 performance, course of dealing, and usage of trade;

20 8     b. course of performance prevails over course of dealing  
 20 9 and usage of trade; and

20 10    c. course of dealing controls prevails over usage of  
 20 11 trade.

20 12    ~~5.~~ 6. An applicable usage of trade in the place where any  
~~20 13 part Subject to section 554.2209, a course of performance is~~  
 20 14 ~~to occur shall be used in interpreting the agreement as to~~  
~~20 15 that part relevant to show a waiver or modification of any~~  
 20 16 term inconsistent with the course of the performance.

20 17    ~~6.~~ 7. Evidence of a relevant usage of trade offered by  
 20 18 one party is not admissible unless and until that party has  
 20 19 given the other party such notice as that the court finds  
 20 20 sufficient to prevent unfair surprise to the latter other  
 20 21 party.

20 22    Sec. 18. NEW SECTION. 554.1206A PRESUMPTIONS.

20 23    Whenever this chapter creates a "presumption" with respect  
 20 24 to a fact, or provides that a fact is "presumed", the trier of  
 20 25 fact must find the existence of the fact unless and until  
 20 26 evidence is introduced that supports a finding of its  
 20 27 nonexistence.

20 28    Sec. 19. Section 554.1207, subsection 1, Code 2007, is  
 20 29 amended to read as follows:

20 30    1. A party ~~who,~~ that with explicit reservation of rights,  
 20 31 performs or promises performance or assents to performance in  
 20 32 a manner demanded or offered by the other party does not  
 20 33 thereby prejudice the rights reserved. Such words as "without  
 20 34 prejudice", "under protest", or the like are sufficient.

20 35    Sec. 20. Section 554.1208, Code 2007, is amended to read



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21 1 as follows:

21 2 554.1208 OPTION TO ACCELERATE AT WILL.

21 3 A term providing that one party or that party's successor  
21 4 in interest may accelerate payment or performance or require  
21 5 collateral or additional collateral "at will" or ~~"when when~~  
21 6 the party ~~deems~~ "deems itself insecure" or in words of similar  
21 7 import ~~shall be construed to mean, means~~ that that party ~~shall~~  
21 8 ~~have~~ has power to do so only if that party in good faith  
21 9 believes that the prospect of payment or performance is  
21 10 impaired. The burden of establishing lack of good faith is on  
21 11 the party against ~~whom~~ which the power has been exercised.

21 12 Sec. 21. Section 554.1209, Code 2007, is amended to read  
21 13 as follows:

21 14 554.1209 SUBORDINATED OBLIGATIONS.

21 15 An obligation may be issued as subordinated to ~~payment~~  
21 16 performance of another obligation of the person obligated, or  
21 17 a creditor may subordinate ~~the creditor's~~ its right to ~~payment~~  
21 18 performance of an obligation by agreement with either the  
21 19 person obligated or another creditor of the person obligated.  
21 20 ~~Such a subordination~~ Subordination does not create a security  
21 21 interest as against either the common debtor or a subordinated  
21 22 creditor. ~~This section shall be construed as declaring the~~  
21 23 ~~law as it existed prior to the enactment of this section and~~  
21 24 ~~not as modifying it.~~

21 25

PART 3

21 26 TERRITORIAL APPLICABILITY AND GENERAL RULES

21 27 Sec. 22. NEW SECTION. 554.1302 VARIATION BY AGREEMENT.

21 28 1. Except as otherwise provided in subsection 2 or  
21 29 elsewhere in this chapter, the effect of provisions of this  
21 30 chapter may be varied by agreement.

21 31 2. The obligations of good faith, diligence,  
21 32 reasonableness, and care prescribed by this chapter may not be  
21 33 disclaimed by agreement. The parties, by agreement, may  
21 34 determine the standards by which the performance of those  
21 35 obligations is to be measured if those standards are not



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22 1 manifestly unreasonable. Whenever this chapter requires an  
22 2 action to be taken within a reasonable time, a time that is  
22 3 not manifestly unreasonable may be fixed by agreement.  
22 4 3. The presence in certain provisions of this chapter of  
22 5 the phrase "unless otherwise agreed", or words of similar  
22 6 import, does not imply that the effect of other provisions may  
22 7 not be varied by agreement under this section.

DIVISION II

CONFORMING AMENDMENTS TO OTHER ARTICLES

PART A

ARTICLE 2

22 12 Sec. 23. Section 554.2103, subsection 1, paragraph b, Code  
22 13 2007, is amended by striking the paragraph.

22 14 Sec. 24. Section 554.2202, subsection a, Code 2007, is  
22 15 amended to read as follows:

22 16 a. by course of performance, course of dealing, or usage  
22 17 of trade (section 554.1205) 554.1303) or by course of  
~~22 18 performance (section 554.2208); and~~

PART B

ARTICLE 3

22 21 Sec. 25. Section 554.3103, subsection 1, paragraph d, Code  
22 22 2007, is amended by striking the paragraph.

22 23 Sec. 26. Section 554.3103, subsection 1, paragraph j, Code  
22 24 2007, is amended to read as follows:

22 25 j. "Prove" with respect to a fact means to meet the burden  
22 26 of establishing the fact (section 554.1201, subsection ~~g~~ 2,  
22 27 paragraph "h").

PART C

ARTICLE 4

22 30 Sec. 27. Section 554.4104, subsection 3, Code 2007, is  
22 31 amended to read as follows:

22 32 3. The following definitions in other Articles apply to  
22 33 this Article:

22 34 "Acceptance"	Section 554.3409
22 35 "Alteration"	Section 554.3407



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23	1	"Cashier's check"	Section 554.3104
23	2	"Certificate of deposit"	Section 554.3104
23	3	"Certified check"	Section 554.3409
23	4	"Check"	Section 554.3104
23	5	<del>"Good faith"</del>	<del>Section 554.3103</del>
23	6	"Holder in due course"	Section 554.3302
23	7	"Instrument"	Section 554.3104
23	8	"Notice of dishonor"	Section 554.3503
23	9	"Order"	Section 554.3103
23	10	"Ordinary care"	Section 554.3103
23	11	"Person entitled	
23	12	to enforce"	Section 554.3301
23	13	"Presentment"	Section 554.3501
23	14	"Promise"	Section 554.3103
23	15	"Prove"	Section 554.3103
23	16	"Teller's check"	Section 554.3104
23	17	"Unauthorized signature"	Section 554.3403

PART D

ARTICLE 5

23 20 Sec. 28. Section 554.5103, subsection 3, Code 2007, is  
23 21 amended to read as follows:

23 22 3. With the exception of this subsection, subsections 1  
23 23 and 4, section 554.5102, subsection 1, paragraphs "i" and "j",  
23 24 section 554.5106, subsection 4, and section 554.5114,  
23 25 subsection 4, and except to the extent prohibited in section  
23 26 ~~554.1102, subsection 3, 554.1302~~ and section 554.5117,  
23 27 subsection 4, the effect of this Article may be varied by  
23 28 agreement or by a provision stated or incorporated by  
23 29 reference in an undertaking. A term in an agreement or  
23 30 undertaking generally excusing liability or generally limiting  
23 31 remedies for failure to perform obligations is not sufficient  
23 32 to vary obligations prescribed by this Article.

PART E

ARTICLE 8

23 35 Sec. 29. Section 554.8102, subsection 1, paragraph j, Code



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24 1 2007, is amended by striking the paragraph.  
24 2 PART F  
24 3 ARTICLE 9  
24 4 Sec. 30. Section 554.9102, subsection 1, paragraph aq,  
24 5 Code 2007, is amended by striking the paragraph.  
24 6 PART G  
24 7 ARTICLE 12  
24 8 Sec. 31. Section 554.12105, subsection 1, paragraph f,  
24 9 Code 2007, is amended by striking the paragraph.  
24 10 Sec. 32. Section 554.12105, subsection 1, paragraph g,  
24 11 Code 2007, is amended to read as follows:  
24 12 g. "Prove" with respect to a fact means to meet the burden  
24 13 of establishing the fact as defined in section 554.1201,  
24 14 subsection ~~2~~, paragraph "h".  
24 15 Sec. 33. Section 554.12106, subsection 1, Code 2007, is  
24 16 amended to read as follows:  
24 17 1. The time of receipt of a payment order or communication  
24 18 canceling or amending a payment order is determined by the  
24 19 rules applicable to receipt of a notice stated in section  
24 20 ~~554.1201, subsection 27~~ 554.1202. A receiving bank may  
24 21 establish a cut-off time or times on a funds-transfer business  
24 22 day for the receipt and processing of payment orders, and  
24 23 communications canceling or amending payment orders.  
24 24 Different cut-off times may apply to payment orders,  
24 25 cancellations, or amendments, or to different categories of  
24 26 payment orders, cancellations, or amendments. A cut-off time  
24 27 may apply to senders generally, or different cut-off times may  
24 28 apply to different senders or categories of payment orders.  
24 29 If a payment order or communication canceling or amending a  
24 30 payment order is received after the close of a funds-transfer  
24 31 business day or after the appropriate cut-off time on a  
24 32 funds-transfer business day, the receiving bank may treat the  
24 33 payment order or communication as received at the opening of  
24 34 the next funds-transfer business day.  
24 35 Sec. 34. Section 554.12204, subsection 2, Code 2007, is



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25 1 amended to read as follows:

25 2 2. Reasonable time under subsection 1 may be fixed by  
25 3 agreement as provided in section ~~554.1204~~ 554.1302, subsection  
25 4 ~~±~~ 2, but the obligation of a receiving bank to refund payment  
25 5 as stated in subsection 1 may not otherwise be varied by  
25 6 agreement.

25 7

PART H

25 8

ARTICLE 13

25 9 Sec. 35. Section 554.1351, subsection 4, Code 2007, is  
25 10 amended to read as follows:

25 11 4. Except as otherwise provided in section ~~554.1106~~  
25 12 554.1305, subsection 1, ~~of~~ or this Article or the lease  
25 13 agreement, the rights and remedies referred to in subsections  
25 14 2 and 3 are cumulative.

25 15 Sec. 36. Section 554.13518, subsection 2, Code 2007, is  
25 16 amended to read as follows:

25 17 2. Except as otherwise provided with respect to damages  
25 18 liquidated in the lease agreement (section 554.13504) or  
25 19 otherwise determined pursuant to agreement of the parties  
25 20 (sections ~~554.1102, subsection 3,~~ 554.1302 and 554.13503), if  
25 21 a lessee's cover is by a lease agreement substantially similar  
25 22 to the original lease agreement and the new lease agreement is  
25 23 made in good faith and in a commercially reasonable manner,  
25 24 the lessee may recover from the lessor as damages (i) the  
25 25 present value, as of the date of the commencement of the term  
25 26 of the new lease agreement, of the rent under the new lease  
25 27 agreement applicable to that period of the new lease term  
25 28 which is comparable to the then remaining term of the original  
25 29 lease agreement minus the present value as of the same date of  
25 30 the total rent for the then remaining lease term of the  
25 31 original lease agreement, and (ii) any incidental or  
25 32 consequential damages, less expenses saved in consequence of  
25 33 the lessor's default.

25 34 Sec. 37. Section 554.13519, subsection 1, Code 2007, is  
25 35 amended to read as follows:



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26 1 1. Except as otherwise provided with respect to damages  
26 2 liquidated in the lease agreement (section 554.13504) or  
26 3 otherwise determined pursuant to agreement of the parties  
26 4 (sections ~~554.1102, subsection 3,~~ 554.1302 and 554.13503), if  
26 5 a lessee elects not to cover or a lessee elects to cover and  
26 6 the cover is by lease agreement that for any reason does not  
26 7 qualify for treatment under section 554.13518, subsection 2,  
26 8 or is by purchase or otherwise, the measure of damages for  
26 9 nondelivery or repudiation by the lessor or for rejection or  
26 10 revocation of acceptance by the lessee is the present value,  
26 11 as of the date of the default, of the then market rent minus  
26 12 the present value as of the same date of the original rent,  
26 13 computed for the remaining lease term of the original lease  
26 14 agreement, together with incidental and consequential damages,  
26 15 less expenses saved in consequence of the lessor's default.  
26 16 Sec. 38. Section 554.13527, subsection 2, Code 2007, is  
26 17 amended to read as follows:  
26 18 2. Except as otherwise provided with respect to damages  
26 19 liquidated in the lease agreement (section 554.13504) or  
26 20 otherwise determined pursuant to agreement of the parties  
26 21 (sections ~~554.1102, subsection 3,~~ 554.1302 and 554.13503), if  
26 22 the disposition is by lease agreement substantially similar to  
26 23 the original lease agreement and the new lease agreement is  
26 24 made in good faith and in a commercially reasonable manner,  
26 25 the lessor may recover from the lessee as damages (i) accrued  
26 26 and unpaid rent as of the date of the commencement of the term  
26 27 of the new lease agreement, (ii) the present value, as of the  
26 28 same date, of the total rent for the remaining lease term of  
26 29 the original lease agreement minus the present value, as of  
26 30 the same date, of the rent under the new lease agreement  
26 31 applicable to that period of the new lease term which is  
26 32 comparable to the then remaining term of the original lease  
26 33 agreement, and (iii) any incidental damages allowed under  
26 34 section 554.13530, less expenses saved in consequence of the  
26 35 lessee's default.



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27 1 Sec. 39. Section 554.13528, subsection 1, Code 2007, is  
27 2 amended to read as follows:  
27 3 1. Except as otherwise provided with respect to damages  
27 4 liquidated in the lease agreement (section 554.13504) or  
27 5 otherwise determined pursuant to agreement of the parties  
27 6 (sections ~~554.1102, subsection 3,~~ 554.1302 and 554.13503), if  
27 7 a lessor elects to retain the goods or a lessor elects to  
27 8 dispose of the goods and the disposition is by lease agreement  
27 9 that for any reason does not qualify for treatment under  
27 10 section 554.13527, subsection 2, or is by sale or otherwise,  
27 11 the lessor may recover from the lessee as damages for a  
27 12 default of the type described in section 554.13523, subsection  
27 13 1, or section 554.13523, subsection 3, paragraph "a", or, if  
27 14 agreed, for other default of the lessee, (i) accrued and  
27 15 unpaid rent as of the date of default if the lessee has never  
27 16 taken possession of the goods, or, if the lessee has taken  
27 17 possession of the goods, as of the date the lessor repossesses  
27 18 the goods or an earlier date on which the lessee makes a  
27 19 tender of the goods to the lessor, (ii) the present value as  
27 20 of the date determined under clause (i) of the total rent for  
27 21 the then remaining lease term of the original lease agreement  
27 22 minus the present value as of the same date of the market rent  
27 23 at the place where the goods are located computed for the same  
27 24 lease term, and (iii) any incidental damages allowed under  
27 25 section 554.13530, less expenses saved in consequence of the  
27 26 lessee's default.

27 27 PART I

27 28 PROVISIONS OUTSIDE THE UNIFORM COMMERCIAL CODE

27 29 Sec. 40. Section 3.3, Code 2007, is amended to read as  
27 30 follows:

27 31 3.3 HEADNOTES AND HISTORICAL REFERENCES.

27 32 Proper headnotes may be placed at the beginning of a  
27 33 section of a bill or a Code section, and at the end of a Code  
27 34 section there may be placed a reference to the section number  
27 35 of the Code, or any Iowa Act from which the matter of the Code



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28 1 section was taken. However, except as provided ~~in~~ for the  
 28 2 uniform commercial code, pursuant to section 554.1109  
 28 3 554.1107, neither said headnotes nor said historical shall not  
 28 4 be considered as part of the law as enacted. Historical  
 28 5 references shall be considered as a part of the law as  
 28 6 enacted.

28 7 Sec. 41. Section 537.3603, subsection 6, Code 2007, is  
 28 8 amended to read as follows:

28 9 6. A lease or agreement which constitutes a security  
 28 10 interest as defined in section 554.1201, subsection ~~37~~ 2.

28 11 Sec. 42. Section 554D.104, subsection 2, paragraph b, Code  
 28 12 2007, is amended to read as follows:

28 13 b. Chapter 554 other than articles 2 and 13 and ~~sections~~  
~~28 14 554.1107 and 554.1206~~ section 554.1306.

DIVISION III

CONTINGENT PROVISIONS

28 17 Sec. 43. Section 554.1201, subsections 5, 6, 14, 15, 20,  
 28 18 and 45, Code 2007, are amended to read as follows:

28 19 ~~5-~~ e. "Bearer" means ~~the~~ a person in control of a  
 28 20 negotiable electronic document of title or a person in  
 28 21 possession of ~~an~~ a negotiable instrument, negotiable tangible  
 28 22 document of title, or certificated security ~~that is~~ payable to  
 28 23 bearer or ~~endorsed~~ indorsed in blank.

28 24 ~~6-~~ f. "Bill of lading" means a document of title  
 28 25 evidencing the receipt of goods for shipment issued by a  
 28 26 person engaged in the business of ~~directly or indirectly~~  
 28 27 transporting or forwarding goods, ~~and includes an airbill.~~  
~~28 28 "Airbill" means a document serving for air transportation as a~~  
~~28 29 bill of lading does for marine or rail transportation, and~~  
~~28 30 includes an air consignment note or air waybill. The term~~  
 28 31 does not include a warehouse receipt.

28 32 ~~14-~~ o. "Delivery", with respect to ~~instruments an~~  
 28 33 electronic document of title means voluntary transfer of  
 28 34 control and with respect to an instrument, ~~documents a~~  
 28 35 tangible document of title, or chattel paper, ~~or certificated~~  
~~29 1 ~~securities~~ means voluntary transfer of possession.~~

29 2 ~~15-~~ p. "Document of title" ~~includes bill of lading, dock~~  
~~29 3 ~~warrant, dock receipt, warehouse receipt or order for the~~~~  
~~29 4 ~~delivery of goods, and also any other document which means a~~~~  
 29 5 record (i) that in the regular course of business or financing  
 29 6 is treated as adequately evidencing that the person in  
 29 7 possession ~~or control of it~~ the record is entitled to receive,  
 29 8 control, hold, and dispose of the ~~document~~ record and the  
 29 9 goods ~~it~~ the record covers and (ii) that purports to be issued  
 29 10 by or addressed to a bailee and to cover goods in the bailee's  
 29 11 possession which are either identified or are fungible  
 29 12 portions of an identified mass. The term includes a bill of  
 29 13 lading, transport document, dock warrant, dock receipt,  
 29 14 warehouse receipt, and order for delivery of goods. ~~To be a~~  
~~29 15 ~~document of title a document must purport to be issued by or~~~~  
~~29 16 ~~addressed to a bailee and purport to cover goods in the~~~~  
~~29 17 ~~bailee's possession which are either identified or are~~~~  
~~29 18 ~~fungible portions of an identified mass. An electronic~~~~  
 29 19 document of title means a document of title evidenced by a  
 29 20 record consisting of information stored in an electronic  
 29 21 medium. A tangible document of title means a document of



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29 22 title evidenced by a record consisting of information that is  
29 23 inscribed on a tangible medium.  
29 24 ~~20. u. "Holder", with respect to a negotiable instrument,~~  
29 25 means:  
29 26 (1) the person in possession if the of a negotiable  
29 27 instrument that is payable either to bearer or, in the case of  
~~29 28 an instrument payable to an identified person, if the~~  
~~29 29 identified that is the person is in possession;~~  
29 30 (2) "Holder" with respect to a document of title means the  
29 31 person in possession of a negotiable tangible document of  
29 32 title if the goods are deliverable either to bearer or to the  
29 33 order of the person in possession; or  
29 34 (3) the person in control of a negotiable electronic  
29 35 document of title.



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30 1 ~~45-~~ ap. "Warehouse receipt" means a ~~receipt~~ document of  
30 2 title issued by a person engaged in the business of storing  
30 3 goods for hire.

30 4 Sec. 44. CONFLICTING PROVISIONS.

30 5 1. If the House File successor to House Study Bill 140, or  
30 6 a Senate File companion to the House File, which revises  
30 7 chapter 554, article 7, of the uniform commercial code, is  
30 8 enacted in the 2007 Regular Session, notwithstanding section  
30 9 4.8, all of the following apply:

30 10 a. The amendments to section 554.1201, subsections 5, 6,  
30 11 14, 15, 20, and 45, Code 2007, as enacted in this division of  
30 12 this Act, prevail over conflicting amendments to section  
30 13 554.1201, subsections 5, 6, 14, 15, 20, and 45, Code 2007, as  
30 14 enacted in division I of this Act.

30 15 b. The amendments to section 554.1201, subsections 25, 26,  
30 16 and 27, as enacted in division I of this Act, prevail over  
30 17 conflicting amendments to section 554.1201, subsections 25,  
30 18 26, and 27, Code 2007, as enacted in the House File successor  
30 19 to House Study Bill 140, or a Senate File companion to the  
30 20 House File.

30 21 c. The amendments to section 554.1201, subsections 5, 6,  
30 22 14, 15, 20, and 45, Code 2007, as enacted in this division of  
30 23 this Act, prevail over conflicting amendments to section  
30 24 554.1201, subsections 5, 6, 14, 15, 20, and 45, Code 2007, as  
30 25 enacted in the House File successor to House Study Bill 140,  
30 26 or a Senate File companion to the House File.

30 27 2. If the House File successor to House Study Bill 140, or  
30 28 a Senate File companion to the House File, which revises  
30 29 chapter 554, article 7, of the uniform commercial code, is not  
30 30 enacted in the 2007 Regular Session, notwithstanding section  
30 31 4.8, the amendments to section 554.1201, subsections 5, 6, 14,  
30 32 15, 20, and 45, Code 2007, as enacted in division I of this  
30 33 Act, prevail over conflicting amendments to section 554.1201,  
30 34 subsections 5, 6, 14, 15, 20, and 45, Code 2007, as enacted in  
30 35 this division of this Act.



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31 1 DIVISION IV  
31 2 TRANSFERS AND RECODIFICATIONS  
31 3 Sec. 45. Section 554.1105, Code 2007, is transferred to  
31 4 section 554.1301.  
31 5 Sec. 46. Section 554.1106, Code 2007, is transferred to  
31 6 section 554.1305.  
31 7 Sec. 47. Section 554.1107, Code 2007, is transferred to  
31 8 section 554.1306.  
31 9 Sec. 48. Section 554.1108, Code 2007, is transferred to  
31 10 section 554.1105.  
31 11 Sec. 49. Section 554.1109, Code 2007, is transferred to  
31 12 section 554.1107.  
31 13 Sec. 50. Section 554.1202, Code 2007, is transferred to  
31 14 section 554.1307.  
31 15 Sec. 51. Section 554.1203, Code 2007, is transferred to  
31 16 section 554.1304.  
31 17 Sec. 52. Section 554.1204, Code 2007, is transferred to  
31 18 section 554.1205.  
31 19 Sec. 53. Section 554.1205, Code 2007, is transferred to  
31 20 section 554.1303.  
31 21 Sec. 54. Section 554.1207, Code 2007, is transferred to  
31 22 section 554.1308.  
31 23 Sec. 55. Section 554.1208, Code 2007, is transferred to  
31 24 section 554.1309.  
31 25 Sec. 56. Section 554.1209, Code 2007, is transferred to  
31 26 section 554.1310.  
31 27 Sec. 57. CODIFICATION.  
31 28 1. The Code editor shall codify the following new Code  
31 29 sections, as enacted in this Act, into the following Code  
31 30 sections, which existed immediately prior to the effective  
31 31 date of this Act and which are repealed or transferred  
31 32 elsewhere by this Act:  
31 33 a. Section 554.1102A to section 554.1102 following its  
31 34 repeal in this Act.  
31 35 b. Section 554.1106A to section 554.1106 following its



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32 1 transfer in this Act.  
32 2 c. Section 554.1108A to section 554.1108 following its  
32 3 transfer in this Act.  
32 4 d. Section 554.1202A to section 554.1202 following its  
32 5 transfer in this Act.  
32 6 e. Section 554.1203A to section 554.1203 following its  
32 7 transfer in this Act.  
32 8 f. Section 554.1204A to section 554.1204 following its  
32 9 transfer in this Act.  
32 10 g. Section 554.1206A to section 554.1206 following its  
32 11 transfer in this Act.  
32 12 2. The Code editor may transfer section 554.1110 to  
32 13 section 554.1110A.

32 14 DIVISION V

32 15 REPEALS

32 16 Sec. 58. Section 554.1102, Code 2007, is repealed.  
32 17 Sec. 59. Section 554.1206, Code 2007, is repealed.  
32 18 Sec. 60. Section 554.2208, Code 2007, is repealed.  
32 19 Sec. 61. Section 554.13207, Code 2007, is repealed.

32 20 EXPLANATION

32 21 This bill amends Article 1 of the Uniform Commercial Code  
32 22 (UCC) codified as Code chapter 554. The Article contains  
32 23 general provisions such as definitions and rules of  
32 24 construction and applicability that govern the Code chapter,  
32 25 unless otherwise excluded in the Article or another Article.  
32 26 The bill is based on recommendations by the national  
32 27 conference of commissioners on uniform state laws and the  
32 28 American law institute.  
32 29 The bill addresses almost every section of Article 1, in  
32 30 many cases, to make corrections in terminology and to combine  
32 31 and transfer sections as part of a comprehensive  
32 32 reorganization of the Code chapter. Under the new  
32 33 organizational scheme, the Article is divided into three  
32 34 parts.  
32 35 Part 1 contains general provisions relating to the short



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33 1 titles for the Uniform Commercial Code and the Article, the  
33 2 scope of the Article, the construction of the UCC and its  
33 3 applicability, statutory construction against implied repeals,  
33 4 severability, and references to singular and plural language  
33 5 and gender language. A new section provides for electronic  
33 6 signatures under federal law.

33 7 Part 2 provides general definitions and principles of  
33 8 interpretation. For example, the bill amends the definition  
33 9 of "good faith" and makes the term universally applicable  
33 10 throughout the UCC with the exception of Article 5 (governing  
33 11 letters of credit). The old definition referred to honesty in  
33 12 fact in the conduct or transaction concerned. The bill amends  
33 13 the provision to require both honesty in fact and the  
33 14 observance of reasonable commercial standards of fair dealing.  
33 15 There are new sections providing for fair notice of facts and  
33 16 construing knowledge, methods to distinguish leases (see  
33 17 Article 13) from security interests (see Article 9),  
33 18 determination of value, and creating a presumption for a trier  
33 19 of fact. An existing provision is amended which provides for  
33 20 determining reasonableness of time before taking action.

33 21 Part 3 includes a new provision for determining territorial  
33 22 applicability and the power to choose applicable law. Other  
33 23 provisions govern how an agreement may vary the application of  
33 24 the Code chapter. The bill amends provisions which provide  
33 25 for course of dealings and usage of trade. It provides that  
33 26 course of performance may be used to determine the scope and  
33 27 terms of agreements, and eliminates provisions in Article 2  
33 28 (governing sales) and Article 13 (governing leases) relating  
33 29 to the same issue. The bill amends and transfers a number of  
33 30 other provisions currently located in other parts of the  
33 31 Article, including provisions relating to obligations of good  
33 32 faith, the liberal administration of remedies, the right to  
33 33 waive or renounce a claim or right following a breach, the use  
33 34 of third-party documents as evidence in court, the reservation  
33 35 of rights, the option of a party to accelerate performance,



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34 1 and the subordination of obligations.  
34 2     The bill includes alternative provisions amending  
34 3 definitional provisions in Article 1 which will take effect  
34 4 depending on whether the general assembly enacts a bill which  
34 5 adopts revisions to UCC Article 7 providing for records  
34 6 relating to warehouse documents and documents of title.  
34 7     Internal references in the bill use the Code section  
34 8 numbers which will be assigned when the bill's provisions are  
34 9 codified in the 2007 Code Supplement.  
34 10 LSB 1072HV 82  
34 11 da:rj/je/5.1



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**House File 876 - Introduced**

HOUSE FILE  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 224)

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

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

**A BILL FOR**

- 1 An Act establishing a sensitivity training program for heads of
- 2 state agencies.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 2045HV 82
- 5 ec/es/88



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1 1 Section 1. NEW SECTION. 19B.13 SENSITIVITY TRAINING  
1 2 PROGRAM.  
1 3 The department of human rights, in consultation with the  
1 4 department of administrative services and the civil rights  
1 5 commission, shall develop a sensitivity program for state  
1 6 agency heads and deputies to examine issues involving racism,  
1 7 diversity, and civil liberties, and their impact on the work  
1 8 environment. The program shall explore strategies for state  
1 9 agency heads and deputies to help people from diverse  
1 10 backgrounds and life experiences within the agency to  
1 11 understand each other and work together. Each state agency  
1 12 head and deputy shall be required to attend the program upon  
1 13 appointment or hire to the position and every four years  
1 14 thereafter.

1 15 EXPLANATION

1 16 This bill requires the department of human rights, in  
1 17 consultation with the department of administrative services  
1 18 and the civil rights commission, to develop a sensitivity  
1 19 program for state agency heads and deputies involving issues  
1 20 relative to racism, diversity, and civil liberties. The bill  
1 21 requires each state agency head and deputy to attend the  
1 22 program upon appointment or hire to the position and every  
1 23 four years thereafter.

1 24 LSB 2045HV 82  
1 25 ec:nh/es/88



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House File 877 - Introduced

HOUSE FILE  
BY COMMITTEE ON APPROPRIATIONS  
  
(SUCCESSOR TO HF 527)  
(SUCCESSOR TO HSB 115)

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

A BILL FOR

- 1 An Act creating a statewide voluntary preschool program for
- 2 four-year-old children and making appropriations.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLBSB 1231HZ 82
- 5 jp/je/5



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1 1 DIVISION I  
1 2 STATEWIDE PRESCHOOL PROGRAM FOR FOUR=YEAR=OLD  
1 3 CHILDREN  
1 4 Section 1. NEW SECTION. 256C.1 DEFINITIONS.  
1 5 As used in this chapter:  
1 6 1. "Approved local program" means a school district's  
1 7 program for four=year=old children approved by the department  
1 8 of education to provide high quality preschool instruction.  
1 9 2. "Department" means the department of education.  
1 10 3. "Director" means the director of the department of  
1 11 education.  
1 12 4. "Preschool program" means the statewide preschool  
1 13 program for four=year=old children created in accordance with  
1 14 this chapter.  
1 15 5. "School district approved to participate in the  
1 16 preschool program" means a school district that meets the  
1 17 school district requirements under section 256C.3 and has been  
1 18 approved by the department to participate in the preschool  
1 19 program.  
1 20 6. "State board" means the state board of education.  
1 21 Sec. 2. NEW SECTION. 256C.2 STATEWIDE PRESCHOOL PROGRAM  
1 22 FOR FOUR=YEAR=OLD CHILDREN == PURPOSE.  
1 23 1. A statewide preschool program for four=year=old  
1 24 children is established. The purpose of the preschool program  
1 25 is to provide an opportunity for all young children in the  
1 26 state to enter school ready to learn by expanding voluntary  
1 27 access to quality preschool curricula for all children who are  
1 28 four years old.  
1 29 2. The state board shall adopt rules in accordance with  
1 30 chapter 17A as necessary to implement the preschool program as  
1 31 provided in this chapter.  
1 32 Sec. 3. NEW SECTION. 256C.3 PRESCHOOL PROGRAM  
1 33 REQUIREMENTS.  
1 34 1. ELIGIBLE CHILDREN. A child who is a resident of Iowa  
1 35 and is four years of age by September 15 of a school year



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2 1 shall be eligible to enroll in the preschool program under  
2 2 this chapter. If space and funding are available, a school  
2 3 district approved to participate in the preschool program may  
2 4 enroll a younger or older child in the preschool program;  
2 5 however, the child shall not be counted for state funding  
2 6 purposes.

2 7 2. TEACHER REQUIREMENTS.

2 8 a. An individual serving as a teacher in the preschool  
2 9 program must meet all of the following qualifications:

2 10 (1) The individual is either employed by or under contract  
2 11 with the school district implementing the program.

2 12 (2) The individual is appropriately licensed under chapter  
2 13 272 and meets requirements under chapter 284.

2 14 (3) The individual possesses a bachelor's or graduate  
2 15 degree from an accredited college or university with a major  
2 16 in early childhood education or other appropriate major  
2 17 identified in rule by the department.

2 18 b. A teacher in the preschool program shall collaborate  
2 19 with other agencies, organizations, and boards in the  
2 20 community to further the program's capacity to meet the  
2 21 diverse needs of the children taught by the teacher and the  
2 22 families of the children, such as needs for early care,  
2 23 health, and human services. In addition, a teacher in the  
2 24 preschool program shall work to maintain relationships with  
2 25 each child's family in order to enhance the child's  
2 26 development in all settings by collaborating with providers of  
2 27 parent education and family support opportunities.

2 28 3. PROGRAM REQUIREMENTS. The state board shall adopt  
2 29 rules to further define the following preschool program  
2 30 requirements which shall be used to determine whether or not a  
2 31 local program implemented by a school district approved to  
2 32 implement the preschool program qualifies as an approved local  
2 33 program:

2 34 a. Maximum and minimum teacher-to-child ratios and class  
2 35 sizes.



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- 3 1       b. Applicable state and federal program standards.  
3 2       c. Student learning standards.  
3 3       d. Provisions for the integration of children from other  
3 4 state and federally funded preschools.  
3 5       e. Collaboration with participating families, early care  
3 6 providers, and community partners including but not limited to  
3 7 community empowerment area boards, head start programs, shared  
3 8 visions and other programs provided under the auspices of the  
3 9 child development coordinating council, licensed child care  
3 10 centers, registered child development homes, area education  
3 11 agencies, child care resource and referral services provided  
3 12 under section 237A.26, early childhood special education  
3 13 programs, services funded by Title I of the federal Elementary  
3 14 and Secondary Education Act of 1965, and family support  
3 15 programs.  
3 16       f. A minimum of ten hours per week of instruction  
3 17 delivered on the skills and knowledge included in the student  
3 18 learning standards developed for the preschool program.  
3 19       g. Parental involvement in the local program.  
3 20       h. Provision for ensuring that children receiving care  
3 21 from other child care arrangements can participate in the  
3 22 preschool program with minimal disruption due to  
3 23 transportation and movement from one site to another.  
3 24       4. SCHOOL DISTRICT REQUIREMENTS. The state board shall  
3 25 adopt rules to further define the following requirements of  
3 26 school districts implementing the preschool program:  
3 27       a. Methods of demonstrating community readiness to  
3 28 implement high-quality instruction in a local program shall be  
3 29 identified. The potential provider shall submit a  
3 30 collaborative program proposal that demonstrates the  
3 31 involvement of multiple community stakeholders including but  
3 32 not limited to, and only as applicable, parents, the school  
3 33 district, accredited nonpublic schools and faith-based  
3 34 representatives, the area education agency, the community  
3 35 empowerment area board, representatives of business, head



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4 1 start programs, shared visions and other programs provided  
4 2 under the auspices of the child development coordinating  
4 3 council, center-based and home-based providers of child care  
4 4 services, human services, public health, and economic  
4 5 development programs. The methods may include but are not  
4 6 limited to a school district providing evidence of a public  
4 7 hearing on the proposed programming and written documentation  
4 8 of collaboration agreements between the school district,  
4 9 existing community providers, and other community stakeholders  
4 10 addressing operational procedures and other critical measures.

4 11 b. Subject to implementation of agreements between a  
4 12 school district and community-based providers of services to  
4 13 four-year-old children, a four-year-old child who is enrolled  
4 14 in a child care center or child development home licensed or  
4 15 registered under chapter 237A, or in an existing public or  
4 16 private preschool program, shall be eligible for services  
4 17 provided by the school district's local preschool program.

4 18 c. A school district shall participate in data collection  
4 19 and performance measurement processes and reporting as defined  
4 20 by rule.

4 21 d. Career development for school district preschool  
4 22 teachers shall be addressed in the school district's career  
4 23 development plan implemented in accordance with section 284.6.

4 24 5. DEPARTMENT REQUIREMENTS.

4 25 a. The department shall implement an application and  
4 26 selection process for school district participation in the  
4 27 preschool program that includes but is not limited to the  
4 28 enrollment requirements provided under section 256C.4.

4 29 b. The department shall track the progress of students  
4 30 served by a school district preschool program and the  
4 31 students' performance in elementary and secondary education.

4 32 c. The department shall implement procedures to monitor  
4 33 the quality of the programming provided under the preschool  
4 34 program.

4 35 Sec. 4. NEW SECTION. 256C.4 FUNDING PROVISIONS ==



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5 1 ENROLLMENT.  
5 2     1. GENERAL.  
5 3     a. State funding provided under the preschool program  
5 4 shall be based upon the enrollment of eligible students in the  
5 5 preschool programming provided by a school district approved  
5 6 to participate in the preschool program.  
5 7     b. A school district approved to participate in the  
5 8 preschool program may authorize expenditures for the  
5 9 district's preschool programming from any of the revenue  
5 10 sources available to the district from the sources listed in  
5 11 chapter 298A, provided the expenditures are within the uses  
5 12 permitted for the revenue source. In addition, the use of the  
5 13 revenue source for preschool or prekindergarten programming  
5 14 must have been approved prior to any expenditure from the  
5 15 revenue source for the district's approved local program.  
5 16     c. Funding provided under the preschool program is  
5 17 intended to supplement, not supplant, existing public funding  
5 18 for preschool programming.  
5 19     d. Preschool foundation aid funding shall not be  
5 20 commingled with the other state aid payments made under  
5 21 section 257.16 to a school district and shall be accounted for  
5 22 by the local school district separately from the other state  
5 23 aid payments. Preschool foundation aid payments made to  
5 24 school districts are miscellaneous income for purposes of  
5 25 chapter 257. A school district shall maintain a separate  
5 26 listing within its budget for preschool foundation aid  
5 27 payments received and expenditures made. A school district  
5 28 shall certify to the department of education that preschool  
5 29 foundation aid funding received by the school district was  
5 30 used to supplement, not supplant, moneys otherwise received  
5 31 and used by the school district for preschool programming.  
5 32     e. Preschool foundation aid funding shall not be used for  
5 33 the costs of constructing a facility in connection with an  
5 34 approved local program.  
5 35     2. ELIGIBLE STUDENT ENROLLMENT.



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6 1 a. To be included as an eligible student in the enrollment  
6 2 count of the preschool programming provided by a school  
6 3 district approved to participate in the preschool program, a  
6 4 child must be four years of age by September 15 in the base  
6 5 year and attending the school district's approved local  
6 6 program.

6 7 b. The enrollment count of eligible students shall not  
6 8 include a child who is included in the enrollment count  
6 9 determined under section 257.6 or a child who is served by a  
6 10 program already receiving state or federal funds for the  
6 11 purpose of the provision of four-year-old preschool  
6 12 programming while the child is being served by the program.  
6 13 Such preschool programming includes but is not limited to  
6 14 child development assistance programs provided under chapter  
6 15 256A, special education programs provided under section  
6 16 256B.9, school ready children grant programs and other  
6 17 programs provided under chapter 28, and federal head start  
6 18 programs and the services funded by Title I of the federal  
6 19 Elementary and Secondary Education Act of 1965.

6 20 Sec. 5. NEW SECTION. 256C.5 FUNDING FORMULA.

6 21 1. DEFINITIONS. For the purposes of this section and  
6 22 section 256C.4:

6 23 a. "Base year", "budget year", "regular program state cost  
6 24 per pupil", and "school district" mean the same as defined or  
6 25 described in chapter 257.

6 26 b. "Eligible student" means a child who meets eligibility  
6 27 requirements under section 256C.4.

6 28 c. "Preschool budget enrollment" means the figure that is  
6 29 equal to sixty percent of the actual enrollment of eligible  
6 30 students in the preschool programming provided by a school  
6 31 district approved to participate in the preschool program on  
6 32 October 1 of the base year, or the first Monday in October if  
6 33 October 1 falls on a Saturday or Sunday.

6 34 d. "Preschool foundation aid" means the product of the  
6 35 regular program state cost per pupil for the budget year



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7 1 multiplied by the school district's preschool budget  
7 2 enrollment.  
7 3 2. PRESCHOOL FOUNDATION AID DISTRICT AMOUNT.  
7 4 a. For the initial school year for which a school district  
7 5 approved to participate in the preschool program receives that  
7 6 approval and implements the preschool program, the funding for  
7 7 the preschool foundation aid payable to that school district  
7 8 shall be paid from the appropriation made for that school year  
7 9 in section 256C.6 or in another appropriation made for  
7 10 purposes of this chapter. For that school year, the preschool  
7 11 foundation aid payable to the school district is the product  
7 12 of the regular program state cost per pupil for the school  
7 13 year multiplied by sixty percent of the school district's  
7 14 eligible student enrollment on the date in the school year  
7 15 determined by rule.  
7 16 b. For budget years subsequent to the initial school year  
7 17 for which a school district approved to participate in the  
7 18 preschool program receives that approval and implements the  
7 19 preschool program, the funding for the preschool foundation  
7 20 aid payable to that school district shall be paid from the  
7 21 appropriation made in section 257.16.  
7 22 3. AID PAYMENTS. Preschool foundation aid shall be paid  
7 23 as part of the state aid payments made to school districts in  
7 24 accordance with section 257.16.  
7 25 4. ADMINISTRATION AND OVERSIGHT. Except as otherwise  
7 26 provided by law for a fiscal year, of the amount appropriated  
7 27 for that fiscal year for payment of preschool foundation aid  
7 28 statewide, the department may use an amount sufficient to fund  
7 29 up to three full-time equivalent positions which shall be in  
7 30 addition to the number of positions authorized for the fiscal  
7 31 year, as necessary to provide administration and oversight of  
7 32 the preschool program.  
7 33 Sec. 6. NEW SECTION. 256C.6 PHASE=IN == APPROPRIATIONS.  
7 34 1. PHASE=IN. For the initial fiscal year in which a  
7 35 school district participates in the preschool program pursuant



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8 1 to an appropriation provided in subsection 2, the department  
8 2 shall apply a modified set of the requirements of the  
8 3 provisions of this chapter relating to preschool program  
8 4 implementation, preschool enrollment reporting, and  
8 5 distribution of funding as necessary to begin the distribution  
8 6 in that fiscal year and additional program implementation in  
8 7 the next fiscal year. For each month after September 1, in  
8 8 the initial fiscal year that a school district approved to  
8 9 participate in the preschool program begins programming, the  
8 10 department shall reduce the preschool foundation aid payable  
8 11 to the school district by one-tenth of the amount that would  
8 12 otherwise have been payable to the school district for the  
8 13 full school year.

8 14 2. APPROPRIATIONS FOR INITIAL YEARS. There is  
8 15 appropriated from the general fund of the state to the  
8 16 department of education for the designated fiscal years the  
8 17 following amounts, or so much thereof as is necessary, to be  
8 18 used for the initial year preschool foundation aid payments to  
8 19 school districts approved to participate in the preschool  
8 20 program and administrative costs:

8 21 a. For the fiscal year beginning July 1, 2008, and ending  
8 22 June 30, 2009, fifteen million dollars.

8 23 b. For the fiscal year beginning July 1, 2009, and ending  
8 24 June 30, 2010, fifteen million dollars.

8 25 c. For the fiscal year beginning July 1, 2010, and ending  
8 26 June 30, 2011, sixteen million one hundred sixty-two thousand  
8 27 five hundred dollars.

8 28 3. INSUFFICIENT FUNDING. For the fiscal years in the  
8 29 period beginning July 1, 2007, and ending June 30, 2011, if  
8 30 the number of requests from school districts for initial  
8 31 participation in the preschool program exceeds the funding  
8 32 made available for the preschool program, the department shall  
8 33 utilize all of the following selection criteria in selecting  
8 34 the school districts that will be approved to participate in  
8 35 the preschool program:

9 1 a. Priority shall be given to school districts that do not  
9 2 have existing preschool programming within the school district  
9 3 boundaries.

9 4 b. Priority shall be given to school districts that have a  
9 5 high percentage of children in poverty and such children shall  
9 6 receive first priority for the programs.

9 7 c. Consideration shall be given to the size of school  
9 8 districts in large, medium, and small categories in order for  
9 9 there to be equitable statewide distribution of preschool  
9 10 program services.

9 11 d. Consideration shall be given to school districts with  
9 12 established, high-quality, community partnerships for the  
9 13 delivery of preschool programming that are seeking to expand  
9 14 access.

9 15 4. REPEAL. This section is repealed July 1, 2011.

DIVISION II

CONFORMING AMENDMENTS

9 18 Sec. 7. Section 256.11, subsection 1, Code 2007, is  
9 19 amended by adding the following new unnumbered paragraph:

9 20 NEW UNNUMBERED PARAGRAPH. For the purposes of this  
9 21 subsection, "prekindergarten program" includes but is not



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9 22 limited to a school district's implementation of the preschool  
9 23 program established pursuant to chapter 256C.

9 24 Sec. 8. Section 257.16, subsection 1, Code 2007, is  
9 25 amended to read as follows:

9 26 1. There is appropriated each year from the general fund  
9 27 of the state an amount necessary to pay the foundation aid  
9 28 under this chapter, the preschool foundation aid under chapter  
9 29 256C, supplementary aid under section 257.4, subsection 2, and  
9 30 adjusted additional property tax levy aid under section  
9 31 257.15, subsection 4.

9 32 Sec. 9. Section 285.1, subsection 1, paragraph c, Code  
9 33 2007, is amended to read as follows:

9 34 c. Children attending prekindergarten programs offered or  
9 35 sponsored by the district or nonpublic school and approved by



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House File 877 - Introduced continued

10 1 the department of education or department of human services or  
10 2 children participating in preschool in an approved local  
10 3 program under chapter 256C may be provided transportation  
10 4 services. However, transportation services provided nonpublic  
10 5 school children are not eligible for reimbursement under this  
10 6 chapter.

10 7 Sec. 10. EMERGENCY RULES. The state board of education  
10 8 may adopt emergency rules under section 17A.4, subsection 2,  
10 9 and section 17A.5, subsection 2, paragraph "b", to implement  
10 10 the provisions of this Act and the rules shall be effective  
10 11 immediately upon filing unless a later date is specified in  
10 12 the rules. Any rules adopted in accordance with this section  
10 13 shall also be published as a notice of intended action as  
10 14 provided in section 17A.4.

10 15 EXPLANATION

10 16 This bill creates a statewide voluntary preschool program  
10 17 for four-year-old children. The bill is divided into  
10 18 divisions.

10 19 STATEWIDE PRESCHOOL PROGRAM FOR FOUR-YEAR-OLD CHILDREN.  
10 20 This division creates the program and makes appropriations in  
10 21 new Code chapter 256C. The program is to be administered by  
10 22 the department of education and the state board of education.

10 23 New Code section 256C.1 provides definitions.

10 24 New Code section 256C.2 lays out the purpose for the  
10 25 program and authorizes the state board to adopt rules to  
10 26 implement the program and the state funding for the program.

10 27 New Code section 256C.3 lists the program requirements  
10 28 required to be adopted in rule. The requirements address  
10 29 child eligibility, teacher requirements, program requirements,  
10 30 school district requirements, and departmental requirements.

10 31 New Code section 256C.4 identifies general funding  
10 32 provisions and specifies how eligible student enrollment for  
10 33 the preschool program is determined. A school district is  
10 34 authorized to use various school district funds for the  
10 35 program provided the use is permitted for the revenue source



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House File 877 - Introduced continued

11 1 and the preschool use has been approved in advance.  
11 2     The state preschool foundation aid cannot be commingled  
11 3 with other state school aid funding and a school district is  
11 4 required to list the preschool program revenues and  
11 5 expenditures separately in the district budget.  
11 6     New Code section 256C.5 establishes a funding formula for  
11 7 the program, based on elements of the school foundation  
11 8 formula under Code chapter 257. For the initial school year  
11 9 that a school district is approved to participate in the  
11 10 preschool program, the school district receives funding based  
11 11 on the preschool program enrollment for that school year. For  
11 12 subsequent budget years, the aid is based on the prior year's  
11 13 preschool enrollment. A portion of the preschool foundation  
11 14 aid for each fiscal year is set aside for three department of  
11 15 education positions to provide administration and oversight of  
11 16 the preschool program. Preschool foundation aid payments are  
11 17 required to be made as part of the school aid payments under  
11 18 Code chapter 257.  
11 19     New Code section 256C.6 provides for phase-in of the  
11 20 program beginning during fiscal year 2007=2008 and makes  
11 21 standing limited appropriations for the succeeding three  
11 22 fiscal years. For fiscal year 2007=2008, the department is  
11 23 authorized to modify other requirements in new Code chapter  
11 24 256C as necessary to distribute funding appropriated for  
11 25 purposes of the Code chapter for that fiscal year. The  
11 26 appropriations made in this section are for payment of the  
11 27 initial year a school district receives a preschool foundation  
11 28 aid payment. In subsequent years, this preschool foundation  
11 29 aid payment becomes part of the school foundation formula.  
11 30     CONFORMING AMENDMENTS. This division provides conforming  
11 31 amendments for the changes made by the bill.  
11 32     The bill amends Code section 256.11, relating to  
11 33 educational standards for schools adopted by the state board  
11 34 of education, to provide that a prekindergarten also includes  
11 35 a preschool program implemented in accordance with the bill.



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House File 877 - Introduced continued

12 1 Code section 285.1, relating to state aid to schools for  
12 2 transportation, is amended to include the children  
12 3 participating in preschool in an approved local program under  
12 4 the preschool program in the state aid funding authorization.  
12 5 The state board of education is authorized to utilize  
12 6 emergency procedures to adopt rules to implement the  
12 7 provisions of the bill without public comment periods or  
12 8 review by the administrative rules review committee.  
12 9 LSB 1231HZ 82  
12 10 jp:nh/je/5



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House Resolution 31 - Introduced

PAG LIN

1 1 HOUSE RESOLUTION NO.  
1 2 BY LYKAM, ABDUL-SAMAD, ALONS, ANDERSON, ARNOLD,  
1 3 BAILEY, BAUDLER, BELL, BERRY, BOAL, BUKTA,  
1 4 CHAMBERS, CLUTE, COHOON, DANDEKAR, DAVITT,  
1 5 DE BOEF, DEYOE, DOLECHECK, DRAKE, FOEGE,  
1 6 FORD, FORRISTALL, FREVERT, GASKILL, GAYMAN,  
1 7 GIPP, GRANZOW, GRASSLEY, GREINER, HEATON,  
1 8 HEDDENS, HOFFMAN, HORBACH, HUNTER, HUSEMAN,  
1 9 HUSER, JACOBS, JACOBY, JOCHUM, KAUFMANN,  
1 10 KELLEY, KRESSIG, KUHN, LENSING, LUKAN,  
1 11 MASCHER, MAY, MERTZ, H. MILLER,  
1 12 L. MILLER, OLDSON, D. OLSON, R. OLSON,  
1 13 S. OLSON, T. OLSON, PALMER, PAULSEN,  
1 14 PETERSEN, PETTENGILL, QUIRK, RAECKER, RANTS,  
1 15 RASMUSSEN, RAYHONS, REASONER, REICHERT,  
1 16 ROBERTS, SANDS, SCHICKEL, SCHUELLER,  
1 17 SHOMSHOR, SMITH, SODERBERG, STAED, STRUYK,  
1 18 SWAIM, D. TAYLOR, T. TAYLOR, THOMAS, TJEPKES,  
1 19 TOMENGA, TYMESON, UPMEYER, VAN ENGELENHOVEN,  
1 20 VAN FOSSEN, WATTS, WENDT, WENTHE,  
1 21 WESSEL-KROESCHELL, WHITAKER, WHITEAD,  
1 22 WIENCEK, WINCKLER, WINDSCHITL, WISE, and WORTHAN  
1 23 A Resolution honoring Iowan Eugene Ely, a pioneer in  
1 24 Naval aviation.  
1 25 WHEREAS, Eugene Ely was a pioneer of Naval aviation  
1 26 in the early twentieth century; and  
1 27 WHEREAS, Mr. Ely was born in Iowa County, Iowa, on  
1 28 October 21, 1886, and moved to Davenport, Iowa, at  
1 29 nine years of age; and  
1 30 WHEREAS, on November 14, 1910, he was the first



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House Resolution 31 - Introduced continued

2 1 aviator to successfully launch from a Navy ship, the  
2 2 U.S.S. Birmingham, at Hampton Roads, Virginia; and  
2 3       WHEREAS, on January 18, 1911, Mr. Ely was the first  
2 4 aviator to successfully land on a Navy ship, the  
2 5 U.S.S. Pennsylvania, near San Francisco Bay, off the  
2 6 coast of California; and  
2 7       WHEREAS, Eugene Ely was killed during an expedition  
2 8 flight in Macon, Georgia, at the age of 25 on October  
2 9 19, 1911, and is buried one-half mile from his  
2 10 birthplace in Iowa County; and  
2 11       WHEREAS, on February 16, 1933, President Herbert  
2 12 Hoover posthumously presented him with the  
2 13 Distinguished Flying Cross in honor of his feats; and  
2 14       WHEREAS, the United States Post Office issued a  
2 15 commemorative plaque to the city of Williamsburg,  
2 16 Iowa, which was prepared by the Naval Air Station of  
2 17 Norfolk, VA; and  
2 18       WHEREAS, the 100th Anniversary of his first launch  
2 19 and his first landing will be November 14, 2010, and  
2 20 January 18, 2011, respectively; and  
2 21       WHEREAS, Eugene Ely is worthy of having the next  
2 22 aircraft carrier named after him by naming the  
2 23 aircraft carrier "Eugene Ely" and a commemorative  
2 24 stamp should be issued by the United States Postal  
2 25 Service; NOW THEREFORE,  
2 26       BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,  
2 27 That the House of Representatives urges the United  
2 28 States Department of Defense to name the next aircraft  
2 29 carrier the "Eugene Ely" and requests the United  
2 30 States Postal Service to issue a commemorative stamp



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House Resolution 31 - Introduced continued

3 1 in honor of Mr. Ely; and  
3 2 BE IT FURTHER RESOLVED, That the Chief Clerk of the  
3 3 House of Representatives is directed to deliver a  
3 4 suitable copy of this Resolution to the United States  
3 5 Secretary of Defense and the Postmaster General of the  
3 6 United States.  
3 7 LSB 2635HH 82  
3 8 jr:nh/es/88



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**Senate Amendment 3150**

PAG LIN

1 1 Amend Senate File 546 as follows:  
1 2 #1. Page 3, by striking lines 4 through 15.  
1 3 #2. Title page, lines 1 and 2, by striking the  
1 4 words <and providing an effective date>.  
1 5 #3. By renumbering as necessary.  
1 6  
1 7  
1 8  
1 9 ROBERT M. HOGG  
1 10 SF 546.201 82  
1 11 rh/es/7564  
1 12  
1 13  
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## Senate Amendment 3151

PAG LIN

1 1 Amend Senate File 90 as follows:  
1 2 #1. Page 1, line 9, by inserting after the word  
1 3 <services> the following: <through an agreement  
1 4 entered into under chapter 28E>.  
1 5  
1 6  
1 7  
1 8 THOMAS RIELLY  
1 9  
1 10  
1 11  
1 12 DAVID L. HARTSUCH  
1 13 SF 90.501 82  
1 14 ec/je/5780  
1 15  
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## Senate Amendment 3152

PAG LIN

1 1 Amend Senate File 544 as follows:  
1 2 #1. By striking everything after the enacting  
1 3 clause and inserting the following:  
1 4 <Section 1. Section 12.28, subsection 6, Code  
1 5 2007, is amended to read as follows:  
1 6 6. The maximum principal amount of financing  
1 7 agreements which the treasurer of state can enter into  
1 8 shall be one million dollars per state agency in a  
1 9 fiscal year, subject to the requirements of section  
1 10 8.46. For the fiscal year, the treasurer of state  
1 11 shall not enter into more than one million dollars of  
1 12 financing agreements per state agency, not considering  
1 13 interest expense. However, the treasurer of state may  
1 14 enter into financing agreements in excess of the one  
1 15 million dollar per agency per fiscal year limit if a  
1 16 constitutional majority of each house of the general  
1 17 assembly, or the legislative council if the general  
1 18 assembly is not in session, and the governor,  
1 19 authorize the treasurer of state to enter into  
1 20 additional financing agreements above the one million  
1 21 dollar authorization contained in this section. The  
1 22 treasurer of state shall not enter into a financing  
1 23 agreement for real or personal property which is to be  
1 24 constructed for use as a prison or prison-related  
1 25 facility without prior authorization by a  
1 26 constitutional majority of each house of the general  
1 27 assembly and approval by the governor of the use,  
1 28 location, and maximum cost, not including interest  
1 29 expense, of the real or personal property to be  
1 30 financed. However, financing agreements for an energy  
1 31 conservation measure, as defined in section 7D.34, or  
1 32 for an energy management improvement, as defined in  
1 33 section 473.19, or for costs associated with projects  
1 34 under section 473.13A, are exempt from the provisions  
1 35 of this subsection, but are subject to the  
1 36 requirements of section 7D.34 or 473.20A. In  
1 37 addition, financing agreements funded through the  
1 38 materials and equipment revolving fund established in  
1 39 section 307.47 are exempt from the provisions of this  
1 40 subsection.  
1 41 Sec. 2. Section 455E.11, subsection 2, paragraph  
1 42 e, Code 2007, is amended to read as follows:  
1 43 e. An oil overcharge account. The oil overcharge  
1 44 moneys distributed by the United States department of  
1 45 energy, and approved for the energy related components  
1 46 of the groundwater protection strategy available  
1 47 through the energy conservation ~~trust~~ fund created in  
1 48 section 473.11, shall be deposited in the oil  
1 49 overcharge account as appropriated by the general  
1 50 assembly.



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Senate Amendment 3152 continued

2 1 Sec. 3. Section 473.1, Code 2007, is amended by  
2 2 adding the following new subsections:

2 3 NEW SUBSECTION. 4A. "Renewable energy" means  
2 4 solar power, photovoltaic power, wind power,  
2 5 geothermal power, hydropower, landfill gas,  
2 6 refuse-derived fuel pellets, biomass fuel, fuel cell  
2 7 powered by a renewable energy resource, or conversion  
2 8 of municipal, industrial, or agricultural organic  
2 9 wastes.

2 10 NEW SUBSECTION. 4B. "Renewable fuel" means an  
2 11 energy source at least in part derived from a  
2 12 nonfossil-based organic compound capable of powering  
2 13 machinery, including an engine or power plant.

2 14 Sec. 4. Section 473.1, subsection 5, Code 2007, is  
2 15 amended to read as follows:

2 16 5. "Supplier" means any person engaged in the  
2 17 business of selling, importing, storing, or generating  
2 18 energy sources, renewable energy, or renewable fuel in  
2 19 Iowa.

2 20 Sec. 5. Section 473.2, subsection 1, paragraph a,  
2 21 Code 2007, is amended to read as follows:

2 22 a. Physical, human, natural, and financial  
2 23 resources are allocated efficiently.

2 24 Sec. 6. Section 473.3, Code 2007, is amended to  
2 25 read as follows:

2 26 473.3 ENERGY EFFICIENCY RESOURCE MANAGEMENT GOAL.

2 27 1. The goal of this state is to ~~more~~ efficiently  
2 28 utilize energy resources, ~~especially those that are~~  
~~nonrenewable or that have negative environmental~~  
~~impacts, in order to enhance the economy of the state~~  
2 31 ~~and to decrease~~ by decreasing the state's dependence  
2 32 on nonrenewable energy resources from outside the  
2 33 state and by reducing the amount of energy used. This  
2 34 goal is to be implemented through the execution of a  
2 35 statewide energy plan that shall include the  
2 36 development of policies and programs that promote  
2 37 energy efficiency and energy conservation renewable  
2 38 energy use by all Iowans, through the development and  
2 39 enhancement of an energy efficiency and renewable  
2 40 energy industry, through the development of indigenous  
2 41 commercialization of energy resources and technologies  
2 42 that are economically and environmentally viable, and  
2 43 through the development and implementation of  
2 44 effective public information and education programs.

2 45 2. State government shall be a model and testing  
2 46 ground for the use of energy efficiency and renewable  
2 47 energy systems.

2 48 Sec. 7. Section 473.7, subsections 4, 5, 11, 12,  
2 49 and 14, Code 2007, are amended to read as follows:

2 50 4. a. ~~Establish a central depository within the~~



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~~Senate Amendment 3152 continued~~

~~3 1 state for energy data. The central depository shall  
3 2 be located at or accessible through a library which is  
3 3 a member of an interlibrary loan program to facilitate  
3 4 access to the data and information contained in the  
3 5 central depository. The department shall collect and  
3 6 analyze data necessary to forecast to use in  
3 7 forecasting future energy demands in demand and supply  
3 8 for the state. The department may require a A  
3 9 supplier is required to provide information pertaining  
3 10 to the supply, storage, distribution, and sale of  
3 11 energy sources in this state when requested by the  
3 12 department. The information shall be furnished on a  
3 13 periodic basis, shall be of a nature which directly  
3 14 relates to the supply, storage, distribution, and sale  
3 15 of energy sources, and shall not include any records,  
3 16 documents, books, or other data which relate to the  
3 17 financial position of the supplier. Provided the The  
3 18 department, prior to requiring any supplier to furnish  
3 19 it with such information, shall make every reasonable  
3 20 effort to determine if the same such information is  
3 21 available from any other governmental source. If it  
3 22 finds such information is available, the department  
3 23 shall not require submission of the same information  
3 24 from a supplier. Notwithstanding the provisions of  
3 25 chapter 22, information and reports obtained under  
3 26 this section shall be confidential except when used  
3 27 for statistical purposes without identifying a  
3 28 specific supplier and when release of the information  
3 29 will not give an advantage to competitors and serves a  
3 30 public purpose. The department shall use this data to  
3 31 conduct energy forecasts which shall be included in  
3 32 the biennial update required by this section and which  
3 33 shall also be made available through the department's  
3 34 internet website.~~

3 35 b. The department may subpoena witnesses,  
3 36 administer oaths, and require the production of  
3 37 records, books, and documents for examination in order  
3 38 to obtain information required to be submitted under  
3 39 this section. In case of failure or refusal on the  
3 40 part of any person to comply with a subpoena issued by  
3 41 the department, or in case of the refusal of any  
3 42 witness to testify as to any matter regarding which  
3 43 the witness may be interrogated under this chapter,  
3 44 the district court, upon the application of the  
3 45 department, may order the person to show cause why the  
3 46 person should not be held in contempt for failure to  
3 47 testify or comply with a subpoena, and may order the  
3 48 person to produce the records, books, and documents  
3 49 for examination, and to give testimony. The courts  
3 50 may punish for contempt as in the case of disobedience



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Senate Amendment 3152 continued

4 1 to a like subpoena issued by the court, or for refusal  
4 2 to testify.

4 3 5. Develop, recommend, and implement with  
4 4 appropriate agencies public and professional education  
4 5 and communication programs in energy efficiency,  
4 6 energy conservation, and conversion to ~~alternative~~  
~~4 7 sources of energy~~ renewable energy.

4 8 11. Develop a program to annually give public  
4 9 recognition to innovative methods of energy  
4 10 ~~conservation~~ management and renewable energy  
4 11 production.

4 12 12. Administer and coordinate federal funds for  
4 13 energy ~~conservation~~ management and renewable energy  
4 14 programs including, but not limited to, the  
~~4 15 institutional conservation program, state energy~~  
~~4 16 conservation program, and energy extension service~~  
~~4 17 program, and related programs which provide energy~~  
~~4 18 management and conservation assistance to schools,~~  
~~4 19 hospitals, health care facilities, communities, and~~  
~~4 20 the general public.~~

4 21 14. ~~Perform~~ Provide information from monthly fuel  
4 22 surveys which establish a statistical average of motor  
4 23 fuel prices for various motor fuels provided  
4 24 throughout the state. Additionally, the department  
4 25 shall ~~perform~~ provide monthly fuel ~~surveys~~ survey  
4 26 information in cities with populations of over fifty  
4 27 thousand which establish a statistical average of  
4 28 motor fuel prices for various motor fuels provided in  
4 29 those individual cities. The survey results shall be  
4 30 publicized in a monthly press release issued by the  
4 31 department.

4 32 Sec. 8. Section 473.7, subsections 2, 3, and 15,  
4 33 Code 2007, are amended by striking the subsections.

4 34 Sec. 9. Section 473.11, Code 2007, is amended to  
4 35 read as follows:

4 36 473.11 ENERGY CONSERVATION ~~TRUST~~ FUND ESTABLISHED  
4 37 == RECEIPTS AND DISBURSEMENTS.

4 38 ~~1. a.~~ The energy conservation ~~trust~~ fund is  
4 39 created within the state treasury under the control of  
4 40 the department. This state, on behalf of itself, its  
4 41 citizens, and its political subdivisions, accepts any  
4 42 moneys awarded or allocated to the state, its  
4 43 citizens, and its political subdivisions as a result  
4 44 of the federal court decisions and United States  
4 45 department of energy settlements resulting from  
4 46 alleged violations of federal petroleum pricing  
4 47 regulations and deposits the moneys in the energy  
4 48 conservation ~~trust~~ fund. The fund shall also consist  
4 49 of any moneys appropriated by the general assembly and  
4 50 any other moneys, including grants and gifts from



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Senate Amendment 3152 continued

5 1 government and nonprofit organizations, available to  
5 2 and obtained or accepted by the department for  
5 3 placement in the fund. Moneys in the fund are not  
5 4 subject to section 8.33. Notwithstanding section  
5 5 12C.7, interest or earnings on moneys in the fund  
5 6 shall be credited to the energy conservation fund.  
5 7 ~~b. The energy conservation trust is established to~~  
5 8 ~~provide for an orderly, efficient, and effective~~  
5 9 ~~mechanism to make maximum use of moneys available to~~  
5 10 ~~the state, in order to increase energy conservation~~  
5 11 ~~efforts and thereby to save the citizens of this state~~  
5 12 ~~energy expenditures. The moneys in the funds in the~~  
5 13 ~~trust shall be expended only upon appropriation by the~~  
5 14 ~~general assembly and only for programs which will~~  
5 15 ~~benefit citizens who may have suffered economic~~  
5 16 ~~penalties resulting from the alleged petroleum~~  
5 17 ~~overcharges.~~  
5 18 ~~c. The moneys awarded or allocated from each court~~  
5 19 ~~decision or settlement shall be placed in a separate~~  
5 20 ~~fund in the energy conservation trust.~~  
5 21 ~~Notwithstanding section 12C.7, interest and earnings~~  
5 22 ~~on investments from moneys in the trust shall be~~  
5 23 ~~credited proportionately to the funds in the trust.~~  
5 24 ~~d. Unless prohibited by the conditions applying to~~  
5 25 ~~a settlement, the petroleum overcharge moneys in the~~  
5 26 ~~energy conservation trust may be used for the payment~~  
5 27 ~~of attorney fees and expenses incurred by the state to~~  
5 28 ~~obtain the moneys and shall be paid by the director of~~  
5 29 ~~the department of administrative services from the~~  
5 30 ~~available moneys in the trust subject to the approval~~  
5 31 ~~of the attorney general.~~  
5 32 ~~e. However, petroleum overcharge moneys received~~  
5 33 ~~pursuant to claims filed on behalf of the state, its~~  
5 34 ~~institutions, departments, agencies, or political~~  
5 35 ~~subdivisions shall be deposited in the general fund of~~  
5 36 ~~the state to be disbursed directly to the appropriate~~  
5 37 ~~claimants in accordance with federal guidelines and~~  
5 38 ~~subject to the approval of the attorney general.~~  
5 39 ~~f. The moneys deposited under section 473.16 in~~  
5 40 ~~the general fund of the state shall be used for~~  
5 41 ~~research and development of selected projects to~~  
5 42 ~~improve Iowa's energy independence by developing~~  
5 43 ~~improved methods of energy efficiency, or by increased~~  
5 44 ~~development and use of Iowa's renewable~~  
5 45 ~~nonresource-depleting energy resources. The moneys~~  
5 46 ~~credited to the general fund of the state under~~  
5 47 ~~section 556.18, subsection 3, shall be used for energy~~  
5 48 ~~conservation and alternative energy resource projects.~~  
5 49 ~~The projects shall be selected by the director and~~  
5 50 ~~administered by the department. Selection criteria~~



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~~Senate Amendment 3152 continued~~

~~6 1 for funded projects shall include consideration of~~  
~~6 2 indirect restitution to those persons in the state in~~  
~~6 3 the utility customer classes and the utility service~~  
~~6 4 territories affected by unclaimed utility refunds or~~  
~~6 5 deposits.~~  
~~6 6 Moneys deposited into the general fund of the state~~  
~~6 7 under sections 473.16, 476.51, and 556.18, subsection~~  
~~6 8 3, are subject to the requirements of section 8.60.~~  
~~6 9 2. The treasurer of state shall be the custodian~~  
~~6 10 of the energy conservation trust and shall invest the~~  
~~6 11 moneys in the trust, in consultation with the energy~~  
~~6 12 fund disbursement council established in subsection 3~~  
~~6 13 and the investment board of the Iowa public employees'~~  
~~6 14 retirement system, in accordance with the following~~  
~~6 15 guidelines:~~  
~~6 16 a. To maximize the rate of return on moneys in the~~  
~~6 17 trust while providing sufficient liquidity to make~~  
~~6 18 fund disbursements, including contingency~~  
~~6 19 disbursements.~~  
~~6 20 b. To absolutely insure the trust against loss.~~  
~~6 21 c. To use such investment tools as are necessary~~  
~~6 22 to achieve these purposes.~~  
~~6 23 3. An energy fund disbursement council is~~  
~~6 24 established. The council shall be composed of the~~  
~~6 25 governor or the governor's designee, the director of~~  
~~6 26 the department of management, who shall serve as the~~  
~~6 27 council's chairperson, the administrator of the~~  
~~6 28 division of community action agencies of the~~  
~~6 29 department of human rights, a designee of the director~~  
~~6 30 of the department of natural resources who is~~  
~~6 31 knowledgeable in the field of energy conservation, and~~  
~~6 32 a designee of the director of transportation who is~~  
~~6 33 knowledgeable in the field of energy conservation.~~  
~~6 34 The council shall include as nonvoting members two~~  
~~6 35 members of the senate appointed by the president of~~  
~~6 36 the senate, after consultation with the majority~~  
~~6 37 leader and the minority leader of the senate, and two~~  
~~6 38 members of the house of representatives appointed by~~  
~~6 39 the speaker of the house, after consultation with the~~  
~~6 40 majority leader and the minority leader of the house.~~  
~~6 41 The legislative members shall be appointed upon the~~  
~~6 42 convening and for the period of each general assembly.~~  
~~6 43 Not more than one member from each house shall be of~~  
~~6 44 the same political party. The council shall be~~  
~~6 45 staffed by the department of natural resources. The~~  
~~6 46 attorney general shall provide legal assistance to the~~  
~~6 47 council.~~  
~~6 48 The council shall do all of the following:~~  
~~6 49 a. Oversee the investment of moneys deposited in~~  
~~6 50 the energy conservation trust.~~



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~~7 1 b. Make recommendations to the governor and the  
7 2 general assembly regarding annual appropriations from  
7 3 the energy conservation trust.  
7 4 e. Work with the department of natural resources  
7 5 in adopting administrative rules necessary to  
7 6 administer expenditures from the trust, encourage  
7 7 applications for grants and loans, review and select  
7 8 proposals for the funding of competitive grants and  
7 9 loans from the energy conservation trust, and evaluate  
7 10 their comparative effectiveness.  
7 11 d. Monitor expenditures from the trust.  
7 12 e. Approve any grants or contracts awarded from  
7 13 the energy conservation trust in excess of five  
7 14 thousand dollars.  
7 15 f. Prepare, in conjunction with the department of  
7 16 natural resources, an annual report to the governor  
7 17 and the general assembly regarding earnings of and  
7 18 expenditures from the energy conservation trust.  
7 19 4. The director of the department of natural  
7 20 resources or the director's designee shall be the  
7 21 administrator of the energy conservation trust. The  
7 22 administrator shall disburse moneys appropriated by  
7 23 the general assembly from the funds in the trust in  
7 24 accordance with the federal court orders, law and  
7 25 regulation, or settlement conditions applying to the  
7 26 moneys in that fund, and subject to the approval of  
7 27 the energy fund disbursement council if such approval  
7 28 is required. The council, after consultation with the  
7 29 attorney general, shall immediately approve the  
7 30 disbursement of moneys from the funds in the trust for  
7 31 projects which meet the federal court orders, law and  
7 32 regulations, or settlement conditions which apply to  
7 33 that fund.  
7 34 5. The following funds are established in the  
7 35 energy conservation trust:  
7 36 a. The Warner/Imperial fund.  
7 37 b. The Exxon fund.  
7 38 c. The Stripper Well fund.  
7 39 d. The Diamond Shamrock fund.  
7 40 e. The office of hearings and appeals second=stage  
7 41 settlement fund.  
7 42 6. The moneys in the fund in the energy  
7 43 conservation trust distributed to the state as a  
7 44 result of the federal court decisions finding oil  
7 45 companies in violation of federal petroleum pricing  
7 46 regulations shall be expended expeditiously, until all  
7 47 the receipts are depleted and shall be disbursed for  
7 48 projects which meet the strict guidelines of the five  
7 49 existing federal energy conservation programs  
7 50 specified in Pub. L. No. 97=377, } 155, 96 Stat.~~



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~~8 1 1830, 1919 (1982). The council shall approve the~~  
~~8 2 disbursement of moneys from the fund in the trust for~~  
~~8 3 other projects only if the projects meet one or more~~  
~~8 4 of the following conditions:~~  
~~8 5 a. The projects meet the guidelines for allowable~~  
~~8 6 projects under a modification order entered by the~~  
~~8 7 federal court in the case involving Exxon corporation.~~  
~~8 8 b. The projects meet the guidelines for allowable~~  
~~8 9 projects under a directive order entered by the~~  
~~8 10 federal court in the case involving Exxon corporation.~~  
~~8 11 c. The projects meet the guidelines for allowable~~  
~~8 12 projects under the regulations adopted or written~~  
~~8 13 clarifications issued by the United States department~~  
~~8 14 of energy.~~  
~~8 15 d. The projects meet the guidelines for allowable~~  
~~8 16 projects under the petroleum violation settlement~~  
~~8 17 agreement expenditure plan approved by the United~~  
~~8 18 States department of energy.~~  
~~8 19 7. On June 30, 2003, the energy fund disbursement~~  
~~8 20 council established in subsection 3 shall be~~  
~~8 21 dissolved. At that time, the The department of~~  
~~8 22 natural resources shall be responsible for the~~  
~~8 23 disbursement of any funds either received or remaining~~  
~~8 24 in the energy conservation ~~trust~~ fund. These~~  
~~8 25 disbursements shall be for projects and programs~~  
~~8 26 consistent with the legally determined allowable uses~~  
~~8 27 for the former energy conservation trust, section~~  
~~8 28 473.11, Code 2005. Also, at that time, and annually~~  
~~8 29 thereafter, the The state department of transportation~~  
~~8 30 shall report to the department of natural resources on~~  
~~8 31 the status of the intermodal revolving loan fund~~  
~~8 32 established in the department on an annual basis. In~~  
~~8 33 the fiscal year beginning July 1, 2019, the department~~  
~~8 34 of natural resources shall assume responsibility for~~  
~~8 35 funds remaining in the intermodal revolving loan fund~~  
~~8 36 and disburse them for energy ~~conservation projects and~~~~  
~~8 37 programs consistent with the legally determined~~  
~~8 38 allowable uses for the former energy conservation~~  
~~8 39 trust.~~  
~~8 40 Sec. 10. Section 473.13A, Code 2007, is amended to~~  
~~8 41 read as follows:~~  
~~8 42 473.13A ENERGY ~~CONSERVATION MEASURES MANAGEMENT~~~~  
~~8 43 AND RENEWABLE ENERGY OPPORTUNITIES IDENTIFIED AND~~  
~~8 44 IMPLEMENTED.~~  
~~8 45 1. ~~The state,~~ All state agencies, political~~  
~~8 46 subdivisions of the state, school districts, area~~  
~~8 47 education agencies, and community colleges shall~~  
~~8 48 identify and implement, ~~through energy audits and~~~~  
~~8 49 ~~engineering analyses,~~ all energy ~~conservation measures~~~~  
~~8 50 ~~identified management improvements for which financing~~~~  
~~9 1 ~~is made available by~~ through the department ~~to the~~~~  
~~9 2 ~~entity.~~ Identification of energy management~~  
~~9 3 improvements shall be made through energy analyses as~~  
~~9 4 approved by the department. The energy ~~conservation~~~~  
~~9 5 ~~measure financings management improvement financing~~~~  
~~9 6 shall be supported through payments from energy~~



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9 7 savings and shall be for a term defined by the  
9 8 department in rule.

9 9 2. Except for a garage, storage facility or brine  
9 10 production facility, a building owned by a state  
9 11 agency shall be analyzed by the state agency for  
9 12 energy management improvement opportunities based on  
9 13 the guidelines established pursuant to section 473.19.  
9 14 The results of the analysis shall be submitted to the  
9 15 department by August 1, 2009. An updated analysis  
9 16 shall be submitted to the department every five years  
9 17 thereafter if appropriations, allocations, or grants  
9 18 are provided for the cost of the analysis. Based on  
9 19 the findings of the energy analysis and the updates,  
9 20 the state agency shall, with assistance from the  
9 21 department, develop an energy management plan. The  
9 22 energy management plan shall identify the energy  
9 23 management improvements to be implemented by the state  
9 24 agency, establish a timeline for their implementation,  
9 25 and identify a funding source. The department shall  
9 26 submit a report to the governor and the general  
9 27 assembly by January 1, 2010, and every five years  
9 28 thereafter, that analyzes all information collected  
9 29 pursuant to this subsection and includes  
9 30 recommendations for future programs.

9 31 3. Any new construction or renovation of existing  
9 32 facilities intended for use by the state shall meet  
9 33 green or sustainable building requirements established  
9 34 in rules adopted pursuant to chapter 17A by the  
9 35 department after consultation with the state building  
9 36 code commissioner established in section 103A.4. The  
9 37 rules shall meet or exceed the energy conservation  
9 38 requirements established in the state building code  
9 39 pursuant to section 103A.10. Any rules of the fire  
9 40 marshal established pursuant to section 100.1, 100.35,  
9 41 101.1, or 101A.5, the state building code established  
9 42 pursuant to chapter 103A, the state plumbing code  
9 43 established pursuant to section 135.11, subsection 5,  
9 44 requirements for elevators established pursuant to  
9 45 chapter 89A, or requirements for boilers and pressure  
9 46 vessels established pursuant to chapter 89, shall  
9 47 supersede any conflicting provision of the rules  
9 48 established pursuant to this subsection. The  
9 49 department shall adopt rules that take effect on July  
9 50 1, 2008. The rules shall not apply to a garage,



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10 1 storage facility, correctional facility, other secure  
10 2 facility, or brine production facility.  
10 3 4. Pending the adoption of rules pursuant to  
10 4 subsection 3, it is the intent of the general assembly  
10 5 that all new construction or renovation of existing  
10 6 facilities for state agency use should meet or exceed  
10 7 the energy requirements for the United States green  
10 8 building council leadership in energy and  
10 9 environmental design silver certification.  
10 10 5. For purposes of this section, "renovation"  
10 11 means any change to a facility with costs equal to  
10 12 more than fifty percent of the value of the facility  
10 13 or an addition to the facility in excess of twenty  
10 14 thousand square feet.  
10 15 6. The department shall not require a state  
10 16 agency, political subdivision of the state, school  
10 17 district, community college, or area education agency,  
10 18 city, or county to perform an engineering energy  
10 19 analysis if the state agency, political subdivision of  
10 20 the state, school district, community college, or area  
10 21 education agency, city, or county demonstrates to the  
10 22 department that the facility which is the subject of  
10 23 the proposed engineering energy analysis at issue is  
10 24 not currently in use or is unlikely to be in use or  
10 25 operation in ~~six~~ four years by the governmental entity  
10 26 currently using or occupying the facility.  
10 27 7. If a state agency leases or otherwise occupies  
10 28 a building, other than a garage, storage facility,  
10 29 correctional facility, other secure facility, or brine  
10 30 production facility, the agency shall prepare a plan  
10 31 not later than August 1, 2009, designed to reduce  
10 32 energy use and utility costs at the building.  
10 33 Sec. 11. Section 473.15, Code 2007, is amended to  
10 34 read as follows:  
10 35 473.15 ANNUAL REPORT.  
10 36 The department shall include in the complete an  
10 37 annual report ~~required under section 455A.4 an~~  
10 38 ~~assessment of~~ to assess the progress achieved by  
10 39 public agencies of state agencies, political  
10 40 subdivisions of the state, school districts, area  
10 41 education agencies, and community colleges in  
10 42 implementing energy management improvements, renewable  
10 43 energy systems, and life cycle cost analyses under  
10 44 chapter 470, and on the use of renewable fuels. The  
10 45 department shall work with stakeholders to use  
10 46 available information to minimize the cost of  
10 47 preparing the report for the department and  
10 48 stakeholders. The department shall also provide an  
10 49 assessment of the economic and environmental impact of  
10 50 the progress made by state agencies, political



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11 1 subdivisions of the state, school districts, area  
11 2 education agencies, and community colleges related to  
11 3 energy management and renewable energy, along with  
11 4 recommendations on technological opportunities and  
11 5 policies necessary for continued improvement in these  
11 6 areas.  
11 7     Sec. 12. Section 473.19, Code 2007, is amended to  
11 8 read as follows:  
11 9     473.19 ENERGY BANK PROGRAM.  
11 10     1. The energy bank program is established by the  
11 11 department. The energy bank program consists of the  
11 12 following forms of assistance for the state, state  
11 13 agencies, political subdivisions of the state, school  
11 14 districts, area education agencies, community  
11 15 colleges, and nonprofit organizations:  
11 16     ~~1.~~ a. Promoting program availability.  
11 17     b. Developing or identifying guidelines and model  
11 18 energy techniques for the completion of energy  
11 19 analyses for state agencies, political subdivisions of  
11 20 the state, school districts, area education agencies,  
11 21 community colleges, and nonprofit organizations.  
11 22     c. ~~Providing moneys from the petroleum overcharge~~  
11 23 ~~fund~~ technical assistance for conducting energy audits  
11 24 analyses for school districts under section 279.44,  
11 25 ~~for conducting comprehensive engineering analyses for~~  
11 26 ~~school districts and for conducting energy audits and~~  
11 27 ~~comprehensive engineering analyses for state agencies,~~  
11 28 ~~and political subdivisions of the state agencies,~~  
11 29 political subdivisions of the state, school districts,  
11 30 area education agencies, community colleges, and  
11 31 nonprofit organizations.  
11 32     2. d. ~~Providing~~ Facilitating loans, leases, and  
11 33 other methods of alternative financing ~~from~~ under the  
11 34 energy loan fund ~~established in section 473.20 and~~  
11 35 ~~section 473.20A~~ program for the state, state agencies,  
11 36 political subdivisions of the state, school districts,  
11 37 area education agencies, community colleges, and  
11 38 nonprofit organizations to implement energy  
11 39 conservation measures management improvements.  
11 40     3. ~~Serving as a source of technical support for~~  
11 41 ~~energy conservation management.~~  
11 42     4. e. Providing assistance for obtaining  
11 43 insurance on the energy savings expected to be  
11 44 realized from the implementation of energy  
11 45 ~~conservation measures management improvements.~~  
11 46     5. f. ~~Providing~~ Facilitating self-liquidating  
11 47 financing for ~~the state, state agencies, political~~  
11 48 ~~subdivisions of the state, school districts, area~~  
11 49 ~~education agencies, community colleges, and nonprofit~~  
11 50 ~~organizations pursuant to section 473.20A.~~



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12 1 g. Assisting the treasurer of state with financing  
12 2 agreements entered into by the treasurer of state on  
12 3 behalf of state agencies to finance energy management  
12 4 improvements pursuant to section 12.28.  
12 5 2. For the purpose of this section, section  
12 6 473.20, and section 473.20A, "energy ~~conservation~~  
12 7 ~~measure~~" management improvement" means construction,  
12 8 rehabilitation, acquisition, or modification of an  
12 9 installation in a facility or vehicle which is  
12 10 intended to reduce energy consumption, or energy  
12 11 costs, or both, or allow the use of ~~an alternative~~  
12 12 ~~energy source, which may contain integral renewable~~  
12 13 energy. "Energy management improvement" may include  
12 14 control and measurement devices. "Nonprofit  
12 15 organization" means an organization exempt from  
12 16 federal income taxation under section 501(c)(3) of the  
12 17 Internal Revenue Code.  
12 18 Sec. 13. Section 473.20, unnumbered paragraph 1,  
12 19 Code 2007, is amended to read as follows:  
12 20 An energy loan ~~fund~~ program is established ~~in the~~  
12 21 ~~office of the treasurer of state to~~ and shall be  
12 22 administered by the department.  
12 23 Sec. 14. Section 473.20, subsections 1, 5, and 6,  
12 24 Code 2007, are amended to read as follows:  
12 25 1. The department may ~~make loans to the state,~~  
12 26 ~~state agencies,~~ facilitate the loan process for  
12 27 political subdivisions of the state, school districts,  
12 28 area education agencies, community colleges, and  
12 29 nonprofit organizations for implementation of energy  
12 30 ~~conservation measures~~ management improvements  
12 31 identified in a ~~comprehensive engineering~~ an energy  
12 32 analysis. Loans shall be ~~made~~ facilitated for all  
12 33 cost-effective energy management improvements. For  
12 34 ~~the state, state agencies,~~ political subdivisions of  
12 35 the state, school districts, area education agencies,  
12 36 community colleges, and nonprofit organizations to  
12 37 receive a loan ~~from the fund~~ assistance under the  
12 38 program, the department shall require completion of an  
12 39 energy management plan including an energy ~~audit and a~~  
12 40 ~~comprehensive engineering~~ analysis. The department  
12 41 shall approve loans ~~made~~ facilitated under this  
12 42 section.  
12 43 5. ~~The state, state agencies, political~~ Political  
12 44 subdivisions of the state, school districts, area  
12 45 education agencies, and community colleges shall  
12 46 design and construct the most energy cost-effective  
12 47 facilities feasible and ~~shall use the financing made~~  
12 48 ~~available~~ may use financing facilitated by the  
12 49 department to cover the incremental costs above  
12 50 minimum building code energy efficiency standards of



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13 1 purchasing energy efficient devices and materials  
13 2 unless other lower cost financing is available. As  
13 3 used in this section, "facility" means a structure  
13 4 that is heated or cooled by a mechanical or electrical  
13 5 system, or any system of physical operation that  
13 6 consumes energy to carry out a process.  
13 7 6. The department shall not require the state,  
13 8 state agencies, political subdivisions of the state,  
13 9 school districts, area education agencies, and  
13 10 community colleges to implement a specific energy  
13 11 ~~conservation measure~~ management improvement identified  
13 12 ~~in a comprehensive engineering an energy analysis~~ if  
13 13 the entity which prepared the analysis demonstrates to  
13 14 the department that the facility which is the subject  
13 15 of the energy ~~conservation measure~~ management  
13 16 improvement is unlikely to be used or operated for the  
13 17 full period of the expected savings payback of all  
13 18 costs associated with implementing the energy  
13 19 conservation measure management improvement, including  
13 20 without limitation, any fees or charges of the  
13 21 department, engineering firms, financial advisors,  
13 22 attorneys, and other third parties, and all financing  
13 23 costs including interest, if financed.  
13 24 Sec. 15. Section 473.20, subsection 3, Code 2007,  
13 25 is amended by striking the subsection.  
13 26 Sec. 16. Section 473.20A, Code 2007, is amended to  
13 27 read as follows:  
13 28 473.20A SELF=LIQUIDATING FINANCING.  
13 29 1. The department of natural resources may ~~enter~~  
13 30 ~~into~~ facilitate financing agreements that may be  
13 31 entered into with the state, state agencies, political  
13 32 subdivisions of the state, school districts, area  
13 33 education agencies, community colleges, or nonprofit  
13 34 organizations in order to provide the financing to pay  
13 35 finance the costs of furnishing energy conservation  
13 36 ~~measures~~ management improvements on a self-liquidating  
13 37 basis. The provisions of section 473.20 defining  
13 38 eligible energy conservation measures and the method  
13 39 of repayment of the loans management improvements  
13 40 apply to financings under this section.  
13 41 The financing agreement may contain provisions,  
13 42 including interest, term, and obligations to make  
13 43 payments on the financing agreement beyond the current  
13 44 budget year, as may be ~~agreed upon between the~~  
13 45 ~~department of natural resources and the state, state~~  
13 46 ~~agencies, acceptable to~~ political subdivisions of the  
13 47 state, school districts, area education agencies,  
13 48 community colleges, or nonprofit organizations.  
13 49 2. For the purpose of funding its obligation to  
13 50 ~~furnish moneys under the financing agreements, or to~~



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~~14 1 fund the energy loan fund created in section 473.20,  
14 2 the treasurer of state, with the assistance of the  
14 3 department of natural resources, or the treasurer of  
14 4 state's duly authorized agents or representatives, may  
14 5 incur indebtedness or enter into master lease  
14 6 agreements or other financing arrangements to borrow  
14 7 to accomplish energy conservation measures, or the  
14 8 department of natural resources may enter into master  
14 9 lease agreements or other financing arrangements to  
14 10 permit the state, state agencies, political  
14 11 subdivisions of the state, school districts, area  
14 12 education agencies, community colleges, or nonprofit  
14 13 organizations to borrow sufficient funds to accomplish  
14 14 the energy conservation measure. The obligations may  
14 15 be in such form, for such term, bearing such interest  
14 16 and containing such provisions as the department of  
14 17 natural resources, with the assistance of the  
14 18 treasurer of state, deems necessary or appropriate.  
14 19 Funds remaining after the payment of all obligations  
14 20 have been redeemed shall be paid into the energy loan  
14 21 fund. The department shall assist the treasurer of  
14 22 state with financing agreements entered into by the  
14 23 treasurer of state on behalf of state agencies  
14 24 pursuant to section 12.28 to finance energy management  
14 25 improvements being implemented by state agencies.  
14 26 3. The state, state agencies, political Political  
14 27 subdivisions of the state, school districts, area  
14 28 education agencies, community colleges, and nonprofit  
14 29 organizations may enter into financing agreements and  
14 30 issue obligations necessary to carry out the  
14 31 provisions of the chapter. Chapter 75 shall not be  
14 32 applicable.  
14 33 Sec. 17. Section 476.6, subsection 16, paragraph  
14 34 a, Code 2007, is amended to read as follows:  
14 35 a. Gas and electric utilities required to be  
14 36 rate-regulated under this chapter shall file energy  
14 37 efficiency plans with the board. An energy efficiency  
14 38 plan and budget shall include a range of programs,  
14 39 tailored to the needs of all customer classes,  
14 40 including residential, commercial, and industrial  
14 41 customers, for energy efficiency opportunities. The  
14 42 plans shall include programs for qualified low-income  
14 43 persons including a cooperative program with any  
14 44 community action agency within the utility's service  
14 45 area to implement countywide or communitywide energy  
14 46 efficiency programs for qualified low-income persons  
14 47 and may include cooperative programs with any  
14 48 community action agency within the utility's service  
14 49 area to implement programs to provide assessment,  
14 50 resolution, and energy efficiency training for~~



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15 1 qualified low-income persons for managing home energy  
15 2 utility costs. Rate=regulated gas and electric  
15 3 utilities shall utilize Iowa agencies and Iowa  
15 4 contractors to the maximum extent cost=effective in  
15 5 their energy efficiency plans filed with the board.  
15 6 Sec. 18. NEW SECTION. 476A.17 COAL=FIRED  
15 7 MERCHANT POWER PLANTS.  
15 8 1. For purposes of this section, "coal=fired  
15 9 merchant power plant" means a power plant that burns  
15 10 coal located in this state that is not owned or  
15 11 operated by a public utility, municipally owned  
15 12 utility, municipal power agency, or electric  
15 13 cooperative corporation or association and which is  
15 14 not subject to rate regulation pursuant to chapter  
15 15 476.  
15 16 2. As a condition of a permit issued by the board  
15 17 pursuant to this chapter, the board shall order an  
15 18 owner or operator of a coal=fired merchant power plant  
15 19 to do all of the following:  
15 20 a. Provide or purchase alternative energy  
15 21 production, as defined in sections 476.41 through  
15 22 476.45, equal to eight percent of the capacity of the  
15 23 coal=fired merchant power plant.  
15 24 b. Provide one=tenth of one percent of annual  
15 25 gross revenues for the support of the Iowa energy  
15 26 center created in section 266.39C and the center for  
15 27 global and regional environmental research created by  
15 28 the state board of regents.  
15 29 c. Provide two percent of annual gross revenues  
15 30 for an energy management improvement grant program to  
15 31 be administered by the center for energy and  
15 32 environmental education at the University of Northern  
15 33 Iowa.  
15 34 3. The board, after consultation with the  
15 35 department of natural resources, may waive all or part  
15 36 of the requirements of subsection 2 upon finding that  
15 37 the coal=fired merchant power plant has achieved other  
15 38 methods to offset its production of greenhouse gases  
15 39 and other pollutants.  
15 40 4. The board shall adopt rules pursuant to chapter  
15 41 17A prescribing regulatory standards and  
15 42 implementation procedures relating to the application  
15 43 of the requirements in subsection 2.  
15 44 Sec. 19. Sections 473.13, 473.16, 473.17, 473.42,  
15 45 and 473.44, Code 2007, are repealed.>  
15 46  
15 47  
15 48  
15 49 ROBERT M. HOGG  
15 50 SF 544.201 82



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16 1 tm/es/6687



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**Senate File 564 - Introduced**

SENATE FILE  
BY COMMITTEE ON WAYS AND MEANS  
  
(SUCCESSOR TO SF 511)  
(SUCCESSOR TO SF 135)

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

**A BILL FOR**

- 1 An Act regulating dangerous wild animals, including their
- 2 ownership and possession, requiring registration, providing
- 3 for fees and appropriations, and providing penalties.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 1622SZ 82
- 6 da/je/5



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PAG LIN

1 1 Section 1. NEW SECTION. 717F.1 DEFINITIONS.  
1 2 As used in this chapter, unless the context otherwise  
1 3 requires:  
1 4 1. "Agricultural animal" means the same as defined in  
1 5 section 717A.1.  
1 6 2. "Assistive animal" means the same as defined in section  
1 7 216C.11.  
1 8 3. a. "Circus" means a person who is all of the  
1 9 following:  
1 10 (1) The holder of a class "C" license issued by the United  
1 11 States department of agriculture as provided in 9 C.F.R., pt.  
1 12 2, subpt. A.  
1 13 (2) Is temporarily in this state as an exhibitor as  
1 14 defined in 9 C.F.R., pt. 1, for purposes of providing skilled  
1 15 performances by dangerous wild animals, clowns, or acrobats  
1 16 for public entertainment.  
1 17 b. "Circus" does not include a person, regardless of  
1 18 whether the person is a holder of a class "C" license as  
1 19 provided in paragraph "a", who does any of the following:  
1 20 (1) Keeps a dangerous wild animal which is a member of the  
1 21 order carnivora within the family felidae or the family  
1 22 ursidae, as described in this section.  
1 23 (2) Uses the dangerous wild animal for any of the  
1 24 following purposes:  
1 25 (a) A presentation to children at a public or nonpublic  
1 26 school as defined in section 280.2.  
1 27 (b) Entertainment that involves an activity in which a  
1 28 member of the public is in close proximity to the dangerous  
1 29 wild animal, including but not limited to a contest or a  
1 30 photographic opportunity.  
1 31 4. "Custody" means to possess, control, keep, or harbor a  
1 32 dangerous wild animal in this state by a public agency.  
1 33 5. a. "Dangerous wild animal" means any of the following:  
1 34 (1) A member of the family canidae of the order carnivora,  
1 35 including but not limited to wolves, coyotes, and jackals.



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- 2 1 However, a dangerous wild animal does not include a domestic  
2 2 dog.
- 2 3 (2) A member of the family hyaenidae of the order of  
2 4 carnivora, including but not limited to hyenas.
- 2 5 (3) A member of the family felidae of the order carnivora,  
2 6 including but not limited to lions, tigers, cougars, leopards,  
2 7 cheetahs, ocelots, and servals. However, a dangerous wild  
2 8 animal does not include a domestic cat.
- 2 9 (4) A member of the family ursidae of the order carnivora,  
2 10 including bears and pandas.
- 2 11 (5) A member of the family rhinocerotidae order  
2 12 perissodactyla, which is a rhinoceros.
- 2 13 (6) A member of the order proboscidea, which are any  
2 14 species of elephant.
- 2 15 (7) A member of the order of primates other than humans,  
2 16 and including the following families: callitrichidae,  
2 17 cebidae, cercopithecidae, cheirogaleidae, daubentoniidae,  
2 18 galagonidae, hominidae, hylobatidae, indridae, lemuridae,  
2 19 loridae, megaladapidae, or tarsiidae. A member includes but  
2 20 is not limited to marmosets, tamarins, monkeys, lemurs,  
2 21 galagos, bushbabies, great apes, gibbons, lesser apes, indris,  
2 22 sifakas, and tarsiers.
- 2 23 (8) A member of the order crocodylia, including but not  
2 24 limited to alligators, caimans, crocodiles, and gharials.
- 2 25 (9) A member of the family varanidae of the order  
2 26 squamata, which are limited to water monitors and crocodile  
2 27 monitors.
- 2 28 (10) A member of the order squamata which is any of the  
2 29 following:
- 2 30 (a) A member of the family varanidae, which are limited to  
2 31 water monitors and crocodile monitors.
- 2 32 (b) A member of the family atractaspidae, including but  
2 33 not limited to mole vipers and burrowing asps.
- 2 34 (c) A member of the family helodermatidae, including but  
2 35 not limited to beaded lizards and gila monsters.



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3 1 (d) A member of the family elapidae, voperidae,  
3 2 crotalidae, atractaspidae, or hydrophidae which are venomous,  
3 3 including but not limited to cobras, mambas, coral snakes,  
3 4 kraits, adders, vipers, rattlesnakes, copperheads, pit vipers,  
3 5 keelbacks, cottonmouths, and sea snakes.

3 6 (e) A member of the superfamily henophidia, which are  
3 7 limited to reticulated pythons, anacondas, and African rock  
3 8 pythons.

3 9 b. "Dangerous wild animal" includes an animal which is the  
3 10 offspring of an animal provided in paragraph "a", and another  
3 11 animal provided in that paragraph or any other animal. It  
3 12 also includes animals which are the offspring of each  
3 13 subsequent generation. However, a dangerous wild animal does  
3 14 not include the offspring of a domestic dog and a wolf, or the  
3 15 offspring from each subsequent generation in which at least  
3 16 one parent is a domestic dog.

3 17 6. "Department" means the department of agriculture and  
3 18 land stewardship.

3 19 7. "Electronic identification device" means a device which  
3 20 when installed is designed to store information regarding an  
3 21 animal or the animal's owner in a digital format which may be  
3 22 accessed by a computer for purposes of reading or manipulating  
3 23 the information.

3 24 8. "Possess" means to own, keep, or control a dangerous  
3 25 wild animal, or supervise or provide for the care and feeding  
3 26 of a dangerous wild animal, including any activity relating to  
3 27 confining, handling, breeding, transporting, or exhibiting the  
3 28 dangerous wild animal.

3 29 9. "Public agency" means the same as defined in section  
3 30 28E.2.

3 31 10. "Wildlife sanctuary" means an organization exempt from  
3 32 taxation pursuant to section 501(c) of the Internal Revenue  
3 33 Code that operates a place of refuge where abused, neglected,  
3 34 unwanted, impounded, abandoned, orphaned, or displaced  
3 35 wildlife are provided care for their lifetime, if all of the



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- 4 1 following apply:
- 4 2 a. The organization does not buy, sell, trade, auction,  
4 3 lease, loan, or breed any animal of which the organization is  
4 4 an owner.
- 4 5 b. The organization is accredited by the American  
4 6 sanctuary association, the association of sanctuaries, or  
4 7 another similar organization recognized by the department.
- 4 8 Sec. 2. NEW SECTION. 717F.2 RULEMAKING == CHAPTER 28E  
4 9 AGREEMENTS == ASSISTANCE OF ANIMAL WARDEN.
- 4 10 1. The department shall administer this chapter by doing  
4 11 all of the following:
- 4 12 a. Adopting rules as provided in chapter 17A for the  
4 13 administration and enforcement of this chapter.
- 4 14 b. Entering into agreements with public agencies pursuant  
4 15 to chapter 28E as the department determines necessary for the  
4 16 administration and enforcement of this chapter.
- 4 17 2. An animal warden as defined in section 162.2 shall  
4 18 assist the department in seizing and maintaining custody of  
4 19 dangerous wild animals.
- 4 20 Sec. 3. NEW SECTION. 717F.3 DANGEROUS WILD ANIMALS ==  
4 21 PROHIBITIONS.
- 4 22 Except as otherwise provided in this chapter, a person  
4 23 shall not do any of the following:
- 4 24 1. Own or possess a dangerous wild animal.
- 4 25 2. Cause or allow a dangerous wild animal owned by a  
4 26 person or in the person's possession to breed.
- 4 27 3. Transport a dangerous wild animal into this state.
- 4 28 Sec. 4. NEW SECTION. 717F.4 OWNING OR POSSESSING  
4 29 DANGEROUS WILD ANIMALS ON THE EFFECTIVE DATE OF THIS ACT.
- 4 30 A person who owns or possesses a dangerous wild animal on  
4 31 the effective date of this Act may continue to own or possess  
4 32 the dangerous wild animal subject to all of the following:
- 4 33 1. The person must be eighteen years old or older.
- 4 34 2. a. The person must not have been convicted of an  
4 35 offense involving the abuse or neglect of an animal pursuant



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5 1 to a law of this state or another state, including but not  
5 2 limited to chapter 717, 717B, 717C, or 717D or an ordinance  
5 3 adopted by a city or county.

5 4     b. The department, another state, or the federal  
5 5 government must not have suspended an application for a permit  
5 6 or license or revoked a permit or license required to operate  
5 7 a commercial establishment for the care, breeding, or sale of  
5 8 animals, including as provided in chapter 162.

5 9     c. The person must not have been convicted of a felony for  
5 10 an offense committed within the last ten years, as provided by  
5 11 this Code, under the laws of another state, or under federal  
5 12 law.

5 13     d. The person must not have been convicted of a  
5 14 misdemeanor or felony for an offense committed within the last  
5 15 ten years involving a controlled substance as defined in  
5 16 section 124.101 in this state, under the laws of another  
5 17 state, or under federal law.

5 18     3. Within sixty days after the effective date of this Act,  
5 19 the person must have an electronic identification device  
5 20 implanted beneath the skin or hide of the dangerous wild  
5 21 animal, unless a licensed veterinarian states in writing that  
5 22 the implantation would endanger the comfort or health of the  
5 23 dangerous wild animal. In such case, an electronic  
5 24 identification device may be otherwise attached to the  
5 25 dangerous wild animal as required by the department.

5 26     4. Not later than December 31, 2007, the person must  
5 27 notify the department using a registration form prepared by  
5 28 the department. The registration form shall include all of  
5 29 the following information:

5 30     a. The person's name, address, and telephone number.

5 31     b. A sworn affidavit that the person meets the  
5 32 requirements necessary to own or possess a dangerous wild  
5 33 animal as provided in this section.

5 34     c. A complete inventory of each dangerous wild animal  
5 35 which the person owns or possesses. The inventory shall



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6 1 include all of the following information:

6 2       (1) The number of the dangerous wild animals according to  
6 3 species.

6 4       (2) The manufacturer and manufacturer's number of the  
6 5 electronic device implanted in or attached to each dangerous  
6 6 wild animal.

6 7       (3) The location where each dangerous wild animal is kept.  
6 8 The person must notify the department in writing within ten  
6 9 days of a change of address or location where the dangerous  
6 10 wild animal is kept.

6 11       (4) The approximate age, sex, color, weight, scars, and  
6 12 any distinguishing marks of each dangerous wild animal.

6 13       (5) The name, business mailing address, and business  
6 14 telephone number of the licensed veterinarian who is  
6 15 responsible for providing care to the dangerous wild animal.  
6 16 The information shall include a statement signed by the  
6 17 licensed veterinarian certifying that the dangerous wild  
6 18 animal is in good health.

6 19       (6) A color photograph of the dangerous wild animal.

6 20       (7) A copy of a current liability insurance policy as  
6 21 required in this section. The person shall send a copy of the  
6 22 current liability policy to the department each year.

6 23       5. The person must pay the department a registration fee  
6 24 as provided in section 717F.8.

6 25       6. The person must maintain health and ownership records  
6 26 for the dangerous wild animal for the life of the dangerous  
6 27 wild animal.

6 28       7. The person must confine the dangerous wild animal in a  
6 29 primary enclosure as required by the department on the  
6 30 person's premises. The person must not allow the dangerous  
6 31 wild animal outside of the primary enclosure unless the  
6 32 dangerous wild animal is moved pursuant to any of the  
6 33 following:

6 34       a. To receive veterinary care from a licensed  
6 35 veterinarian.



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- 7 1       b. To comply with the directions of the department or an  
7 2 animal warden.
- 7 3       c. To transfer ownership and possession of the dangerous  
7 4 wild animal to a wildlife sanctuary or provide for its  
7 5 destruction by euthanasia as required by the department.
- 7 6       8. The person must display at least one sign on the  
7 7 person's premises where the dangerous wild animal is kept  
7 8 warning the public that the dangerous wild animal is confined  
7 9 there. The sign must include a symbol warning children of the  
7 10 presence of the dangerous wild animal.
- 7 11       9. The person must immediately notify an animal warden or  
7 12 other local law enforcement official of any escape of a  
7 13 dangerous wild animal.
- 7 14       10. The person must maintain liability insurance coverage  
7 15 in an amount of not less than one hundred thousand dollars  
7 16 with a deductible of not more than two hundred fifty dollars,  
7 17 for each occurrence of property damage, bodily injury, or  
7 18 death caused by each dangerous wild animal kept by the person.
- 7 19       11. The person who owns or possesses the dangerous wild  
7 20 animal is strictly liable for any damages, injury, or death  
7 21 caused by the dangerous wild animal. The person must  
7 22 reimburse the department or other public agency for actual  
7 23 expenses incurred by capturing and maintaining custody of the  
7 24 dangerous wild animal.
- 7 25       12. If the person is no longer able to care for the  
7 26 dangerous wild animal, all of the following apply:
- 7 27       a. The person must so notify the department, stating the  
7 28 planned disposition of the dangerous wild animal.
- 7 29       b. The person must dispose of the dangerous wild animal by  
7 30 transferring ownership and possession to a wildlife sanctuary  
7 31 or providing for its destruction by euthanasia as required by  
7 32 the department.
- 7 33       Sec. 5. NEW SECTION. 717F.5 SEIZURE, CUSTODY, AND  
7 34 DISPOSAL OF DANGEROUS WILD ANIMALS.
- 7 35       1. a. Except as provided in paragraph "b", the department



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8 1 shall seize a dangerous wild animal which is in the possession  
8 2 of a person if the person is not in compliance with the  
8 3 requirements of this chapter.

8 4 b. Upon request, the department may provide that the  
8 5 person retain possession of the dangerous wild animal for not  
8 6 more than fourteen days, upon conditions required by the  
8 7 department. During that period, the person shall take all  
8 8 necessary actions to comply with this chapter. The department  
8 9 shall inspect the premises where the dangerous wild animal is  
8 10 kept during reasonable times to ensure that the person is  
8 11 complying with the conditions.

8 12 2. If the person fails to comply with the conditions of  
8 13 the department at any time or is not in compliance with this  
8 14 chapter following the ten-day period, the department shall  
8 15 seize the dangerous wild animal.

8 16 a. The dangerous wild animal shall be considered to be a  
8 17 threatened animal which has been rescued as provided in  
8 18 chapter 717B. The court may authorize the return of the  
8 19 dangerous wild animal to the person from whom the dangerous  
8 20 wild animal was seized if the court finds all of the  
8 21 following:

8 22 (1) The person is capable of providing the care required  
8 23 for the dangerous wild animal.

8 24 (2) There is a substantial likelihood that the person will  
8 25 provide the care required for the dangerous wild animal.

8 26 (3) The dangerous wild animal has not been abused,  
8 27 neglected, or tortured, as provided in chapter 717B.

8 28 b. If the court orders a permanent disposition of the  
8 29 dangerous wild animal, the dangerous wild animal shall be  
8 30 subject to disposition as provided in section 717B.4 and the  
8 31 responsible party shall be assessed costs associated with its  
8 32 seizure, custody, and disposition as provided in that section.  
8 33 The department may find long-term placement for the dangerous  
8 34 wild animal with a wildlife sanctuary or institution  
8 35 accredited by the American zoo and aquarium association.

9 1 Sec. 6. NEW SECTION. 717F.6 CAUSE OF THE ESCAPE OF A  
9 2 DANGEROUS WILD ANIMAL == PROHIBITION.

9 3 A person shall not intentionally cause a dangerous wild  
9 4 animal to escape from its place of confinement, including as  
9 5 provided in section 717F.4.

9 6 Sec. 7. NEW SECTION. 717F.7 EXEMPTIONS.

9 7 This chapter does not apply to any of the following:

9 8 1. An institution accredited by the American zoo and  
9 9 aquarium association.

9 10 2. A wildlife sanctuary.

9 11 3. A person who has been issued a falconry license by the  
9 12 department pursuant to section 483A.1.

9 13 4. A person who owns or possesses a dangerous wild animal  
9 14 as an agricultural animal. The person shall not transfer the  
9 15 dangerous wild animal to another person, unless the person  
9 16 transferred the dangerous wild animal will own or possess it  
9 17 as an agricultural animal or the person is a wildlife  
9 18 sanctuary.

9 19 5. A person who owns or possesses a dangerous wild animal  
9 20 as an assistive animal. The person shall not transfer the  
9 21 dangerous wild animal to another person, unless the person



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9 22 transferred the dangerous wild animal will own or possess it  
9 23 as an assistive animal or the person is a wildlife sanctuary.  
9 24     6. A person who harvests the dangerous wild animal as a  
9 25 hunter or trapper pursuant to state law and as regulated by  
9 26 the department of natural resources.  
9 27     7. A person who has been issued a wildlife rehabilitation  
9 28 permit by the department pursuant to section 481A.65.  
9 29     8. A circus that obtains a permit from a city in which it  
9 30 will be temporarily operating, if the city issues permits.  
9 31     9. A city.  
9 32     10. A nonprofit corporation governed under chapter 504  
9 33 that is an organization described in section 501(c)(3) of the  
9 34 Internal Revenue Code and that is exempt from taxation under  
9 35 section 501(a) of the Internal Revenue Code if the nonprofit



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10 1 corporation was a party to a contract executed with a city  
10 2 prior to the effective date of this Act to provide for the  
10 3 exhibition of dangerous wild animals at a municipal zoo.  
10 4 11. The state fair as provided in chapter 173 or any fair  
10 5 as provided in chapter 174.  
10 6 12. A licensed or accredited facility where a dangerous  
10 7 wild animal is kept for educational, medical, or scientific  
10 8 purposes, including an institution as defined in section  
10 9 145B.1 or a research facility as defined in section 162.2.  
10 10 13. A location operated by a person licensed to practice  
10 11 veterinary medicine pursuant to chapter 169.  
10 12 14. A pound as defined in section 162.2.  
10 13 15. An animal shelter as defined in section 162.2.  
10 14 16. A county conservation board as provided in chapter  
10 15 350.  
10 16 17. An employee of the department responsible for the  
10 17 administration of this chapter, an animal warden as defined in  
10 18 section 162.2, or an animal care provider or law enforcement  
10 19 officer as defined in section 717B.1.  
10 20 18. A person temporarily transporting a dangerous wild  
10 21 animal through this state if the transit time is not more than  
10 22 ninety-six hours and the dangerous wild animal is maintained  
10 23 within a confined area sufficient to prevent its escape or  
10 24 injuring members of the traveling public.  
10 25 19. A public agency which maintains permanent custody of a  
10 26 dangerous wild animal, if the person to whom the public agency  
10 27 assigns the duty to manage the custody of the dangerous wild  
10 28 animal complies with the provisions of section 717F.4.  
10 29 Sec. 8. NEW SECTION. 717F.8 DANGEROUS WILD ANIMAL  
10 30 REGISTRATION FEES.  
10 31 The department may charge a registration fee for each  
10 32 dangerous wild animal owned or possessed by a person required  
10 33 to be registered pursuant to section 717F.4.  
10 34 1. The department shall collect an annual registration fee  
10 35 which is an original registration fee or a renewal of an



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11 1 original registration fee. The amount of the renewal  
11 2 registration fee is one-half of the amount of the original  
11 3 registration fee. Moneys collected in registration fees shall  
11 4 be deposited in the dangerous wild animal registration fund  
11 5 created in section 717F.9.  
11 6 2. The amount of the original registration fees shall be  
11 7 as follows:  
11 8 a. Five hundred dollars for a member of the order  
11 9 proboscidea, which are any species of elephant.  
11 10 b. Five hundred dollars for a member of the family  
11 11 rhinocero tidae order perissodactyla, which is a rhinoceros.  
11 12 c. Three hundred dollars for a member of the family  
11 13 ursidae of the order carnivora, which is limited to bears.  
11 14 d. For a member of the family felidae of the order  
11 15 carnivora, all of the following:  
11 16 (1) Three hundred dollars for a member of the subfamily  
11 17 pantherinae, limited to leopards other than snow leopards,  
11 18 lions, and tigers; and for a member of the subfamily felinae  
11 19 limited to pumas, jaguars, and cougars.  
11 20 (2) Two hundred dollars for a member of the subfamily  
11 21 felinae limited to bobcats, clouded leopards, cheetahs, and  
11 22 lynx.  
11 23 (3) One hundred dollars for a member of the subfamily  
11 24 felinae limited to caracals, desert cats, Geoffroy's cats,  
11 25 jungle cats, margays, ocelots, servals, and wild cats.  
11 26 e. For a member of the order of primates other than  
11 27 humans, all of the following:  
11 28 (1) Three hundred dollars for a member commonly referred  
11 29 to as an ape, belonging to the hylobatidae family such as  
11 30 gibbons and siamangs, or to the pongidae family including  
11 31 gorillas, orangutans, or chimpanzees.  
11 32 (2) One hundred fifty dollars for a member commonly  
11 33 referred to as an old world monkey, belonging to the family  
11 34 cercopithecidae, including but not limited to macaques,  
11 35 rhesus, mangabeys, mandrills, guenons, patas monkeys, langurs,



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12 1 and proboscis monkeys.  
12 2 (3) Fifty dollars for a member commonly referred to as a  
12 3 new world monkey belonging to the family cebidae, including  
12 4 but not limited to cebids, including capuchin monkeys,  
12 5 howlers, woolly monkeys, squirrel monkeys, night monkeys,  
12 6 titis, uakaris, or to the family callitrichidae, including but  
12 7 not limited to marmosets and tamarins.  
12 8 f. One hundred dollars for a member of the order  
12 9 crocodilia, including but not limited to alligators, caimans,  
12 10 crocodiles, and gharials.  
12 11 g. Fifty dollars for a member of the family varanidae of  
12 12 the order squamata, which are limited to water monitors and  
12 13 crocodile monitors.  
12 14 h. Fifty dollars for a member of the family atractaspidae,  
12 15 including but not limited to mole vipers and burrowing asps.  
12 16 i. Fifty dollars for a member of the family  
12 17 helodermatidae, including but not limited to beaded lizards  
12 18 and gila monsters.  
12 19 j. Fifty dollars for a member of the family elapidae,  
12 20 voperidae, crotalidae, atractaspidae, or hydrophidae which are  
12 21 venomous, including but not limited to cobras, mambas, coral  
12 22 snakes, kraits, adders, vipers, rattlesnakes, copperheads, pit  
12 23 vipers, keelbacks, cottonmouths, and sea snakes.  
12 24 k. One hundred dollars for a member of the superfamily  
12 25 henophidia, which are limited to reticulated pythons,  
12 26 anacondas, and African rock pythons.  
12 27 Sec. 9. NEW SECTION. 717F.9 DANGEROUS WILD ANIMAL  
12 28 REGISTRATION FUND.  
12 29 1. A dangerous wild animal registration fund is created in  
12 30 the state treasury under the control of the department. The  
12 31 fund is composed of moneys appropriated by the general  
12 32 assembly and moneys available to and obtained or accepted by  
12 33 the department from the United States or private sources for  
12 34 placement in the fund. The fund shall include moneys  
12 35 deposited into the fund from registration fees collected by



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13 1 the department pursuant to section 717F.8.  
13 2 2. Moneys in the dangerous wild animal registration fund  
13 3 are appropriated to the department exclusively to administer  
13 4 and enforce the provisions of this chapter. The moneys shall  
13 5 not be transferred, used, obligated, appropriated, or  
13 6 otherwise encumbered except as provided in this subsection.  
13 7 3. Section 8.33 shall not apply to moneys in the dangerous  
13 8 wild animal registration fund. Notwithstanding section 12C.7,  
13 9 moneys earned as income or interest from the fund shall remain  
13 10 in the fund until expended as provided in this section.  
13 11 Sec. 10. NEW SECTION. 717F.10 ENFORCEMENT.  
13 12 The department is the principal agency charged with  
13 13 enforcing the provisions of this chapter. An animal warden as  
13 14 defined in section 162.2, or an animal care provider or law  
13 15 enforcement officer as defined in section 717B.1, shall  
13 16 enforce this chapter as directed by the department.  
13 17 Sec. 11. NEW SECTION. 717F.11 CIVIL PENALTY.  
13 18 A person owning or possessing a dangerous wild animal who  
13 19 violates a provision of this chapter is subject to a civil  
13 20 penalty of not less than two hundred dollars and not more than  
13 21 two thousand dollars for each dangerous wild animal involved  
13 22 in the violation. Each day that a violation continues shall  
13 23 be considered as a separate offense. The civil penalties  
13 24 shall be deposited into the general fund of the state.  
13 25 Sec. 12. NEW SECTION. 717F.12 INJUNCTIVE RELIEF.  
13 26 The courts of this state may prevent and restrain  
13 27 violations of this chapter through the issuance of an  
13 28 injunction. The attorney general or a county attorney shall  
13 29 institute suits on behalf of the state to prevent and restrain  
13 30 violations of this chapter.  
13 31 Sec. 13. NEW SECTION. 717F.13 CRIMINAL PENALTIES.  
13 32 A person who intentionally causes a dangerous wild animal  
13 33 to escape in violation of this chapter is guilty of an  
13 34 aggravated misdemeanor.

13 35 EXPLANATION



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14 1       This bill creates new Code chapter 717F, which regulates  
14 2 the possession of dangerous wild animals which are defined to  
14 3 include wolves, coyotes, jackals, hyenas, lions, tigers,  
14 4 cougars, leopards, cheetahs, ocelots, servals, bears, pandas,  
14 5 rhinoceroses, elephants, primates other than humans,  
14 6 alligators, crocodiles, water monitors, venomous snakes, and  
14 7 certain constrictors (pythons and anacondas).

14 8       The department of agriculture and land stewardship is  
14 9 charged to administer the bill's provisions, although the  
14 10 department may execute Code chapter 28E agreements with other  
14 11 government entities. The bill prohibits a person from owning  
14 12 or possessing a dangerous wild animal, with certain  
14 13 exceptions. It prohibits a person from breeding or  
14 14 transporting a dangerous wild animal into this state.

14 15       The bill specifically allows a person to possess a  
14 16 dangerous wild animal if the person has possession of the  
14 17 dangerous wild animal on the effective date of the bill, but  
14 18 subject to certain conditions. The person cannot have been  
14 19 convicted of an offense relating to animal welfare and cannot  
14 20 have recently been convicted of an offense relating to a  
14 21 controlled substance or a felony. The person must attach or  
14 22 install an electronic identification device to the dangerous  
14 23 wild animal or beneath its skin or hide. The person must also  
14 24 register the dangerous wild animal with the department. The  
14 25 bill requires the person to pay a registration fee which is  
14 26 deposited into a special fund controlled by the department.  
14 27 The bill also provides that the person must confine the  
14 28 dangerous wild animal according to a number of specifications  
14 29 designed to secure it from the public. The person must  
14 30 maintain liability insurance. The person is strictly liable  
14 31 for damages or injuries resulting from the actions of the  
14 32 dangerous wild animal.

14 33       The bill provides for the seizure, custody, and disposal of  
14 34 dangerous wild animals which are kept in violation of the  
14 35 bill's provisions. The department may allow the person in



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Senate File 564 - Introduced continued

15 1 possession of the dangerous wild animal to correct the  
15 2 violation and keep the animal for 10 days but subject to  
15 3 conditions established by the department. If the person fails  
15 4 to comply with those conditions at any time or is not in  
15 5 compliance with the bill's provisions following the 10-day  
15 6 period, the department is required to seize the dangerous wild  
15 7 animal. The dangerous wild animal is considered a threatened  
15 8 animal in the same manner as provided in Code chapter 717B,  
15 9 which authorizes the rescue of animals other than livestock.  
15 10 It provides for notifying the owner of the dangerous wild  
15 11 animal of the seizure, provides for a court hearing to  
15 12 determine disposition, and requires that persons responsible  
15 13 for the dangerous wild animal pay costs associated with its  
15 14 custody and disposition. The bill provides that a court may  
15 15 order the return of the dangerous wild animal if it determines  
15 16 that the person is capable of providing for its care.

15 17 The bill exempts a number of persons and locations from the  
15 18 requirements of the bill, including an accredited zoo,  
15 19 sanctuary, circus, fair, research facility, licensed  
15 20 veterinarian, pound, animal shelter, a person keeping the  
15 21 dangerous wild animal as an agricultural animal or as an  
15 22 assistive animal, a person who hunts or traps a dangerous wild  
15 23 animal, or a person transporting the dangerous wild animal  
15 24 through the state.

15 25 The bill provides for the assessment of fees by persons  
15 26 required to be registered by the department. The department  
15 27 must assess different fees depending upon the type of  
15 28 dangerous wild animal being kept, ranging from \$500 for  
15 29 elephants to \$50 for small poisonous snakes.

15 30 A person who violates the bill's provisions is subject to a  
15 31 civil penalty of not more than \$2,000 for each offense.

15 32 LSB 1622SZ 82

15 33 da:rj/je/5



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**Senate File 565 - Introduced**

SENATE FILE  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1250)

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

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

**A BILL FOR**

- 1 An Act relating to the disposition of certain real estate
- 2 transfer tax receipts by the treasurer of state to certain
- 3 funds.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 2592SV 82
- 6 tm/es/88



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Senate File 565 - Introduced continued

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1 1 Section 1. Section 428A.8, Code 2007, is amended to read  
1 2 as follows:  
1 3 428A.8 REMITTANCE TO STATE TREASURER == PORTION RETAINED  
1 4 IN COUNTY.  
1 5 1. On or before the tenth day of each month the county  
1 6 recorder shall determine and pay to the treasurer of state  
1 7 eighty-two and three-fourths percent of the receipts from the  
1 8 real estate transfer tax collected during the preceding month  
1 9 and the treasurer of state shall deposit ~~ninety-five percent~~  
~~1 10 of the receipts in the general fund of the state and transfer~~  
~~1 11 five percent of the receipts to the shelter assistance fund~~  
~~1 12 created in section 15.349 as provided in subsection 2.~~  
1 13 The county recorder shall deposit the remaining seventeen  
1 14 and one-fourth percent of the receipts in the county general  
1 15 fund.  
1 16 Any tax or additional tax found to be due shall be  
1 17 collected by the county recorder. If the county recorder is  
1 18 unable to collect the tax, the director of revenue shall  
1 19 collect the tax in the same manner as taxes are collected in  
1 20 chapter 422, division III. If collected by the director of  
1 21 revenue, the director shall pay the county its proportionate  
1 22 share of the tax. Section 422.25, subsections 1, 2, 3, and 4,  
1 23 and sections 422.26, 422.28 through 422.30, and 422.73,  
1 24 consistent with this chapter, apply with respect to the  
1 25 collection of any tax or additional tax found to be due, in  
1 26 the same manner and with the same effect as if the deed,  
1 27 instrument, or writing were an income tax return within the  
1 28 meaning of those statutes.  
1 29 The county recorder shall keep records and make reports  
1 30 with respect to the real estate transfer tax as the director  
1 31 of revenue prescribes.  
1 32 2. The treasurer of state shall deposit or transfer the  
1 33 receipts paid the treasurer of state pursuant to subsection 1  
1 34 to either the general fund of the state, the housing trust  
1 35 fund created in section 16.181, or the shelter assistance fund



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2 1 created in section 15.349 as follows:

2 2 a. For the fiscal year beginning July 1, 2007, sixty  
2 3 percent of the receipts shall be deposited in the general  
2 4 fund, thirty-five percent of the receipts shall be transferred  
2 5 to the housing trust fund, and five percent of the receipts  
2 6 shall be transferred to the shelter assistance fund.

2 7 b. For the fiscal year beginning July 1, 2008, fifty-five  
2 8 percent of the receipts shall be deposited in the general  
2 9 fund, forty percent of the receipts shall be transferred to  
2 10 the housing trust fund, and five percent of the receipts shall  
2 11 be transferred to the shelter assistance fund.

2 12 c. For the fiscal year beginning July 1, 2009, and each  
2 13 fiscal year thereafter, fifty percent of the receipts shall be  
2 14 deposited in the general fund, forty-five percent of the  
2 15 receipts shall be transferred to the housing trust fund, and  
2 16 five percent of the receipts shall be transferred to the  
2 17 shelter assistance fund.

2 18 EXPLANATION

2 19 This bill relates to the disposition of certain real estate  
2 20 transfer tax receipts by the treasurer of state.

2 21 Currently, when there is consideration and the actual  
2 22 market value of the real property transferred is in excess of  
2 23 \$500, the tax is 80 cents for each \$500 or fractional part of  
2 24 \$500 in excess of \$500. On or before the 10th day of each  
2 25 month, the county recorder determines and pays to the  
2 26 treasurer of state 82.75 percent of the receipts from the real  
2 27 estate transfer tax collected during the preceding month and  
2 28 the treasurer of state deposits 95 percent of the receipts in  
2 29 the general fund of the state and transfers 5 percent of the  
2 30 receipts to the shelter assistance fund.

2 31 The bill modifies the use of the receipts that are paid to  
2 32 the treasurer of state each month. For FY 2007=2008, the bill  
2 33 reduces the percentage of receipts deposited in the general  
2 34 fund to 60 percent and the percentage is reduced each fiscal  
2 35 year thereafter by 5 percent. By FY 2009=2010, and each



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3 1 fiscal year thereafter, 50 percent of the receipts received by  
3 2 the treasurer of state shall be deposited in the general fund.  
3 3 For FY 2007=2008, the bill transfers 35 percent of the  
3 4 receipts to the housing trust fund and the percentage is  
3 5 increased each fiscal year thereafter by 5 percent. By FY  
3 6 2009=2010, and each fiscal year thereafter, 45 percent of the  
3 7 receipts received by the treasurer of state shall be  
3 8 transferred to the housing trust fund. The bill does not  
3 9 modify the percentage of receipts being transferred to the  
3 10 shelter assistance fund.  
3 11 LSB 2592SV 82  
3 12 tm:nh/es/88



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Senate Study Bill 1342

SENATE FILE  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON BOLKCOM)

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

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

A BILL FOR

1 An Act allowing a sales tax exemption for the operation of  
2 nonprofit private performing arts centers, allowing a sales  
3 tax refund for construction of such centers, and including a  
4 retroactive applicability date.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TL5B 2865SC 82  
7 ak/je/5



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Senate Study Bill 1342 continued

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1 1 Section 1. Section 423.3, subsection 22, Code 2007, is  
1 2 amended to read as follows:  
1 3 22. The sales price from sales of goods, wares, or  
1 4 merchandise, or from services furnished, to a nonprofit  
1 5 private art center or performing arts center to be used in the  
1 6 operation of the art center or performing arts center.  
1 7 Sec. 2. Section 423.4, subsection 1, unnumbered paragraph  
1 8 1, Code 2007, is amended to read as follows:  
1 9 A private nonprofit educational institution in this state,  
1 10 nonprofit Iowa affiliate of a nonprofit international  
1 11 organization whose primary activity is the promotion of the  
1 12 construction, remodeling, or rehabilitation of one=family or  
1 13 two=family dwellings for low=income families, nonprofit  
1 14 private museum in this state, nonprofit private performing  
1 15 arts center, tax=certifying or tax=levying body or  
1 16 governmental subdivision of the state, including the state  
1 17 board of regents, state department of human services, state  
1 18 department of transportation, a municipally owned solid waste  
1 19 facility which sells all or part of its processed waste as  
1 20 fuel to a municipally owned public utility, and all divisions,  
1 21 boards, commissions, agencies, or instrumentalities of state,  
1 22 federal, county, or municipal government which do not have  
1 23 earnings going to the benefit of an equity investor or  
1 24 stockholder, may make application to the department for the  
1 25 refund of the sales or use tax upon the sales price of all  
1 26 sales of goods, wares, or merchandise, or from services  
1 27 furnished to a contractor, used in the fulfillment of a  
1 28 written contract with the state of Iowa, any political  
1 29 subdivision of the state, or a division, board, commission,  
1 30 agency, or instrumentality of the state or a political  
1 31 subdivision, a private nonprofit educational institution in  
1 32 this state, a nonprofit Iowa affiliate described in this  
1 33 subsection, or a nonprofit private museum in this state if the  
1 34 property becomes an integral part of the project under  
1 35 contract and at the completion of the project becomes public



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Senate Study Bill 1342 continued

2 1 property, is devoted to educational uses, becomes part of a  
2 2 low-income one-family or two-family dwelling in the state, ~~or~~  
2 3 becomes a nonprofit private museum, or becomes a nonprofit  
2 4 private performing arts center; except goods, wares, or  
2 5 merchandise, or services furnished which are used in the  
2 6 performance of any contract in connection with the operation  
2 7 of any municipal utility engaged in selling gas, electricity,  
2 8 or heat to the general public or in connection with the  
2 9 operation of a municipal pay television system; and except  
2 10 goods, wares, and merchandise used in the performance of a  
2 11 contract for a "project" under chapter 419 as defined in that  
2 12 chapter other than goods, wares, or merchandise used in the  
2 13 performance of a contract for a "project" under chapter 419  
2 14 for which a bond issue was approved by a municipality prior to  
2 15 July 1, 1968, or for which the goods, wares, or merchandise  
2 16 becomes an integral part of the project under contract and at  
2 17 the completion of the project becomes public property or is  
2 18 devoted to educational uses.

2 19 Sec. 3. RETROACTIVE APPLICABILITY. The section of this  
2 20 Act amending section 423.4 applies retroactively to January 1,  
2 21 2006, for construction contracts entered into on or after that  
2 22 date.

2 23 EXPLANATION

2 24 This bill exempts from sales tax the sale of materials and  
2 25 services provided that are used in the operation of a  
2 26 nonprofit private performing arts center. The bill allows the  
2 27 sales tax from construction materials and services used to  
2 28 build a nonprofit private performing arts center to be  
2 29 refunded upon application to the Iowa department of revenue.  
2 30 The bill makes the refund provision retroactively applicable  
2 31 to construction contracts entered into on or after January 1,  
2 32 2006.

2 33 LSB 2865SC 82

2 34 ak:sc/je/5