



Iowa General Assembly
Daily Bills, Amendments & Study Bills
April 09, 2008

House Amendment 8457

PAG LIN

1 1 Amend House File 2663 as follows:
1 2 #1. Page 1, by inserting before line 1 the
1 3 following:
1 4 <Section 1. Section 8.54, Code 2007, is amended by
1 5 adding the following new subsection:
1 6 NEW SUBSECTION. 8. If the revenue estimating
1 7 conference's estimate of state general fund revenues
1 8 made at a later meeting, as defined in section 8.22A,
1 9 subsection 3, exceeds the estimate of state general
1 10 fund revenues made at the meeting held prior to
1 11 December 15, pursuant to section 8.22A, an amount
1 12 equal to such excess amount shall be transferred from
1 13 the general fund of the state to the property tax
1 14 equity and relief fund created in section 257.16A.
1 15 The amount transferred under this subsection shall not
1 16 be deemed an appropriation for purposes of the general
1 17 fund expenditure limitation and shall be made prior to
1 18 any appropriation or transfer of the surplus in the
1 19 general fund of the state pursuant to section 8.57.>
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1 23 RANTS of Woodbury
1 24 HF 2663.204 82
1 25 mg/mg/10663
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1 1 Amend House File 2663 as follows:
1 2 #1. Page 10, lines 3 and 4, by striking the words
1 3 and figure <, as computed in subsection 8,>.
1 4 #2. Page 10, by inserting after line 7 the
1 5 following:
1 6 <Sec. _____. Section 423E.4, subsection 3, paragraph
1 7 b, subparagraph (3), Code 2007, as amended by this
1 8 Act, is amended to read as follows:
1 9 (3) "Statewide tax revenues per student" means the
1 10 amount determined by estimating the total revenues
1 11 that would be generated by a one percent local option
1 12 sales and services tax for school infrastructure
1 13 purposes if imposed by all the counties during the
1 14 entire fiscal year, as computed in subsection 8, and
1 15 dividing this estimated revenue amount by the sum of
1 16 the combined actual enrollment for all counties as
1 17 determined in section 423E.3, subsection 5, paragraph
1 18 "d", subparagraph (2).>
1 19 #3. Page 38, by inserting after line 23 the
1 20 following:
1 21 <Sec. _____. EFFECTIVE, CONTINGENT EFFECTIVE, AND
1 22 APPLICABILITY DATE PROVISIONS.
1 23 1. Except as provided in subsection 3, this Act
1 24 takes effect July 1 following ratification of an
1 25 amendment to the Constitution of the State of Iowa
1 26 that provides the following:
1 27 All revenue derived from the increase in the state
1 28 sales and use tax rates from five percent to six
1 29 percent shall be distributed to the school districts
1 30 of the state to be used exclusively for school
1 31 infrastructure purposes or school property tax relief,
1 32 including the payment of principal and interest on
1 33 bonds issued for school infrastructure purposes.
1 34 2. If sections of this Act take effect as provided
1 35 in subsection 1, those sections of this Act apply to
1 36 fiscal years beginning on or after the effective date
1 37 of those sections of this Act.
1 38 3. Sections 20 and 22 of this Act amending section
1 39 423E.4, subsection 3, paragraph "a", and section
1 40 423E.4, subsection 3, paragraph "b", subparagraph (3),
1 41 take effect July 1, 2008.>
1 42 #4. Title page, line 7, by striking the words <an
1 43 effective date provision> and inserting the following:
1 44 <effective, contingent effective, and applicability
1 45 date provisions.>
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1 49 FORRISTALL of Pottawattamie
1 50 HF 2663.507 82



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House Amendment 8458 continued

2 1 mg/mg/10619



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House Amendment 8459

PAG LIN

1 1 Amend House File 2663 as follows:
 1 2 #1. Page 3, by inserting after line 13 the
 1 3 following:
 1 4 <Sec. _____. Section 422.11S, subsection 7,
 1 5 paragraph a, subparagraph (2), Code Supplement 2007,
 1 6 is amended to read as follows:
 1 7 (2) "Total approved tax credits" means for the tax
 1 8 year beginning in the 2006 calendar year, two million
 1 9 five hundred thousand dollars, for the tax year
 1 10 beginning in the 2007 calendar year, five million
 1 11 dollars, ~~and for tax years beginning on or after~~
 1 12 ~~January 1, 2008~~ for the tax year beginning in the 2008
 1 13 calendar year, seven million five hundred thousand
 1 14 dollars, and for tax years beginning on or after
 1 15 January 1, 2009, ten million dollars.>
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 1 19 VAN FOSSEN of Scott
 1 20 HF 2663.207 82
 1 21 mg/mg/10620
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House Amendment 8460

PAG LIN

1 1 Amend the amendment, H=8354, to Senate File 2134,
 1 2 as amended, passed, and reprinted by the Senate, as
 1 3 follows:
 1 4 #1. Page 5, by inserting after line 20 the
 1 5 following:
 1 6 <Sec. 100. Section 321.34, subsection 24, Code
 1 7 Supplement 2007, is amended to read as follows:
 1 8 24. GOLD STAR PLATES. An owner referred to in
 1 9 subsection 12 who is the surviving spouse, parent,
 1 10 child, or sibling of a deceased member of the United
 1 11 States armed forces who died while serving on active
 1 12 duty during a time of military conflict or who died as
 1 13 a result of such service may order special
 1 14 registration plates bearing a gold star emblem upon
 1 15 written application to the department accompanied by
 1 16 satisfactory supporting documentation as determined by
 1 17 the department. The gold star emblem shall be
 1 18 designed by the department in cooperation with the
 1 19 commission of veterans affairs. The special plate
 1 20 fees collected by the director under subsection 12,
 1 21 paragraph "a", from the issuance and annual validation
 1 22 of letter=number designated and personalized gold star
 1 23 plates shall be paid monthly to the treasurer of state
 1 24 and credited to the road use tax fund.
 1 25 Notwithstanding section 423.43, and prior to the
 1 26 crediting of revenues to the road use tax fund under
 1 27 section 423.43, subsection 1, paragraph "b", the
 1 28 treasurer of state shall transfer monthly from those
 1 29 revenues to the veterans license fee fund created in
 1 30 section 35A.11 the amount of the special fees
 1 31 collected in the previous month for gold star plates.>
 1 32 #2. Page 5, line 32, by inserting after the figure
 1 33 <2009> the following: <, except for section 100 of
 1 34 this Act, amending section 321.34, which shall take
 1 35 effect on July 1, 2008>.
 1 36 #3. Page 5, line 42, by inserting after the word
 1 37 <appropriation,> the following: <concerning
 1 38 eligibility criteria for special gold star motor
 1 39 vehicle registration plates>.
 1 40 #4. By renumbering as necessary.
 1 41
 1 42
 1 43
 1 44 BAILEY of Hamilton
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 1 48 WINDSCHITL of Harrison
 1 49 SF 2134.301 82
 1 50 md/sc/21152



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House Amendment 8461

PAG LIN

1 1 Amend House File 2663 as follows:
1 2 #1. Page 15, line 28, by inserting after the word
1 3 <relief.> the following: <Notwithstanding section
1 4 12C.7, interest or earnings on moneys in the fund
1 5 shall be credited to the property tax equity and
1 6 relief fund created in section 257.16A.>
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1 10 TYMESON of Madison
1 11 HF 2663.508 82
1 12 mg/mg/12279
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House Amendment 8462

PAG LIN

1 1 Amend House File 2663 as follows:

1 2 #1. Page 6, by striking lines 21 and 22 and
 1 3 inserting the following: <remaining revenues as
 1 4 follows:

1 5 (1) Ninety=nine percent to the secure an advanced
 1 6 vision for education fund created in section 423F.2.

1 7 (2) One percent to an area education agency
 1 8 infrastructure and maintenance fund created in the
 1 9 state treasury under the control of the department of
 1 10 education. Moneys in this fund shall be allocated by
 1 11 the department, pursuant to a formula adopted by rule
 1 12 pursuant to chapter 17A, to area education agencies
 1 13 for repairing, remodeling, reconstructing, improving
 1 14 or expanding facilities.

1 15 This paragraph is>.

1 16 #2. Page 7, by striking lines 19 and 20 and
 1 17 inserting the following: <remaining revenues as
 1 18 follows:

1 19 (1) Ninety=nine percent to the secure an advanced
 1 20 vision for education fund created in section 423F.2.

1 21 (2) One percent to the area education agency
 1 22 infrastructure and maintenance fund created in and to
 1 23 be used as provided in section 423.2, subsection 11,
 1 24 paragraph "b".

1 25 This paragraph is>.

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1 29 PAULSEN of Linn

1 30 HF 2663.208 82

1 31 mg/mg/10621

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House Amendment 8463

PAG LIN

1 1 Amend the amendment, H=8350, to Senate File 2392,
1 2 as amended, passed, and reprinted by the Senate, as
1 3 follows:
1 4 #1. Page 1, by inserting after line 5 the
1 5 following:
1 6 <#____. Page 11, line 31, by striking the words
1 7 <AND BOND>.
1 8 #____. Page 14, by striking lines 1 through 32.>
1 9 #2. By renumbering as necessary.
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1 13 BAILEY of Hamilton
1 14 SF 2392.508 82
1 15 da/rj/11511
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House Amendment 8464

PAG LIN

1 1 Amend House File 2412 as follows:
1 2 #1. Page 1, by inserting before line 1 the
1 3 following:
1 4 <Section 1. Section 8F.3, subsection 1, Code
1 5 Supplement 2007, is amended by adding the following
1 6 new paragraph:
1 7 NEW PARAGRAPH. e. Information that the recipient
1 8 entity's policies prohibit the use of any of the
1 9 moneys received pursuant to a service contract to
1 10 provide bonuses to officers or employees of the
1 11 recipient entity.>
1 12 #2. Page 2, by inserting after line 8 the
1 13 following:
1 14 <Sec. ____ . NEW SECTION. 68B.24A BONUSSES ==
1 15 BANNED.
1 16 Unless otherwise authorized by law or required
1 17 pursuant to a collective bargaining agreement, an
1 18 appointed state officer or a state employee shall not
1 19 receive, in addition to a salary, any remuneration in
1 20 the form of a bonus, including but not limited to a
1 21 retention bonus, recruitment bonus, exceptional job
1 22 performance pay, extraordinary duty pay, or
1 23 extraordinary or special duty pay, for or during the
1 24 time period beginning on or after the effective date
1 25 of this Act.
1 26 Sec. ____ . Section 68B.25, Code 2007, is amended to
1 27 read as follows:
1 28 68B.25 ADDITIONAL PENALTY.
1 29 In addition to any penalty contained in any other
1 30 provision of law, a person who knowingly and
1 31 intentionally violates a provision of sections 68B.2A
1 32 through 68B.7, sections 68B.22 through ~~68B.24~~ 68B.24A,
1 33 or sections 68B.35 through 68B.38 is guilty of a
1 34 serious misdemeanor and may be reprimanded, suspended,
1 35 or dismissed from the person's position or otherwise
1 36 sanctioned.
1 37 Sec. ____ . Section 70A.1, subsection 1, Code 2007,
1 38 is amended to read as follows:
1 39 1. Salaries specifically provided for in an
1 40 appropriation Act of the general assembly shall be in
1 41 lieu of existing statutory salaries, for the positions
1 42 provided for in the Act, and all salaries, including
1 43 longevity where applicable by express provision in the
1 44 Code, shall be paid according to the provisions of
1 45 chapter 91A and shall be in full compensation of all
1 46 services, including any service on committees, boards,
1 47 commissions or similar duty for Iowa government,
1 48 except for members of the general assembly. A state
1 49 employee on an annual salary shall not be paid for a
1 50 pay period an amount which exceeds the employee's



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House Amendment 8464 continued

2 1 annual salary transposed into a rate applicable to the
2 2 pay period by dividing the annual salary by the number
2 3 of pay periods in the fiscal year. Salaries for state
2 4 employees covered by the overtime payment provisions
2 5 of the federal Fair Labor Standards Act shall be
2 6 established on an hourly basis. In addition, unless
2 7 otherwise authorized by law or required pursuant to a
2 8 collective bargaining agreement, a state employee
2 9 shall not, in addition to a salary, receive any
2 10 remuneration in the form of a bonus, including but not
2 11 limited to a retention bonus, recruitment bonus,
2 12 exceptional job performance pay, extraordinary duty
2 13 pay, or extraordinary or special duty pay, for or
2 14 during the time period beginning on or after the
2 15 effective date of this Act.

2 16 Sec. ____ . APPOINTED STATE OFFICERS. The governor
2 17 shall establish a salary for appointed nonelected
2 18 persons in the executive branch of state government
2 19 holding a position authorized by a law that addresses
2 20 the salary ranges of state officers within the range
2 21 provided, by considering, among other items, the
2 22 experience of the individual in the position, changes
2 23 in the duties of the position, the incumbent's
2 24 performance of assigned duties, and subordinates'
2 25 salaries. However, the attorney general shall
2 26 establish the salary for the consumer advocate, the
2 27 chief justice of the supreme court shall establish the
2 28 salary for the state court administrator, the ethics
2 29 and campaign disclosure board shall establish the
2 30 salary of the executive director, the Iowa public
2 31 broadcasting board shall establish the salary of the
2 32 administrator of the public broadcasting division of
2 33 the department of education, and the state fair board
2 34 shall establish the salary of the secretary of the
2 35 state fair board, each within the salary range
2 36 authorized by a law that addresses the salary ranges
2 37 of state officers.

2 38 The governor, in establishing salaries as
2 39 authorized by a law that addresses the salary ranges
2 40 of state officers, shall take into consideration other
2 41 employee benefits which may be provided for an
2 42 individual including but not limited to housing.

2 43 A person whose salary is established pursuant to a
2 44 law that addresses the salary ranges of state officers
2 45 and who is a full-time, year-round employee of the
2 46 state shall not receive any other remuneration from
2 47 the state or from any other source for the performance
2 48 of that person's duties. However, this provision does
2 49 not exclude the reimbursement for necessary travel and
2 50 expenses incurred in the performance of duties or



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House Amendment 8464 continued

3 1 fringe benefits normally provided to employees of the
3 2 state.>
3 3 #3. Title page, line 2, by inserting after the
3 4 word <gifts> the following: <and bonuses>.
3 5 #4. Title page, line 3, by inserting after the
3 6 word <employees> the following: <and bonuses awarded
3 7 to employees of entities receiving government funds
3 8 pursuant to a service contract with the state>.
3 9 #5. By renumbering as necessary.
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3 13 BAUDLER of Adair
3 14 HF 2412.302 82
3 15 av/rj/11477



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House Amendment 8465

PAG LIN

1 1 Amend the House amendment, S=5272, to Senate File
1 2 2308, as amended, passed, and reprinted by the Senate,
1 3 as follows:
1 4 #1. Page 1, by striking lines 3 through 22.
1 5 #2. Page 1, by striking lines 43 through 49.
1 6 #3. By renumbering as necessary.
1 7 SF 2308.508 82
1 8 rn/nh/21084
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House Amendment 8466

PAG LIN

1 1 Amend House File 2663 as follows:
1 2 #1. Page 1, by inserting before line 1 the
1 3 following:
1 4 <Section 1. Section 256.9, Code Supplement 2007,
1 5 is amended by adding the following new subsection:
1 6 NEW SUBSECTION. 57. Include on a student's
1 7 cumulative record whether the student is a citizen of
1 8 the United States, a legal immigrant, or an illegal
1 9 immigrant. The director shall report any student that
1 10 is an illegal immigrant to the federal immigration and
1 11 customs enforcement agency.>
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1 15 PAULSEN of Linn
1 16 HF 2663.511 82
1 17 mg/mg/12281
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House Amendment 8467

PAG LIN

1 1 Amend the amendment, H=8325, to Senate File 2132,
 1 2 as amended, passed, and reprinted by the Senate, as
 1 3 follows:
 1 4 #1. Page 1, by inserting after line 2 the
 1 5 following:
 1 6 <#___. Page 1, by striking lines 3 through 7 and
 1 7 inserting the following:
 1 8 1. Seized property ~~which is no longer required as~~
~~1 9 evidence or for use in an investigation shall be~~
~~1 10 returned to the owner, provided that the person's~~
~~1 11 possession of the property is not prohibited by law~~
~~1 12 and there is no forfeiture claim filed on behalf of~~
~~1 13 the state if the property is no longer required as~~
1 14 evidence or the property has been photographed and the
1 15 photograph will be used as evidence in lieu of the
1 16 property, if the property is no longer required for
1 17 use in an investigation, if the owner's possession is
1 18 not prohibited by law, and if a forfeiture claim has
1 19 not been filed on behalf of the state.>
 1 20 #___. Page 1, line 8, by inserting before the word
 1 21 <value> the following: <aggregate fair market>.
 1 22 #___. Page 1, line 21, by inserting before the
 1 23 word <value> the following: <aggregate fair market>.
 1 24 #___. Page 2, line 22, by inserting before the
 1 25 word <value> the following: <aggregate fair market>.>
 1 26 #2. Page 1, by inserting after line 8 the
 1 27 following:
 1 28 <#___. Page 2, line 29, by inserting before the
 1 29 word <value> the following: <aggregate fair market>.>
 1 30 #3. Page 1, line 12, by striking the words <with
 1 31 a> and inserting the following: <with an aggregate
1 32 fair market>.
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 1 36 R. OLSON of Polk
 1 37 SF 2132.202 82
 1 38 jm/rj/11502
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House Amendment 8468

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1 1 Amend Senate File 587, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 1, line 1, by striking the figure
1 4 <422.11T> and inserting the following: <422.11V>.
1 5 #2. Page 1, line 4, by striking the words and
1 6 figures <sections 422.12 and 422.12B> and inserting
1 7 the following: <section 422.12>.
1 8 #3. Page 1, line 33, by inserting after the word
1 9 <Code> the following: <Supplement>.
1 10 #4. Page 1, line 35, by striking the figure <24.>
1 11 and inserting the following: <25.>
1 12 #5. Page 2, by striking lines 1 and 2 and
1 13 inserting the following: <division shall be reduced
1 14 by a charitable conservation>.
1 15 #6. Page 2, line 25, by striking the figure <2007>
1 16 and inserting the following: <2008>.
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1 20 FREVERT of Palo Alto
1 21 SF 587.502 82
1 22 mg/mg/10612
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House Amendment 8469

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1 1 Amend House File 2080 as follows:
1 2 #1. Page 1, line 1, by striking the figure
1 3 <422.11V> and inserting the following: <422.11T>.
1 4 #2. Page 1, line 4, by striking the word and
1 5 figure <section 422.12> and inserting the following:
1 6 <sections 422.12 and 422.12B>.
1 7 #3. Page 1, line 33, by striking the word
1 8 <Supplement>.
1 9 #4. Page 1, line 35, by striking the figure <25.>
1 10 and inserting the following: <24.>
1 11 #5. Page 2, line 1, by inserting after the word
1 12 <division> the following: <, less the credits allowed
1 13 under sections 422.12 and 422.12B,>.
1 14 #6. Page 2, line 24, by striking the figure <2008>
1 15 and inserting the following: <2007>.
1 16
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1 19 FREVERT of Palo Alto
1 20 HF 2080.701 82
1 21 mg/mg/10611
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House Amendment 8470

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1 1 Amend the amendment, H=8350, to Senate File 2392,
1 2 as amended, passed, and reprinted by the Senate, as
1 3 follows:
1 4 #1. By striking page 1, line 3, through page 4,
1 5 line 42, and inserting the following:
1 6 <#____. By striking everything after the enacting
1 7 clause and inserting the following:
1 8 <DIVISION I
1 9 LIFE SETTLEMENT CONTRACTS
1 10 Section 1. NEW SECTION. 508G.1 SHORT TITLE.
1 11 This chapter may be cited as the "Life Settlements
1 12 Act".
1 13 Sec. 2. NEW SECTION. 508G.2 DEFINITIONS.
1 14 As used in this chapter, unless the context
1 15 otherwise requires:
1 16 1. "Advertisement" means any written, electronic,
1 17 or printed communication or any communication by means
1 18 of recorded telephone messages or transmitted on
1 19 radio, television, the internet, or similar
1 20 communications media, including film strips, motion
1 21 pictures, and videos, published, disseminated,
1 22 circulated, or placed before the public, directly or
1 23 indirectly, for the purpose of creating an interest in
1 24 or inducing a person to purchase or sell, assign,
1 25 devise, bequest, or transfer the death benefit or
1 26 ownership of a life insurance policy or an interest in
1 27 a life insurance policy pursuant to a life settlement
1 28 contract.
1 29 2. "Broker" means a person who, on behalf of an
1 30 owner and for a fee, commission or other valuable
1 31 consideration, offers or attempts to negotiate a life
1 32 settlement contract between an owner and a provider.
1 33 A broker represents only the owner and owes a
1 34 fiduciary duty to the owner to act according to the
1 35 owner's instructions, and in the best interest of the
1 36 owner, notwithstanding the manner in which the broker
1 37 is compensated. A broker does not include an
1 38 attorney, certified public accountant, or financial
1 39 planner retained in the type of practice customarily
1 40 performed in the attorney's, accountant's, or
1 41 planner's professional capacity to represent the owner
1 42 whose compensation is not paid directly or indirectly
1 43 by the provider or any other person, except the owner.
1 44 3. "Business of life settlement" means an activity
1 45 involved in but not limited to offering to enter into,
1 46 soliciting, negotiating, procuring, effectuating,
1 47 monitoring, or tracking, of life settlement contracts.
1 48 4. "Chronically ill" means any of the following:
1 49 a. Being unable to perform at least two activities
1 50 of daily living such as eating, toileting,



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House Amendment 8470 continued

- 2 1 transferring, bathing, dressing, or continence.
2 2 b. Requiring substantial supervision to protect
2 3 the individual from threats to health and safety due
2 4 to severe cognitive impairment.
2 5 c. Having a level of disability similar to that
2 6 described in paragraph "a" as determined by the United
2 7 States secretary of health and human services.
2 8 5. "Commissioner" means the commissioner of
2 9 insurance.
2 10 6. a. "Financing entity" means a person who is an
2 11 underwriter, placement agent, lender, purchaser of
2 12 securities, purchaser of a policy or certificate from
2 13 a provider, credit enhancer, or any entity that has a
2 14 direct ownership in a policy or certificate that is
2 15 the subject of a life settlement contract, if all of
2 16 the following apply:
2 17 (1) The person's principal activity related to the
2 18 transaction is providing funds to effect the life
2 19 settlement contract or purchase of one or more
2 20 policies.
2 21 (2) The person has an agreement in writing with
2 22 one or more providers to finance the acquisition of
2 23 one or more life settlement contracts.
2 24 b. "Financing entity" does not include a
2 25 nonaccredited investor or purchaser.
2 26 7. "Financing transaction" means a transaction in
2 27 which a licensed provider obtains financing from a
2 28 financing entity including but not limited to any
2 29 secured or unsecured financing, any securitization
2 30 transaction, or any securities offering which either
2 31 is registered or exempt from registration under
2 32 federal and state securities law, including chapter
2 33 502.
2 34 8. "Fraudulent life settlement act" includes any
2 35 of the following:
2 36 a. An act or omission committed by a person who,
2 37 knowingly and with intent to defraud, for the purpose
2 38 of depriving another of property or for pecuniary
2 39 gain, commits, or permits its employees or its agents
2 40 to engage in, an act including but not limited to any
2 41 of the following:
2 42 (1) Presenting, causing to be presented, or
2 43 preparing with knowledge and belief that it will be
2 44 presented to or by a provider, premium finance lender,
2 45 broker, insurer, insurance producer, or any other
2 46 person, false material information, or concealing
2 47 material information, as part of, in support of, or
2 48 concerning a fact material to one or more of the
2 49 following:
2 50 (a) An application for the issuance of a life



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- 3 1 settlement contract or insurance policy.
3 2 (b) The underwriting of a life settlement contract
3 3 or insurance policy.
3 4 (c) A claim for payment or benefit pursuant to a
3 5 life settlement contract or life insurance policy.
3 6 (d) Premiums paid on a life insurance policy.
3 7 (e) Payments and changes in ownership or
3 8 beneficiary made in accordance with the terms of a
3 9 life settlement contract or life insurance policy.
3 10 (f) The reinstatement or conversion of a life
3 11 insurance policy.
3 12 (g) In the solicitation, offer to enter into, or
3 13 effectuation of a life settlement contract or life
3 14 insurance policy.
3 15 (h) The issuance of written evidence of a life
3 16 settlement contract or life insurance policy.
3 17 (i) Any application for or the existence of, or
3 18 any payments related to, a loan secured directly or
3 19 indirectly by any interest in a life insurance policy.
3 20 (j) Entering into any practice or plan which
3 21 involves a stranger-originated life insurance policy.
3 22 (2) Failing to disclose to the insurer where the
3 23 request for such disclosure has been asked for by the
3 24 insurer that the prospective insured has undergone a
3 25 life expectancy evaluation by any person or entity
3 26 other than the insurer or its authorized
3 27 representatives in connection with the issuance of the
3 28 life insurance policy.
3 29 (3) Employing any device, scheme, or artifice to
3 30 defraud in the business of life settlements.
3 31 (4) In the solicitation, application or issuance
3 32 of a life insurance policy, employing any device,
3 33 scheme or artifice in violation of state insurable
3 34 interest laws.
3 35 b. In the furtherance of a fraud, or to prevent
3 36 the detection of a fraud, a person commits or permits
3 37 its employee or its agent to do any of the following:
3 38 (1) Remove, conceal, alter, destroy, or sequester
3 39 from the commissioner the assets or records of a
3 40 licensee or other person engaged in the business of
3 41 life settlements.
3 42 (2) Misrepresent or conceal the financial
3 43 condition of a licensee, financing entity, insurer, or
3 44 other person.
3 45 (3) Transact the business of life settlements in
3 46 violation of laws requiring a license, certificate of
3 47 authority, or other legal authority for the
3 48 transaction of the business of life settlements.
3 49 (4) File with the commissioner or the chief
3 50 insurance regulatory official of another jurisdiction



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4 1 a document containing false information or otherwise
4 2 concealing information about a material fact from the
4 3 commissioner.
4 4 (5) Engage in embezzlement, theft,
4 5 misappropriation, or conversion of moneys, funds,
4 6 premiums, credits, or other property of a provider,
4 7 broker insurer, insured, owner, or any other person
4 8 engaged in the business of life settlement contracts
4 9 or insurance policy.
4 10 (6) Knowingly and with intent to defraud, enter
4 11 into, broker, or otherwise deal in a life settlement
4 12 contract, the subject of which is a life insurance
4 13 policy that was obtained by presenting false
4 14 information concerning any fact material to the life
4 15 insurance policy or by concealing, for the purpose of
4 16 misleading another, information concerning any fact
4 17 material to the life insurance policy, where the owner
4 18 or the owner's agent intended to defraud the life
4 19 insurance policy's issuer.
4 20 (7) Attempt to commit, assist, aid, or abet in the
4 21 commission of, or conspiracy to commit an act or
4 22 omission specified in this subsection.
4 23 (8) Misrepresent the state of residence of an
4 24 owner to be a state or jurisdiction that does not have
4 25 a law substantially similar to this chapter for the
4 26 purpose of evading or avoiding the provisions of this
4 27 chapter.
4 28 9. "Insured" means the person covered under the
4 29 life insurance policy being considered for sale in a
4 30 life settlement contract.
4 31 10. "Life expectancy" means the arithmetic mean of
4 32 the number of months the insured under the life
4 33 insurance policy to be settled can be expected to live
4 34 as determined by a life expectancy company considering
4 35 medical records and appropriate experiential data.
4 36 11. "Life insurance policy" means an individual or
4 37 group policy, group certificate, contract, or
4 38 arrangement of life insurance owned by a resident of
4 39 this state, regardless of whether delivered or issued
4 40 for delivery in this state.
4 41 12. "Life insurance producer" or "producer" means
4 42 any person licensed in this state as a resident or
4 43 nonresident insurance producer who has received
4 44 qualification or authority for life insurance coverage
4 45 or a life line of coverage pursuant to title XIII,
4 46 subtitle I of the Code.
4 47 13. a. "Life settlement contract" means a written
4 48 agreement entered into between a provider and an
4 49 owner, establishing the terms under which compensation
4 50 or anything of value will be paid, which compensation



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5 1 or thing of value is less than the expected death
5 2 benefit of the life insurance policy or life insurance
5 3 certificate, in return for the owner's assignment,
5 4 transfer, sale, devise, or bequest of the death
5 5 benefit or any portion of a life insurance policy or
5 6 life insurance certificate for compensation, provided,
5 7 however, that the minimum value for a life settlement
5 8 contract shall be greater than a cash surrender value
5 9 or accelerated death benefit available at the time of
5 10 an application for a life settlement contract.
5 11 b. "Life settlement contract" also includes the
5 12 transfer for compensation or value of ownership or
5 13 beneficial interest in a trust or other entity that
5 14 owns such policy if the trust or other entity was
5 15 formed or availed of for the principal purpose of
5 16 acquiring one or more life insurance contracts, which
5 17 life insurance contract insures the life of a person
5 18 residing in this state.
5 19 c. "Life settlement contract" also includes any of
5 20 the following:
5 21 (1) A written agreement for a loan or other
5 22 lending transaction, secured primarily by an
5 23 individual or group life insurance policy.
5 24 (2) A premium finance loan made for a life
5 25 insurance policy on or before the date of issuance of
5 26 the life insurance policy where any of the following
5 27 applies:
5 28 (a) The loan proceeds are not used solely to pay
5 29 premiums for the life insurance policy and any costs
5 30 or expenses incurred by the lender or the borrower in
5 31 connection with the financing.
5 32 (b) The owner receives on the date of the premium
5 33 finance loan a guarantee of the future life settlement
5 34 value of the life insurance policy.
5 35 (c) The owner agrees on the date of the premium
5 36 finance loan to sell the life insurance policy or any
5 37 portion of its death benefit on any date following the
5 38 issuance of the life insurance policy.
5 39 d. "Life settlement contract" does not include any
5 40 of the following:
5 41 (1) A life insurance policy loan by a life
5 42 insurance company pursuant to the terms of the life
5 43 insurance policy or accelerated death provisions
5 44 contained in the life insurance policy, whether issued
5 45 with the original life insurance policy or as a rider.
5 46 (2) A premium finance loan or any loan made by a
5 47 bank or other licensed financial institution, provided
5 48 that a default on such loan or a transfer of the life
5 49 insurance policy in connection with such default is
5 50 pursuant to an agreement or understanding with any



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- 6 1 other person for the purpose of evading regulation
6 2 under this chapter.
- 6 3 (3) A collateral assignment of a life insurance
6 4 policy by an owner.
- 6 5 (4) A loan made by a lender, provided such loan is
6 6 not described in paragraph "c", and is not otherwise a
6 7 life settlement contract.
- 6 8 (5) An agreement where all the parties (a) are
6 9 closely related to the insured by blood or law or (b)
6 10 have a lawful substantial economic interest in the
6 11 continued life, health, and bodily safety of the
6 12 person insured, or are trusts established primarily
6 13 for the benefit of such parties.
- 6 14 (6) Any designation, consent, or agreement by an
6 15 insured who is an employee of an employer in
6 16 connection with the purchase by the employer, or trust
6 17 established by the employer, of life insurance on the
6 18 life of the employee.
- 6 19 (7) A bona fide business succession planning
6 20 arrangement that is between any of the following:
- 6 21 (a) One or more shareholders in a corporation or
6 22 between a corporation and one or more of its
6 23 shareholders or one or more trusts established by its
6 24 shareholders.
- 6 25 (b) One or more partners in a partnership or
6 26 between a partnership and one or more of its partners
6 27 or one or more trusts established by its partners.
- 6 28 (c) One or more members in a limited liability
6 29 company or between a limited liability company and one
6 30 or more of its members or one or more trusts
6 31 established by its members.
- 6 32 (8) An agreement entered into by a service
6 33 recipient, or a trust established by the service
6 34 recipient, and a service provider, or a trust
6 35 established by the service provider, who performs
6 36 significant services for the service recipient's trade
6 37 or business.
- 6 38 (9) Any other contract, transaction, or
6 39 arrangement that qualifies as a life settlement
6 40 contract but that the commissioner determines is not
6 41 of the type intended to be regulated by this chapter.
- 6 42 14. "Net death benefit" means the amount of the
6 43 life insurance policy or life insurance certificate to
6 44 be settled less any outstanding debts or liens.
- 6 45 15. "Owner" means the owner of a life insurance
6 46 policy or a life insurance certificate holder under a
6 47 group policy, with or without a terminal illness, who
6 48 enters or seeks to enter into a life settlement
6 49 contract.
- 6 50 a. "Owner" includes but is not limited to an owner



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- 7 1 of a life insurance policy or a life insurance
7 2 certificate holder under a group policy that insures
7 3 the life of an individual with a terminal or chronic
7 4 illness or condition.
- 7 5 b. "Owner" does not include any of the following:
7 6 (1) A provider or other licensee under this
7 7 chapter.
- 7 8 (2) A qualified institutional buyer as defined in
7 9 17 C.F.R. } 230.144 promulgated by the United States
7 10 securities and exchange commission under the federal
7 11 Securities Act of 1933, as amended, 15 U.S.C. } 77a et
7 12 seq.
- 7 13 (3) A financing entity.
- 7 14 (4) A special purpose entity.
- 7 15 (5) A related provider trust.
- 7 16 16. "Premium finance loan" means a loan made
7 17 primarily for the purposes of making premium payments
7 18 on a life insurance policy, which loan is secured by
7 19 an interest in such life insurance policy.
- 7 20 17. a. "Provider" means a person, other than an
7 21 owner, who enters into or effectuates a life
7 22 settlement contract with an owner.
- 7 23 b. "Provider" does not include any of the
7 24 following:
- 7 25 (1) A bank, savings bank, savings and loan
7 26 association, or credit union.
- 7 27 (2) A licensed lending institution or creditor or
7 28 secured party pursuant to a premium finance loan
7 29 agreement which takes an assignment of a life
7 30 insurance policy or certificate issued pursuant to a
7 31 group life insurance policy as collateral for a loan.
- 7 32 (3) The insurer of a life insurance policy or
7 33 rider to the extent of providing accelerated death
7 34 benefits, riders, or cash surrender value.
- 7 35 (4) A natural person who enters into or
7 36 effectuates not more than one agreement in a calendar
7 37 year for the transfer of a life insurance policy or
7 38 certificate issued pursuant to a group life insurance
7 39 policy, for compensation or anything of value less
7 40 than the expected death benefit payable under the
7 41 policy.
- 7 42 (5) A purchaser.
- 7 43 (6) An authorized or eligible insurer that
7 44 provides stop loss coverage to a provider, purchaser,
7 45 financing entity, special purpose entity, or related
7 46 provider trust.
- 7 47 (7) A financing entity.
- 7 48 (8) A special purpose entity.
- 7 49 (9) A related provider trust.
- 7 50 (10) A broker.



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8 1 (11) An accredited investor or qualified
8 2 institutional buyer as defined, respectively, in 17
8 3 C.F.R. } 230.501(a) or 17 C.F.R. } 230.144A as
8 4 promulgated by the United States securities and
8 5 exchange commission under the federal Securities Act
8 6 of 1933, as amended, 15 U.S.C. } 77a et seq., who
8 7 purchases a life settlement policy from a provider.
8 8 18. "Purchased policy" means a policy or group
8 9 certificate that has been acquired by a provider
8 10 pursuant to a life settlement contract.
8 11 19. "Purchaser" means a person who pays
8 12 compensation or anything of value as consideration for
8 13 a beneficial interest in a trust which is vested with,
8 14 or for the assignment, transfer or sale of, an
8 15 ownership or other interest in a life insurance policy
8 16 or a certificate issued pursuant to a group life
8 17 insurance policy which has been the subject of a life
8 18 settlement contract.
8 19 20. a. "Related provider trust" means a titling
8 20 trust or other trust established by a licensed
8 21 provider or a financing entity for the sole purpose of
8 22 holding the ownership or beneficial interest in
8 23 purchased policies in connection with a financing
8 24 transaction.
8 25 b. In order to qualify as a related provider
8 26 trust, the trust must have a written agreement with
8 27 the licensed provider under which the licensed
8 28 provider is responsible for ensuring compliance with
8 29 all statutory and regulatory requirements and under
8 30 which the trust agrees to make all records and files
8 31 relating to life settlement transactions available to
8 32 the commissioner as if those records and files were
8 33 maintained directly by the licensed provider.
8 34 21. "Settled policy" means a life insurance policy
8 35 or life insurance certificate that has been acquired
8 36 by a provider pursuant to a life settlement contract.
8 37 22. "Special purpose entity" means a corporation,
8 38 partnership, trust, limited liability company, or
8 39 other legal entity formed solely to provide, either
8 40 directly or indirectly, access to institutional
8 41 capital markets as follows:
8 42 a. For a financing entity or provider.
8 43 b. In connection with a transaction in which the
8 44 securities in the special purpose entity are acquired
8 45 by the owner or by a qualified institutional buyer as
8 46 defined in 17 C.F.R. } 230.144 promulgated by the
8 47 United States securities and exchange commission under
8 48 the federal Securities Act of 1933, as amended, 15
8 49 U.S.C. } 77a et seq.
8 50 c. In connection with a transaction in which the



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9 1 securities pay a fixed rate of return commensurate
9 2 with established asset-backed institutional capital
9 3 markets.
9 4 23. "Stranger-originated life insurance" means a
9 5 practice or plan to initiate a life insurance policy
9 6 for the benefit of a third-party investor who, at the
9 7 time of policy origination, has no insurable interest
9 8 in the insured. Stranger-originated life insurance
9 9 practices include but are not limited to cases in
9 10 which life insurance is purchased with resources or
9 11 guarantees from or through a person, or entity, who at
9 12 the time of inception, there is an arrangement or
9 13 agreement, whether verbal or written, to directly or
9 14 indirectly transfer the ownership of the policy or the
9 15 policy benefits to a third party. Trusts that are
9 16 created to give the appearance of insurable interest
9 17 and are used to initiate stranger-originated life
9 18 insurance arrangements do not include those practices
9 19 as set forth in subsection 13, paragraph "b".
9 20 24. "Terminally ill" means having an illness or
9 21 sickness that can reasonably be expected to result in
9 22 death in twenty-four months or less.
9 23 Sec. 3. NEW SECTION. 508G.3 LICENSING
9 24 REQUIREMENTS.
9 25 1. A person, wherever located, shall not act as a
9 26 provider or broker with an owner or multiple owners
9 27 residing in this state, without first having obtained
9 28 a license from the commissioner. If there is more
9 29 than one owner on a single policy and the owners are
9 30 residents of different states, the life settlement
9 31 contract shall be governed by the law of the state in
9 32 which the owner having the largest percentage
9 33 ownership resides or, if the owners hold equal
9 34 ownership, the state of residence of one owner agreed
9 35 upon in writing by all owners.
9 36 2. An application for a provider or broker license
9 37 shall be made to the commissioner by the applicant on
9 38 a form prescribed by the commissioner, and the
9 39 application shall be accompanied by a fee in an amount
9 40 established by the commissioner, provided, however,
9 41 that a license or renewal fee for a provider license
9 42 shall be reasonable and that a license or renewal fee
9 43 for a broker license shall not exceed the fee
9 44 established for an insurance producer.
9 45 3. A life insurance producer who has been duly
9 46 licensed as a resident insurance producer with a life
9 47 line of authority in this state or in the life
9 48 insurance producer's home state for at least one year
9 49 and is licensed as a nonresident producer in this
9 50 state shall be deemed to meet the licensing



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10 1 requirements of this section and shall be permitted to
10 2 operate as a broker.

10 3 4. Not later than thirty days from the first day
10 4 of operating as a broker, the life insurance producer
10 5 shall notify the commissioner that the life insurance
10 6 producer is acting as a broker on a form prescribed by
10 7 the commissioner, and shall pay an applicable fee
10 8 established by rules adopted by the commissioner.
10 9 Notification shall include an acknowledgment by the
10 10 life insurance producer that the life insurance
10 11 producer will operate as a broker in accordance with
10 12 this chapter.

10 13 5. The insurer that issued the life insurance
10 14 policy that is the subject of a life settlement
10 15 contract shall not be responsible for any act or
10 16 omission of a broker, provider, or purchaser arising
10 17 out of or in connection with the life settlement
10 18 transaction, unless the insurer receives compensation
10 19 for the placement of a life settlement contract from
10 20 the broker, provider, or purchaser in connection with
10 21 the life settlement contract.

10 22 6. A person licensed as an attorney, certified
10 23 public accountant, or financial planner accredited by
10 24 a nationally recognized accreditation agency, who is
10 25 retained to represent the owner, whose compensation is
10 26 not paid directly or indirectly by the provider or
10 27 purchaser, may negotiate life settlement contracts on
10 28 behalf of the owner without having to obtain a license
10 29 as a broker.

10 30 7. The term of a provider license shall be equal
10 31 to that of a domestic stock life insurance company and
10 32 the term of a broker license shall be equal to that of
10 33 an insurance producer license. A license requiring
10 34 periodic renewal may be renewed on its anniversary
10 35 date upon payment of the periodic renewal fee as
10 36 specified in subsection 2. A failure to pay a fee on
10 37 or before the renewal date shall result in revocation
10 38 of the license.

10 39 8. The applicant shall provide such information as
10 40 the commissioner may require on forms prepared by the
10 41 commissioner. The commissioner may, at any time,
10 42 require such applicant to fully disclose the identity
10 43 of its stockholders except for a stockholder owning
10 44 fewer than ten percent of the shares of an applicant
10 45 whose shares are publicly traded; partners; officers;
10 46 and employees. The commissioner may, in the exercise
10 47 of the commissioner's sole discretion, refuse to issue
10 48 such a license in the name of any person if not
10 49 satisfied that any officer, employee, stockholder, or
10 50 partner of the applicant who may materially influence



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11 1 the applicant's conduct meets the standards of this
11 2 chapter.

11 3 9. A license issued to a partnership, corporation,
11 4 limited liability company, or other entity authorizes
11 5 a person who is a member, officer, or designated
11 6 employee to act as a licensee under the license, if
11 7 the person is named in the application or a supplement
11 8 to the application.

11 9 10. Upon the filing of an application and the
11 10 payment of the license fee, the commissioner shall
11 11 make an investigation of each applicant and may issue
11 12 a license if the commissioner finds that all of the
11 13 following apply:

11 14 a. If the applicant is a provider, the applicant
11 15 has provided a detailed plan of operation.

11 16 b. The applicant is competent and trustworthy and
11 17 intends to transact its business in good faith.

11 18 c. The applicant has a good business reputation
11 19 and has had experience, training, or education so as
11 20 to be qualified in the business for which the license
11 21 is applied.

11 22 d. If the applicant is a legal entity, is formed
11 23 or organized pursuant to the laws of this state or is
11 24 a foreign legal entity authorized to transact business
11 25 in this state, or provides a certificate of good
11 26 standing from the state of its domicile.

11 27 e. The applicant has provided to the commissioner
11 28 an antifraud plan that meets the requirements of
11 29 section 508G.14 and includes all of the following:

11 30 (1) A description of the procedures for detecting
11 31 and investigating a possible fraudulent act and
11 32 procedure for resolving material inconsistencies
11 33 between a medical record and insurance applications.

11 34 (2) A description of the procedures for reporting
11 35 a fraudulent insurance act to the commissioner.

11 36 (3) A description of the plan for antifraud
11 37 education and training of its underwriters and other
11 38 personnel.

11 39 (4) A written description or chart outlining the
11 40 arrangement of the antifraud personnel who are
11 41 responsible for the investigation and reporting of a
11 42 possible fraudulent insurance act and investigating
11 43 any unresolved material inconsistency between a
11 44 medical record and the insurance application.

11 45 11. The commissioner shall not issue a license to
11 46 a nonresident applicant, unless a written designation
11 47 of an agent for service of process is filed and
11 48 maintained with the commissioner or unless the
11 49 applicant has filed with the commissioner the
11 50 applicant's written irrevocable consent that any



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12 1 action against the applicant may be commenced against
12 2 the applicant by service of process on the
12 3 commissioner.
12 4 12. A licensee shall file with the commissioner on
12 5 or before the first day of March of each year an
12 6 annual statement containing such information as the
12 7 commissioner by rule may prescribe.
12 8 13. A provider shall not use any person to perform
12 9 the functions of a broker unless the person holds a
12 10 license as a broker as provided in this section.
12 11 14. A broker shall not use a person to perform the
12 12 functions of a provider unless such person holds a
12 13 license as a provider as provided in this section.
12 14 15. A provider or broker shall provide to the
12 15 commissioner new or revised information about an
12 16 officer, ten percent or more stockholders, a partner,
12 17 director, members, or a designated employee within
12 18 thirty days of a change.
12 19 16. An individual licensed as a broker shall
12 20 complete on a biennial basis fifteen hours of training
12 21 related to a life settlement or a life settlement
12 22 transaction, as required by the commissioner.
12 23 However, a life insurance producer who is operating as
12 24 a broker pursuant to this section shall not be subject
12 25 to the requirements of this subsection. A person
12 26 failing to meet the requirements of this subsection
12 27 shall be subject to the penalties imposed by the
12 28 commissioner.
12 29 Sec. 4. NEW SECTION. 508G.4 LICENSE SUSPENSION,
12 30 REVOCATION, OR REFUSAL TO RENEW.
12 31 1. The commissioner may suspend, revoke, or refuse
12 32 to renew the license of a licensee if the commissioner
12 33 finds any of the following:
12 34 a. There was any material misrepresentation in the
12 35 application for the license.
12 36 b. The licensee or any officer, partner, member,
12 37 or director has been guilty of a fraudulent or
12 38 dishonest practice, is subject to a final agency
12 39 action under chapter 17A, or is otherwise shown to be
12 40 untrustworthy or incompetent to act as a licensee.
12 41 c. The provider demonstrates a pattern of
12 42 unreasonably withholding payments to policy owners.
12 43 d. The licensee no longer meets the requirements
12 44 for initial licensure.
12 45 e. The licensee or any officer, partner, member,
12 46 or director has been convicted of a felony, or of any
12 47 misdemeanor of which criminal fraud or moral turpitude
12 48 is an element; or the licensee has pleaded guilty or
12 49 nolo contendere with respect to any felony or any
12 50 misdemeanor of which criminal fraud or moral turpitude



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13 1 is an element, regardless of whether a judgment of
13 2 conviction has been entered by the court.
13 3 f. The provider has entered into a life settlement
13 4 contract that has not been approved pursuant to this
13 5 chapter.
13 6 g. The provider has failed to honor contractual
13 7 obligations set out in a life settlement contract.
13 8 h. The provider has assigned, transferred, or
13 9 pledged a settled policy to a person other than a
13 10 provider licensed in this state; a purchaser; an
13 11 accredited investor or qualified institutional buyer
13 12 as defined, respectively, in 17 C.F.R. } 230.501(a) or
13 13 17 C.F.R. } 230.144A as promulgated by the United
13 14 States securities and exchange commission under the
13 15 federal Securities Act of 1933, as amended, 15 U.S.C.
13 16 } 77a et seq.; a financing entity; a special purpose
13 17 entity; or a related provider trust.
13 18 i. The licensee or any officer, partner, member,
13 19 or key management personnel has violated any of the
13 20 provisions of this chapter.
13 21 2. Before the commissioner denies a license
13 22 application or suspends, revokes, or refuses to renew
13 23 the license of any licensee under this chapter, the
13 24 commissioner shall conduct a contested case proceeding
13 25 in accordance with chapter 17A.
13 26 Sec. 5. NEW SECTION. 508G.5 CONTRACT
13 27 REQUIREMENTS.
13 28 1. A person shall not use any form of life
13 29 settlement contract in this state unless it has been
13 30 filed with and approved, if required, by the
13 31 commissioner in a manner that conforms with the filing
13 32 procedures and any time restrictions or deeming
13 33 provisions, if any, for life insurance forms,
13 34 policies, and contracts.
13 35 2. An insurer shall not, as a condition of
13 36 responding to a request for verification of coverage
13 37 or in connection with the transfer of a life insurance
13 38 policy pursuant to a life settlement contract, require
13 39 that the owner, insured provider, or broker sign any
13 40 form, disclosure, consent, waiver, or acknowledgment
13 41 that has not been expressly approved by the
13 42 commissioner for use in connection with life
13 43 settlement contracts in this state.
13 44 3. A person shall not use a life settlement
13 45 contract form or provide to an owner a disclosure
13 46 statement form in this state unless first filed with
13 47 and approved by the commissioner. The commissioner
13 48 shall disapprove a life settlement contract form or
13 49 disclosure statement form if, in the commissioner's
13 50 opinion, the contract or provisions contained in such



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14 1 form fail to meet the requirements of sections 508G.8,
14 2 508G.9, or 508G.11, or are unreasonable, contrary to
14 3 the interests of the public, or otherwise misleading
14 4 or unfair to the owner. At the commissioner's
14 5 discretion, the commissioner may require the
14 6 submission of advertising material.
14 7 Sec. 6. NEW SECTION. 508G.6 REPORTING
14 8 REQUIREMENTS AND PRIVACY.
14 9 1. For any life insurance policy settled within
14 10 five years of policy issuance, each provider shall
14 11 file with the commissioner on or before March 1 of
14 12 each year an annual statement containing such
14 13 information as the commissioner may prescribe by rule.
14 14 In addition to any other requirements, the annual
14 15 statement shall specify the total number, aggregate
14 16 face amount, and life settlement proceeds of life
14 17 insurance policies settled during the immediately
14 18 preceding calendar year, together with a breakdown of
14 19 the information by policy issue year for each insurer.
14 20 The annual statement shall also include the names of
14 21 the insurance companies whose policies have been
14 22 settled and the brokers that have settled the
14 23 policies.
14 24 a. Such information shall be limited to only those
14 25 transactions where the insured is a resident of this
14 26 state and shall not include individual transaction
14 27 data regarding the business of life settlements or
14 28 information that there is a reasonable basis to
14 29 believe could be used to identify the owner or the
14 30 insured.
14 31 b. A provider that willfully fails to file an
14 32 annual statement as required in this section, or
14 33 willfully fails to reply within thirty days to a
14 34 written inquiry by the commissioner in connection to
14 35 the filing of the annual statement, shall, in addition
14 36 to other penalties provided by this chapter, be
14 37 subject to a civil penalty of up to two hundred fifty
14 38 dollars per day of delay, not to exceed twenty-five
14 39 thousand dollars in the aggregate, for each such
14 40 failure.
14 41 2. A provider, broker, insurer, insurance
14 42 producer, information bureau, rating agency, or
14 43 company, or any other person with actual knowledge of
14 44 an insured's identity, shall not disclose the identity
14 45 of an insured or information that there is a
14 46 reasonable basis to believe could be used to identify
14 47 the insured or the insured's financial or medical
14 48 information to any other person unless the disclosure
14 49 is any of the following:
14 50 a. Necessary to effect a life settlement contract



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15 1 between the owner and a provider and the owner and
15 2 insured have provided prior written consent to the
15 3 disclosure.
15 4 b. Necessary to effectuate the sale of life
15 5 settlement contracts, or interest in a life insurance
15 6 contract as an investment, provided the sale is
15 7 conducted in accordance with applicable federal
15 8 securities law, including chapter 502, and provided
15 9 further that the owner and the insured have both
15 10 provided prior written consent to the disclosure.
15 11 c. Is provided in response to an investigation or
15 12 examination by the commissioner or any other
15 13 governmental officer or agency or pursuant to the
15 14 requirements of section 508G.13.
15 15 d. Is a term or condition to the transfer of a
15 16 policy by one provider to another provider, in which
15 17 case the receiving provider shall be required to
15 18 otherwise comply with the confidentiality requirements
15 19 of this subsection.
15 20 e. (1) Is necessary to allow the provider or
15 21 broker or its authorized representatives to make a
15 22 contact for the purpose of determining health status.
15 23 A provider or broker shall require its authorized
15 24 representative to agree in writing to adhere to the
15 25 privacy provisions of this chapter.
15 26 (2) An authorized representative does not include
15 27 any person who has or may have any financial interest
15 28 in the life settlement contract other than a provider,
15 29 licensed broker, financing entity, related provider
15 30 trust, or special purpose entity.
15 31 f. Is required to purchase stop loss coverage.
15 32 3. Nonpublic personal information solicited or
15 33 obtained in connection with a proposed or actual life
15 34 settlement contract shall be subject to the provisions
15 35 applicable to financial institutions under the federal
15 36 Gramm Leach Bliley Act, 15 U.S.C. } 6801 et seq., and
15 37 all other federal and state laws relating to
15 38 confidentiality of nonpublic personal information.
15 39 Sec. 7. NEW SECTION. 508G.7 EXAMINATION.
15 40 1. The commissioner may, when the commissioner
15 41 deems it reasonably necessary to protect the interests
15 42 of the public, examine the business and affairs of any
15 43 licensee or applicant for a license. The commissioner
15 44 may order any licensee or applicant to produce any
15 45 records, books, files, or other information reasonably
15 46 necessary to ascertain whether such licensee or
15 47 applicant is acting or has acted in violation of the
15 48 law or otherwise contrary to the interests of the
15 49 public. The expenses incurred in conducting any
15 50 examination shall be paid by the licensee or



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16 1 applicant.

16 2 2. In lieu of an examination under this section of
16 3 any foreign or alien licensee licensed in this state,
16 4 the commissioner may, at the commissioner's
16 5 discretion, accept an examination report on the
16 6 licensee as prepared by the commissioner for the
16 7 licensee's state of domicile or port-of-entry state.

16 8 3. Notwithstanding chapter 22, the name and
16 9 individual identification data for each owner and
16 10 insured shall be considered private and confidential
16 11 information and shall not be disclosed by the
16 12 commissioner unless required by law.

16 13 4. The records of all consummated transactions and
16 14 life settlement contracts shall be maintained by the
16 15 provider for three years after the death of the
16 16 insured and shall be available to the commissioner for
16 17 inspection during reasonable business hours.

16 18 5. For the conduct of examinations, all of the
16 19 following shall apply:

16 20 a. Upon determining that an examination is
16 21 appropriate, the commissioner shall issue an
16 22 examination warrant appointing one or more examiners
16 23 to perform the examination and instructing them as to
16 24 the scope of the examination. In conducting the
16 25 examination, an examiner shall use methods common to
16 26 the examination of any life settlement licensee and
16 27 may use those guidelines and procedures set forth in
16 28 an examiners' handbook adopted by a national
16 29 organization as required by the commissioner.

16 30 b. A licensee or other person from whom
16 31 information is sought, its officers, directors, or
16 32 agents shall provide to an examiner timely,
16 33 convenient, and free access at all reasonable hours at
16 34 its office to all books, records, accounts, papers,
16 35 documents, assets, and computer or other recordings
16 36 relating to the property, assets, business, and
16 37 affairs of the licensee or other person being
16 38 examined. The officer, director, employee, or agent
16 39 of the licensee or other person shall facilitate the
16 40 examination and aid in the examination so far as it is
16 41 in the person's power to do so. The refusal of a
16 42 licensee, by an officer, director, employee, or agent,
16 43 to submit to examination or to comply with any
16 44 reasonable written request of the commissioner shall
16 45 be grounds for suspension or refusal of, or nonrenewal
16 46 of any license or authority held by the licensee to
16 47 engage in the business of life settlements or other
16 48 business subject to the commissioner's jurisdiction.
16 49 Any proceedings for suspension, revocation, or refusal
16 50 of a license or authority shall be conducted pursuant



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17 1 to chapter 17A.
17 2 c. The commissioner may issue subpoenas,
17 3 administer oaths, and examine under oath any person as
17 4 to any matter pertinent to the examination. Upon the
17 5 failure or refusal of a person to obey a subpoena, the
17 6 commissioner may petition a court of competent
17 7 jurisdiction, and upon proper showing, the court may
17 8 enter an order compelling the witness to appear and
17 9 testify or produce documentary evidence.
17 10 d. When making an examination under this chapter,
17 11 the commissioner may retain one or more attorneys,
17 12 appraisers, independent actuaries, independent
17 13 certified public accountants, or other professionals
17 14 and specialists as examiners, the reasonable cost of
17 15 which shall be borne by the licensee that is the
17 16 subject of the examination.
17 17 e. This chapter shall not be construed to limit
17 18 the commissioner's authority to terminate or suspend
17 19 an examination in order to pursue other legal or
17 20 administrative action pursuant to the insurance laws
17 21 of this state. Findings of fact and conclusions made
17 22 pursuant to any examination shall be prima facie
17 23 evidence in any legal or regulatory action.
17 24 f. This chapter shall not be construed to limit
17 25 the commissioner's authority to use and, if
17 26 appropriate, to make public any final or preliminary
17 27 examination report, any examiner or licensee work
17 28 papers or other documents, or any other information
17 29 discovered or developed during the course of any
17 30 examination in the furtherance of any legal or
17 31 administrative action which the commissioner may, in
17 32 the commissioner's sole discretion, deem appropriate.
17 33 6. For the examination report, all of the
17 34 following apply:
17 35 a. An examination report shall be comprised of
17 36 only facts appearing upon the books, from the
17 37 testimony of its officers or agents or other persons
17 38 examined concerning its affairs, and such conclusions
17 39 and recommendations as the examiners find reasonably
17 40 warranted from the facts.
17 41 b. Not later than sixty days following completion
17 42 of the examination, the examiner in charge shall file
17 43 with the commissioner a verified written report of
17 44 examination under oath. Upon receipt of the verified
17 45 report, the commissioner shall transmit the report to
17 46 the licensee examined, together with a notice that
17 47 shall afford the licensee examined a reasonable
17 48 opportunity of not more than thirty days to make a
17 49 written submission or rebuttal with respect to any
17 50 matter contained in the examination report and which



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18 1 shall become part of the report or to request an
18 2 administrative hearing on any matter in dispute as
18 3 provided in chapter 17A.
18 4 c. In the event the commissioner determines that
18 5 regulatory action is appropriate as a result of an
18 6 examination, the commissioner may initiate any
18 7 proceeding or action provided by law.
18 8 7. For the confidentiality of examination
18 9 information, all of the following apply:
18 10 a. The name and individual identification data for
18 11 each owner, purchaser, or insured shall be considered
18 12 private and confidential information and shall not be
18 13 disclosed by the commissioner, unless the disclosure
18 14 is to another regulator or is required by law.
18 15 b. Except as otherwise provided in this chapter,
18 16 an examination report, working papers, recorded
18 17 information, documents or materials, and copies
18 18 produced by, obtained by, or disclosed to the
18 19 commissioner or any other person in the course of an
18 20 examination made under this chapter, or in the course
18 21 of analysis or investigation by the commissioner of
18 22 the financial condition or market conduct of a
18 23 licensee shall be confidential by law and privileged,
18 24 shall not be subject to chapter 22, shall not be
18 25 subject to subpoena, and shall not be subject to
18 26 discovery or admissible in evidence in any private
18 27 civil action. The commissioner may use the
18 28 examination report, working papers, recorded
18 29 information, documents, materials, or other
18 30 information in the furtherance of any administrative
18 31 or legal action brought as part of the commissioner's
18 32 official duties. The licensee being examined may have
18 33 access to all documents used to make the report.
18 34 8. For conflict of interest, all of the following
18 35 apply:
18 36 a. An examiner shall not be appointed by the
18 37 commissioner if the examiner, either directly or
18 38 indirectly, has a conflict of interest or is
18 39 affiliated with the management of or owns a pecuniary
18 40 interest in any person subject to examination under
18 41 this chapter. This section shall not be construed to
18 42 automatically preclude an examiner from being any of
18 43 the following:
18 44 (1) An owner.
18 45 (2) An insured in a life settlement contract or
18 46 life insurance policy.
18 47 (3) A beneficiary in a life insurance policy that
18 48 is proposed for a life settlement contract.
18 49 b. Notwithstanding the requirements of this
18 50 subsection, the commissioner may retain from time to



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19 1 time, on an individual basis, one or more qualified
19 2 actuaries, certified public accountants, or other
19 3 similar individuals who are independently practicing
19 4 their professions, even though these persons may from
19 5 time to time be similarly employed or retained by
19 6 persons subject to examination under this chapter.
19 7 9. For immunity from liability, all of the
19 8 following shall apply:
19 9 a. A cause of action shall not arise and liability
19 10 shall not be imposed against the commissioner, the
19 11 commissioner's authorized representative, or any
19 12 examiner appointed by the commissioner for any
19 13 statements made or conduct performed in good faith
19 14 while carrying out the provisions of this chapter.
19 15 b. A cause of action shall not arise, and
19 16 liability shall not be imposed, against any person for
19 17 communicating or delivering information or data to the
19 18 commissioner or the commissioner's authorized
19 19 representative or examiner pursuant to an examination
19 20 made under this chapter, if the communication or
19 21 delivery was performed in good faith and without
19 22 fraudulent intent or the intent to deceive. This
19 23 paragraph does not abrogate or modify in any way any
19 24 common law or statutory privilege or immunity enjoyed
19 25 by any person identified in paragraph "a".
19 26 c. (1) A person identified in paragraph "a" or
19 27 "b" shall be entitled to an award of attorney fees and
19 28 costs if the person is the prevailing party in a civil
19 29 cause of action for libel, slander, or any other
19 30 relevant tort arising out of activities in carrying
19 31 out the provisions of this chapter and the party
19 32 bringing the action was not substantially justified in
19 33 doing so.
19 34 (2) For purposes of subparagraph (1), a proceeding
19 35 is substantially justified if it has a reasonable
19 36 basis in law or fact at the time that it was
19 37 initiated.
19 38 10. The commissioner may investigate a suspected
19 39 fraudulent life settlement act and a person engaged in
19 40 the business of life settlements.
19 41 11. The commission by rule may establish
19 42 reasonable costs for examinations imposed upon a
19 43 person.
19 44 Sec. 8. NEW SECTION. 508G.8 ADVERTISING.
19 45 1. A broker or provider licensed pursuant to this
19 46 chapter may conduct or participate in an advertisement
19 47 within this state. Such advertisement shall comply
19 48 with all statutes or rules adopted by the commissioner
19 49 that are applicable to life insurers or to brokers,
19 50 and providers licensed pursuant to this chapter.



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20 1 2. An advertisement shall be accurate, truthful,
20 2 and not misleading in fact or by implication.
20 3 3. A person shall not do any of the following:
20 4 a. Directly or indirectly market, advertise,
20 5 solicit, or otherwise promote the purchase of a life
20 6 insurance policy for the sole purpose of or with an
20 7 emphasis on settling the life insurance policy.
20 8 b. Use the words "free", "no cost", or words of
20 9 similar import in the marketing, advertising,
20 10 soliciting, or otherwise promoting of the purchase of
20 11 a life insurance policy.
20 12 Sec. 9. NEW SECTION. 508G.9 DISCLOSURES TO
20 13 OWNERS.
20 14 1. A provider shall provide in writing, a separate
20 15 disclosure document that is signed by the owner and
20 16 provider, to the owner not later than the date the
20 17 life settlement contract is signed by all parties.
20 18 a. The disclosure document shall include all of
20 19 the following information:
20 20 (1) That possible alternatives to life settlement
20 21 contracts exist including but not limited to
20 22 accelerated benefits offered by the issuer of the life
20 23 insurance policy.
20 24 (2) That some or all of the proceeds of a life
20 25 settlement contract may be taxable and that assistance
20 26 should be sought from a professional tax advisor.
20 27 (3) That the proceeds from a life settlement
20 28 contract could be subject to the claims of creditors.
20 29 (4) That receipt of proceeds from a life
20 30 settlement contract may adversely affect the
20 31 recipient's eligibility for public assistance or other
20 32 government benefits or entitlements and that advice
20 33 should be obtained from the appropriate agencies.
20 34 (5) That the owner has a right to rescind a life
20 35 settlement contract within fifteen days of the date it
20 36 is executed by all parties and the owner has received
20 37 the disclosures required in this section. Rescission,
20 38 if exercised by the owner, is effective only if both
20 39 notice of the rescission is given, and the owner repays
20 40 all proceeds and any premiums, loans, and loan
20 41 interest paid on account of the provider within the
20 42 rescission period. If the insured dies during the
20 43 rescission period, the contract shall be deemed to have
20 44 been rescinded subject to repayment by the owner or
20 45 the owner's estate of all proceeds and any premiums,
20 46 loans, and loan interest to the provider.
20 47 (6) That proceeds will be sent to the owner within
20 48 three business days after the provider has received
20 49 the insurer or group administrator's acknowledgment
20 50 that ownership of the life insurance policy or



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21 1 interest in the life insurance certificate has been
21 2 transferred and the beneficiary has been designated in
21 3 accordance with the terms of the life settlement
21 4 contract.
21 5 (7) That entering into a life settlement contract
21 6 may cause other rights or benefits, including
21 7 conversion rights and waiver of premium benefits that
21 8 may exist under the life insurance policy or
21 9 certificate of a group life insurance policy, to be
21 10 forfeited by the owner and that assistance should be
21 11 sought from a professional financial advisor.
21 12 (8) (a) The amount and method of calculating the
21 13 compensation paid or to be paid to the broker, or any
21 14 other person acting for the owner in connection with
21 15 the transaction.
21 16 (b) As used in subparagraph subdivision (a),
21 17 compensation includes anything of value paid or given.
21 18 (9) The date by which the funds will be available
21 19 to the owner and the transmitter of the funds.
21 20 (10) That the commissioner requires delivery of a
21 21 buyer's guide or a similar consumer advisory package
21 22 in the form prescribed by the commissioner to owners
21 23 during the solicitation process.
21 24 (11) The following language:
21 25 "All medical, financial, or personal information
21 26 solicited or obtained by a provider or broker about an
21 27 insured, including the insured's identity or the
21 28 identity of family members, a spouse, or a significant
21 29 other may be disclosed as necessary to effect the life
21 30 settlement contract between the owner and provider.
21 31 If you are asked to provide this information, you will
21 32 be asked to consent to the disclosure. The
21 33 information may be provided to someone who buys the
21 34 policy or provides funds for the purchase. You may be
21 35 asked to renew your permission to share information
21 36 every two years."
21 37 (12) That the commissioner requires providers and
21 38 brokers to print separate signed fraud warnings on
21 39 their applications and on their life settlement
21 40 contracts as follows:
21 41 "Any person who knowingly presents false
21 42 information in an application for a life insurance
21 43 policy or life settlement contract is guilty of a
21 44 crime and may be subject to fines and confinement in
21 45 prison."
21 46 (13) That the insured may be contacted by either
21 47 the provider or broker or its authorized
21 48 representative for the purpose of determining the
21 49 insured's health status or to verify the insured's
21 50 address. This contact is limited to once every three



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22 1 months if the insured has a life expectancy of more
22 2 than one year, and no more than once per month if the
22 3 insured has a life expectancy of one year or less.
22 4 (14) The affiliation, if any, between the provider
22 5 and the issuer of the life insurance policy to be
22 6 settled.
22 7 (15) That a broker represents exclusively the
22 8 owner, and not the insurer or the provider or any
22 9 other person, and owes a fiduciary duty to the owner,
22 10 including a duty to act according to the owner's
22 11 instructions and in the best interest of the owner.
22 12 (16) The name, address, and telephone number of
22 13 the provider.
22 14 (17) The name, business address, and telephone
22 15 number of the independent third-party escrow agent,
22 16 and the fact that the owner may inspect or receive
22 17 copies of the relevant escrow or trust agreements or
22 18 documents.
22 19 (18) That a change of ownership could in the
22 20 future limit the insured's ability to purchase future
22 21 insurance on the insured's life because of a limit on
22 22 the amount of coverage insurers will issue on one
22 23 life.
22 24 b. The written disclosure as provided in paragraph
22 25 "a" shall be conspicuously displayed in any life
22 26 settlement contract furnished to the owner by a
22 27 provider including the disclosure of any affiliations
22 28 or contractual arrangements between the provider and
22 29 the broker.
22 30 2. A broker shall provide the owner and the
22 31 provider with at least the following disclosures not
22 32 later than the date the life settlement contract is
22 33 signed by all parties. The disclosures shall be
22 34 conspicuously displayed in the life settlement
22 35 contract or in a separate document signed by the owner
22 36 and provide all of the following information:
22 37 a. The name, business address, and telephone
22 38 number of the broker.
22 39 b. A full, complete, and accurate description of
22 40 all the offers, counteroffers, acceptances, and
22 41 rejections relating to the proposed life settlement
22 42 contract.
22 43 c. A written disclosure of any affiliation or
22 44 contractual arrangement between the broker and any
22 45 person making an offer in connection with the proposed
22 46 life settlement contract.
22 47 d. The name of each broker who receives
22 48 compensation and the amount of compensation received
22 49 by that broker, which compensation includes anything
22 50 of value paid or given to the broker in connection



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23 1 with the life settlement contract.
23 2 e. (1) A complete reconciliation of the gross
23 3 offer or bid by the provider to the net amount of
23 4 proceeds or value to be received by the owner.
23 5 (2) For the purpose of subparagraph (1), "gross
23 6 offer" or "bid" means the total amount or value
23 7 offered by the provider for the purchase of one or
23 8 more life insurance policies, inclusive of commissions
23 9 and fees.
23 10 f. The failure to provide the disclosures or
23 11 rights described in this section is deemed an unfair
23 12 trade practice pursuant to section 508G.17.
23 13 Sec. 10. NEW SECTION. 508G.10 DISCLOSURE TO
23 14 INSURER.
23 15 Without limiting the ability of an insurer from
23 16 assessing the insurability of a policy applicant and
23 17 determining whether or not to issue the policy, and in
23 18 addition to other questions an insurer may lawfully
23 19 pose to a life insurance applicant, insurers may
23 20 inquire in the application for insurance whether the
23 21 proposed owner intends to pay premiums with the
23 22 assistance of financing from a lender that will use
23 23 the policy as collateral to support the financing.
23 24 1. If, as described in the definition of life
23 25 settlement contract in section 508G.2, the loan
23 26 provides funds which can be used for a purpose other
23 27 than paying for the premiums, costs, and expenses
23 28 associated with obtaining and maintaining the life
23 29 insurance policy and loan, the application shall be
23 30 rejected as a violation of the prohibited practices in
23 31 section 508G.13.
23 32 2. If the financing does not violate section
23 33 508G.13 in the manner provided in subsection 1, the
23 34 insurer may do any of the following:
23 35 a. Make a disclosure, including but not limited to
23 36 such as the following, to the applicant and the
23 37 insured, either on the application or an amendment to
23 38 the application to be completed no later than the
23 39 delivery of the policy:
23 40 "If you have entered into a loan arrangement where
23 41 the life insurance policy is used as collateral, and
23 42 the life insurance policy does change ownership at
23 43 some point in the future in satisfaction of the loan,
23 44 the following may be true:
23 45 A change of ownership could lead to a stranger
23 46 owning an interest in the insured's life.
23 47 A change of ownership could in the future limit
23 48 your ability to purchase future insurance on the
23 49 insured's life because of a limit on the amount of
23 50 coverage insurers will issue on one life.



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24 1 Should there be a change of ownership and you wish
24 2 to obtain more insurance coverage on the insured's
24 3 life in the future, the insured's higher issue age, a
24 4 change in health status, or other factors may reduce
24 5 the ability to obtain coverage or may result in
24 6 significantly higher premiums.
24 7 You should consult a professional advisor, since a
24 8 change in ownership in satisfaction of the loan may
24 9 result in tax consequences to the owner, depending on
24 10 the structure of the loan."
24 11 b. Require certifications, such as the following,
24 12 from the applicant or the insured:
24 13 "I have not entered into any agreement or
24 14 arrangement providing for the future sale of this life
24 15 insurance policy.
24 16 My loan arrangement for this life insurance policy
24 17 provides funds sufficient to pay for some or all of
24 18 the premiums, costs, and expenses associated with
24 19 obtaining and maintaining my life insurance policy,
24 20 but I have not entered into any agreement by which I
24 21 am to receive consideration in exchange for procuring
24 22 this life insurance policy.
24 23 The borrower has an insurable interest in the
24 24 insured."
24 25 Sec. 11. NEW SECTION. 508G.11 GENERAL RULES.
24 26 1. A provider entering into a life settlement
24 27 contract with an owner of a life insurance policy,
24 28 where the insured is terminally ill or chronically
24 29 ill, shall first obtain all of the following:
24 30 a. If the owner is the insured, a written
24 31 statement from a licensed attending physician that the
24 32 owner is of sound mind and under no constraint or
24 33 undue influence to enter into a life settlement
24 34 contract.
24 35 b. A document in which the insured consents to the
24 36 release of the owner's medical records to a provider,
24 37 broker, or insurance producer and, if the life
24 38 insurance policy was issued less than two years from
24 39 the date of application for a life settlement
24 40 contract, to the insurance company that issued the
24 41 policy.
24 42 2. An insurer shall respond to a request for
24 43 verification of coverage submitted by a provider,
24 44 broker, or life insurance producer not later than
24 45 thirty calendar days of the date the request is
24 46 received. The request for verification of coverage
24 47 must be made on a form approved by the commissioner.
24 48 The insurer shall complete and issue the verification
24 49 of coverage or indicate in which respects it is unable
24 50 to respond. In its response, the insurer shall



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25 1 indicate whether, based on the medical evidence and
25 2 documents provided, the insurer intends to pursue an
25 3 investigation at this time regarding the validity of
25 4 the life insurance policy.

25 5 3. Before or at the time of the execution of the
25 6 life settlement contract, the provider shall obtain a
25 7 witnessed document in which the owner consents to the
25 8 life settlement contract, represents that the owner
25 9 has a full and complete understanding of the life
25 10 settlement contract, that the owner has a full and
25 11 complete understanding of the benefits of the life
25 12 insurance policy, acknowledges that the owner is
25 13 entering into the life settlement contract freely and
25 14 voluntarily, and, for persons with a terminal or
25 15 chronic illness or condition, acknowledges that the
25 16 insured has a terminal or chronic illness and that the
25 17 terminal or chronic illness or condition was diagnosed
25 18 after the life insurance policy was issued.

25 19 4. The insurer shall not unreasonably delay
25 20 effecting change of ownership or beneficiary with any
25 21 life settlement contract lawfully entered into in this
25 22 state or with a resident of this state.

25 23 5. If a broker or life insurance producer performs
25 24 any activities required of the provider, the provider
25 25 is deemed to have fulfilled the requirements of this
25 26 section.

25 27 6. If a broker performs verification of coverage
25 28 activities required of the provider, the provider is
25 29 deemed to have fulfilled the requirements of section
25 30 508G.9, subsection 1.

25 31 7. Within twenty days after an owner executes the
25 32 life settlement contract, a provider shall give
25 33 written notice to the insurer that issued the life
25 34 insurance policy that the policy has become subject to
25 35 a life settlement contract. The notice shall be
25 36 accompanied by the documents required by section
25 37 508G.10, subsection 1, paragraph "b".

25 38 8. All medical information solicited or obtained
25 39 by any licensee shall be subject to the applicable
25 40 provision of state law relating to confidentiality of
25 41 medical information, if not otherwise provided in this
25 42 chapter.

25 43 9. A life settlement contract entered into in this
25 44 state shall provide that the owner may rescind the
25 45 contract on or before fifteen days after the date it
25 46 is executed by all parties. Rescission, if exercised by
25 47 the owner, is effective only if both notice of the
25 48 rescission is given, and the owner repays all proceeds
25 49 and any premiums, loans, and loan interest paid on
25 50 account of the provider within the rescission period.



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26 1 If the insured dies during the rescision period, the
26 2 contract shall be deemed to have been rescinded
26 3 subject to repayment by the owner or the owner's
26 4 estate of all proceeds and any premiums, loans, and
26 5 loan interest to the provider.
26 6 10. Within three business days after receipt from
26 7 the owner of documents to effect the transfer of the
26 8 insurance policy, the provider shall pay the proceeds
26 9 of the settlement to a trust or escrow account managed
26 10 by a trustee or escrow agent in a state or federally
26 11 chartered financial institution pending acknowledgment
26 12 of the transfer by the issuer of the policy. The
26 13 trustee or escrow agent shall be required to transfer
26 14 the proceeds due to the owner within three business
26 15 days of acknowledgment of the transfer from the
26 16 insurer.
26 17 11. A failure to tender life settlement contract
26 18 proceeds to the owner by the date disclosed to the
26 19 owner renders the contract voidable by the owner for
26 20 lack of consideration until the time the proceeds are
26 21 tendered to and accepted by the owner. A failure to
26 22 give written notice of the right of rescision shall
26 23 toll the right of rescision until thirty days after the
26 24 written notice of the right of rescision has been
26 25 given.
26 26 12. Any fee paid by a provider, party, individual,
26 27 or an owner to a broker in exchange for services
26 28 provided to the owner pertaining to a life settlement
26 29 contract shall be computed as a percentage of the
26 30 offer obtained, not the face value of the life
26 31 insurance policy. This section shall not be construed
26 32 as prohibiting a broker from reducing the broker's fee
26 33 below this percentage if the broker so chooses.
26 34 13. A broker shall disclose to the owner anything
26 35 of value paid or given to the broker, which relates to
26 36 a life settlement contract.
26 37 14. A person shall not at any time prior to, or at
26 38 the time of, the application for, or issuance of, a
26 39 life insurance policy, or during a two-year period
26 40 commencing with the date of issuance of the life
26 41 insurance policy, enter into a life settlement
26 42 contract regardless of the date the compensation is to
26 43 be provided and regardless of the date the assignment,
26 44 transfer, sale, devise, bequest, or surrender of the
26 45 policy is to occur. This prohibition shall not apply
26 46 if the owner certifies to the provider that any of the
26 47 following applies:
26 48 a. The life insurance policy was issued upon the
26 49 owner's exercise of conversion rights arising out of a
26 50 group or individual life insurance policy, provided



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27 1 the total of the time covered under the conversion
27 2 policy plus the time covered under the prior life
27 3 insurance policy is at least twenty-four months. The
27 4 time covered under a group life insurance policy must
27 5 be calculated without regard to a change in insurers,
27 6 provided the coverage has been continuous and under
27 7 the same group sponsorship.

27 8 b. The owner submits independent evidence to the
27 9 provider that one or more of the following conditions
27 10 have been met within the two-year period:

27 11 (1) The owner or insured is terminally ill or
27 12 chronically ill.

27 13 (2) The owner or insured disposes of the owner's
27 14 or insured's ownership interests in a closely held
27 15 corporation, pursuant to the terms of a buyout or
27 16 other similar agreement in effect at the time the life
27 17 insurance policy was initially issued.

27 18 (3) The owner's spouse dies.

27 19 (4) The owner divorces the owner's spouse.

27 20 (5) The owner retires from full-time employment.

27 21 (6) The owner becomes physically or mentally
27 22 disabled and a physician determines that the
27 23 disability prevents the owner from maintaining
27 24 full-time employment.

27 25 (7) A final order, judgment, or decree is entered
27 26 by a court of competent jurisdiction, on the
27 27 application of a creditor of the owner, adjudicating
27 28 the owner bankrupt or insolvent, or approving a
27 29 petition seeking reorganization of the owner or
27 30 appointing a receiver, trustee, or liquidator to all
27 31 or a substantial part of the owner's assets.

27 32 c. Copies of the independent evidence required by
27 33 subsection 14, paragraph "b", shall be submitted to
27 34 the insurer when the provider submits a request to the
27 35 insurer for verification of coverage. The copies
27 36 shall be accompanied by a letter of attestation from
27 37 the provider that the copies are true and correct
27 38 copies of the documents received by the provider.
27 39 This section does not prohibit an insurer from
27 40 exercising its right to contest the validity of any
27 41 life insurance policy.

27 42 d. If the provider submits to the insurer a copy
27 43 of independent evidence provided for in paragraph "b",
27 44 subparagraph (1), when the provider submits a request
27 45 to the insurer to effect the transfer of the policy to
27 46 the provider, the copy is deemed to establish that the
27 47 life settlement contract satisfies the requirements of
27 48 this section.

27 49 Sec. 12. NEW SECTION. 508G.12 AUTHORITY TO ADOPT
27 50 RULES == CONFLICT OF LAWS.



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- 28 1 1. The commissioner may adopt rules implementing
28 2 this chapter and regulating the activities and
28 3 relationships of providers, brokers, insurers, and
28 4 their agents, pursuant to chapter 17A.
- 28 5 2. For conflict of laws, all of the following
28 6 shall apply:
- 28 7 a. If there is more than one owner on a single
28 8 policy, and the owners are residents of different
28 9 states, the life settlement contract shall be governed
28 10 by the law of the state in which the owner having the
28 11 largest percentage ownership resides or, if the owners
28 12 hold equal ownership, the state of residence of one
28 13 owner agreed upon in writing by all of the owners.
28 14 The law of the state of the insured shall govern in
28 15 the event that equal owners fail to agree in writing
28 16 upon a state of residence for jurisdictional purposes.
- 28 17 b. A provider from this state who enters into a
28 18 life settlement contract with an owner who is a
28 19 resident of another state that has enacted statutes or
28 20 adopted regulations governing life settlement
28 21 contracts shall be governed in the effectuation of
28 22 that life settlement contract by the statutes and
28 23 regulations of the owner's state of residence. If the
28 24 state in which the owner is a resident has not enacted
28 25 statutes or regulations governing life settlement
28 26 contracts, the provider shall give the owner notice
28 27 that neither state regulates the transaction into
28 28 which the owner is entering. For transactions in
28 29 those states, however, the provider shall maintain all
28 30 records required as if the transactions were executed
28 31 in the state of residence. The forms used in those
28 32 states need not be approved by the commissioner.
- 28 33 c. If there is a conflict in the laws that apply
28 34 to an owner and a purchaser in any individual
28 35 transaction, the laws of the state that apply to the
28 36 owner shall take precedence and the provider shall
28 37 comply with those laws.
- 28 38 Sec. 13. NEW SECTION. 508G.13 PROHIBITED
28 39 PRACTICES.
- 28 40 1. A person shall not do any of the following:
- 28 41 a. Enter into a life settlement contract if the
28 42 person knows or reasonably should have known that the
28 43 life insurance policy was obtained by means of a
28 44 false, deceptive, or misleading application for such
28 45 life insurance policy.
- 28 46 b. Engage in any transaction, practice, or course
28 47 of business if such person knows or reasonably should
28 48 have known that the intent was to avoid the notice
28 49 requirements of this chapter.
- 28 50 c. Engage in any fraudulent act or practice in



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29 1 connection with any transaction relating to any
29 2 settlement involving an owner who is a resident of
29 3 this state.
29 4 d. Issue, solicit, market, or otherwise promote
29 5 the purchase of a life insurance policy for the
29 6 purpose of or with an emphasis on settling the life
29 7 insurance policy.
29 8 e. Enter into a premium finance agreement with any
29 9 person or agency, or any person affiliated with such
29 10 person or agency, pursuant to which such person or
29 11 agency shall receive any proceeds, fees, or other
29 12 consideration, directly or indirectly, from the life
29 13 insurance policy or owner of the life insurance policy
29 14 or any other person with respect to the premium
29 15 finance agreement or any life settlement contract or
29 16 other transaction related to such life insurance
29 17 policy that are in addition to the amounts required to
29 18 pay the principal, interest, and service charges
29 19 related to life insurance policy premiums pursuant to
29 20 the premium finance agreement or subsequent sale of
29 21 such agreement. However, any payments, charges, fees,
29 22 or other amounts in addition to the amounts required
29 23 to pay the principal, interest, and service charges
29 24 related to life insurance policy premiums paid under
29 25 the premium finance agreement shall be remitted to the
29 26 original owner of the life insurance policy or to the
29 27 original owner's estate if the original owner is not
29 28 living at the time of the determination of the
29 29 overpayment.
29 30 f. With respect to any life settlement contract or
29 31 life insurance policy and a broker, knowingly solicit
29 32 an offer from, effectuate a life settlement contract
29 33 with, or make a sale to any provider, financing
29 34 entity, or related provider trust that is controlling,
29 35 controlled by, or under common control with such
29 36 broker.
29 37 g. With respect to any life settlement contract or
29 38 life insurance policy and a provider, knowingly enter
29 39 into a life settlement contract with an owner, if, in
29 40 connection with such life settlement contract,
29 41 anything of value will be paid to a broker that is
29 42 controlling, controlled by, or under common control
29 43 with such provider or the financing entity or related
29 44 provider trust that is involved in such life
29 45 settlement contract.
29 46 h. With respect to a provider, enter into a life
29 47 settlement contract unless the life settlement
29 48 promotional, advertising, and marketing materials, as
29 49 may be adopted by rule, have been filed with the
29 50 commissioner. In no event shall any marketing



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30 1 materials expressly reference that the insurance is
30 2 free for any period of time. The inclusion of any
30 3 reference in the marketing materials that would cause
30 4 an owner to reasonably believe that the insurance is
30 5 free for any period of time shall be considered a
30 6 violation of this chapter.

30 7 i. With respect to any life insurance producer,
30 8 insurer, broker, or provider, make any statement or
30 9 representation to the applicant or policyholder in
30 10 connection with the sale or financing of a life
30 11 insurance policy to the effect that the insurance is
30 12 free or without cost to the policyholder for any
30 13 period of time unless provided in the policy.

30 14 2. A violation of this section shall be deemed a
30 15 fraudulent life settlement act.

30 16 Sec. 14. NEW SECTION. 508G.14 FRAUD PREVENTION
30 17 AND CONTROL.

30 18 1. This subsection applies to a fraudulent life
30 19 settlement act, interference, and convicted felons as
30 20 follows:

30 21 a. A person shall not commit a fraudulent life
30 22 settlement act.

30 23 b. A person shall not knowingly and intentionally
30 24 interfere with the enforcement of the provisions of
30 25 this chapter or an investigation of suspected or
30 26 actual violations of this chapter.

30 27 c. A person in the business of life settlements
30 28 shall not knowingly or intentionally permit any person
30 29 convicted of a felony involving dishonesty or breach
30 30 of trust to participate in the business of life
30 31 settlements.

30 32 2. This subsection applies to required fraud
30 33 warnings as follows:

30 34 a. A life settlement contract and an application
30 35 for a life settlement contract, regardless of the form
30 36 of transmission, shall contain the following statement
30 37 or a substantially similar statement:

30 38 "Any person who knowingly presents false
30 39 information in an application for a life insurance
30 40 policy or life settlement contract is guilty of a
30 41 crime and may be subject to fines and confinement in
30 42 prison."

30 43 b. The lack of a statement as required in
30 44 paragraph "a" does not constitute a defense in any
30 45 prosecution for a fraudulent life settlement act.

30 46 3. This section applies to the mandatory reporting
30 47 of fraudulent life settlement acts as follows:

30 48 a. Any person engaged in the business of life
30 49 settlements having knowledge or a reasonable belief
30 50 that a fraudulent life settlement act is being, will



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31 1 be, or has been committed shall provide to the
31 2 commissioner the information required by, and in a
31 3 manner prescribed by, the commissioner.
31 4 b. Any other person having knowledge or a
31 5 reasonable belief that a fraudulent life settlement
31 6 act is being, will be, or has been committed may
31 7 provide to the commissioner the information required
31 8 by, and in a manner prescribed by, the commissioner.
31 9 4. This subsection applies to immunity from
31 10 liability as follows:
31 11 a. Civil liability shall not be imposed on and a
31 12 cause of action shall not arise from a person's
31 13 furnishing information concerning suspected,
31 14 anticipated, or a completed fraudulent life settlement
31 15 act, if the information is provided to or received
31 16 from any of the following:
31 17 (1) The commissioner or the commissioner's
31 18 employees, agents, or representatives.
31 19 (2) Federal, state, or local law enforcement or
31 20 regulatory officials or their employees, agents, or
31 21 representatives.
31 22 (3) A person involved in the prevention and
31 23 detection of fraudulent life settlement acts or that
31 24 person's agents, employees, or representatives.
31 25 (4) Any regulatory body or its employees, agents,
31 26 or representatives, overseeing life insurance, life
31 27 settlements, securities, or investment fraud.
31 28 (5) The life insurer that issued the life
31 29 insurance policy covering the life of the insured.
31 30 (6) The licensee and any agents, employees, or
31 31 representatives.
31 32 b. Paragraph "a" shall not apply to a statement
31 33 made with actual malice. In an action brought against
31 34 a person for filing a report or furnishing other
31 35 information concerning a fraudulent life settlement
31 36 act, the party bringing the action shall plead
31 37 specifically any allegation that paragraph "a" does
31 38 not apply because the person filing the report or
31 39 furnishing the information did so with actual malice.
31 40 c. (1) A person identified in paragraph "a" shall
31 41 be entitled to an award of attorney fees and costs if
31 42 the person is the prevailing party in a civil cause of
31 43 action for libel, slander, or any other relevant tort
31 44 arising out of activities in carrying out the
31 45 provisions of this chapter and the party bringing the
31 46 action was not substantially justified in doing so.
31 47 (2) For purposes of this paragraph "c", a
31 48 proceeding is substantially justified if it had a
31 49 reasonable basis in law or fact at the time that it
31 50 was initiated.



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32 1 d. This section does not abrogate or modify common
32 2 law or statutory privileges or immunities enjoyed by a
32 3 person described in paragraph "a".
32 4 5. This subsection applies to confidentiality as
32 5 follows:
32 6 a. The documents and evidence provided pursuant to
32 7 subsection 4 or obtained by the commissioner in an
32 8 investigation of a suspected or actual fraudulent life
32 9 settlement act shall be privileged and confidential
32 10 and shall not be subject to chapter 22, and shall not
32 11 be subject to discovery or subpoena in a civil or
32 12 criminal action.
32 13 b. Paragraph "a" does not prohibit a release by
32 14 the commissioner of documents and evidence obtained in
32 15 an investigation of a suspected or actual fraudulent
32 16 life settlement act to any of the following:
32 17 (1) In administrative or judicial proceedings to
32 18 enforce laws administered by the commissioner.
32 19 (2) To federal, state, or local law enforcement or
32 20 regulatory agencies, to an organization established
32 21 for the purpose of detecting and preventing fraudulent
32 22 life settlement acts or to the national association of
32 23 insurance commissioners.
32 24 (3) At the discretion of the commissioner, to a
32 25 person in the business of life settlements that is
32 26 aggrieved by a fraudulent life settlement act.
32 27 c. Release of documents and evidence under
32 28 paragraph "b" does not abrogate or modify the
32 29 privilege granted in paragraph "a".
32 30 6. This chapter shall not do any of the following:
32 31 a. Preempt the authority or relieve the duty of
32 32 other law enforcement or regulatory agencies to
32 33 investigate, examine, or prosecute suspected
32 34 violations of law.
32 35 b. Preempt, supersede, or limit any provision of
32 36 any state securities law or any rule, order, or notice
32 37 issued under this chapter.
32 38 c. Prevent or prohibit a person from voluntarily
32 39 disclosing information concerning life settlement
32 40 fraud to a law enforcement or regulatory agency other
32 41 than the commissioner.
32 42 d. Limit the powers granted elsewhere by the laws
32 43 of this state to the commissioner or the insurance
32 44 division, or an insurance fraud unit, to investigate
32 45 and examine possible violations of law and to take
32 46 appropriate action against wrongdoers.
32 47 7. This subsection applies to life settlement
32 48 antifraud initiatives as follows:
32 49 a. A provider or broker shall have in place
32 50 antifraud initiatives reasonably calculated to detect,



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33 1 prosecute, and prevent a fraudulent life settlement
33 2 act. At the discretion of the commissioner, the
33 3 commissioner may order, or a licensee may request and
33 4 the commissioner may grant, such modifications of the
33 5 following required initiatives as necessary to ensure
33 6 an effective antifraud program. The modifications may
33 7 be more or less restrictive than the required
33 8 initiatives so long as the modifications may
33 9 reasonably be expected to accomplish the purpose of
33 10 this section. The antifraud initiatives shall include
33 11 all of the following:
33 12 (1) Fraud investigators, who may be provider or
33 13 broker employees or independent contractors.
33 14 (2) An antifraud plan, which shall be submitted to
33 15 the commissioner. The antifraud plan shall include
33 16 but not be limited to any of the following:
33 17 (a) A description of the procedures for detecting
33 18 and investigating possible fraudulent life settlement
33 19 acts and procedures for resolving material
33 20 inconsistencies between medical records and insurance
33 21 applications.
33 22 (b) A description of the procedures for reporting
33 23 possible fraudulent life settlement acts to the
33 24 commissioner.
33 25 (c) A description of the plan for antifraud
33 26 education and training of underwriters and other
33 27 personnel.
33 28 (d) A description or chart outlining the
33 29 organizational arrangement of the antifraud personnel
33 30 who are responsible for the investigation and
33 31 reporting of possible fraudulent life settlement acts
33 32 and investigating unresolved material inconsistencies
33 33 between medical records and insurance applications.
33 34 b. Antifraud plans submitted to the commissioner
33 35 shall be privileged and confidential, shall not be
33 36 subject to chapter 22, and shall not be subject to
33 37 discovery or subpoena in a civil or criminal action.
33 38 Sec. 15. NEW SECTION. 508G.15 INJUNCTIONS ==
33 39 CIVIL REMEDIES == CEASE AND DESIST.
33 40 1. In addition to the penalties and other
33 41 enforcement provisions of this chapter, if any person
33 42 violates this chapter or any rule implementing this
33 43 chapter, the commissioner may seek an injunction in a
33 44 court of competent jurisdiction in the county where
33 45 the person resides or has a principal place of
33 46 business and may apply for temporary and permanent
33 47 orders that the commissioner determines necessary to
33 48 restrain the person from further committing the
33 49 violation.
33 50 2. A person damaged by an act of another person in



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34 1 violation of this chapter or any rule implementing or
34 2 administering this chapter, may bring a civil action
34 3 for damages against the person committing the
34 4 violation in a court of competent jurisdiction.
34 5 3. The commissioner may issue a cease and desist
34 6 order upon a person who violates any provision of this
34 7 chapter, any rule adopted or order issued by the
34 8 commissioner, or any written agreement entered into
34 9 with the commissioner.
34 10 4. If the commissioner finds that such an action
34 11 presents an immediate danger to the public and
34 12 requires an immediate final order, the commissioner
34 13 may issue an emergency cease and desist order reciting
34 14 with particularity the facts underlying such findings.
34 15 The emergency cease and desist order is effective
34 16 immediately upon service of a copy of the order on the
34 17 respondent and remains effective for ninety days. If
34 18 the commissioner begins nonemergency cease and desist
34 19 proceedings under subsection 1, the emergency cease
34 20 and desist order remains effective, absent an order by
34 21 a court of competent jurisdiction pursuant to chapter
34 22 17A. In the event of a willful violation of this
34 23 chapter, the court may award statutory damages in
34 24 addition to actual damages in an additional amount up
34 25 to three times the actual damage award. The
34 26 provisions of this chapter shall not be waived by
34 27 agreement. A choice of law provision shall not be
34 28 utilized to prevent the application of this chapter to
34 29 any life settlement in which a party to the life
34 30 settlement is a resident of this state.
34 31 Sec. 16. NEW SECTION. 508G.16 PENALTIES.
34 32 1. It is a violation of this chapter for any
34 33 person, provider, broker, or any other party related
34 34 to the business of life settlements, to commit a
34 35 fraudulent life settlement act.
34 36 2. For criminal liability purposes, a person that
34 37 commits a fraudulent life settlement act is guilty of
34 38 a class "D" felony.
34 39 3. In addition to the penalty provided in
34 40 subsection 2, the commissioner may establish, assess,
34 41 and collect a civil penalty not exceeding ten thousand
34 42 dollars for each violation of this chapter, including
34 43 a person or the person's employee licensed pursuant to
34 44 this chapter, who commits a fraudulent life settlement
34 45 act or violates any other provision of this chapter
34 46 and penalties shall be deposited into the general fund
34 47 of the state.
34 48 4. The license of a person licensed under this
34 49 chapter that commits a fraudulent life settlement act
34 50 shall be revoked for a period of five years.



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35 1 Sec. 17. NEW SECTION. 508G.17 UNFAIR TRADE
35 2 PRACTICES.
35 3 A violation of sections 508G.3 through 508G.16 by a
35 4 provider, broker, or insurer shall be considered an
35 5 unfair trade practice pursuant to chapter 507B.
35 6 DIVISION II
35 7 COORDINATING CHANGES
35 8 Sec. 18. Section 502.102, subsection 17, paragraph
35 9 d, Code 2007, is amended to read as follows:
35 10 d. With respect to a ~~viatical~~ life settlement
35 11 ~~investment~~ contract as defined in section 508G.2,
35 12 "issuer" means a person involved in creating,
35 13 transferring, or selling to an investor any interest
35 14 in such a contract, including but not limited to
35 15 fractional or pooled interests, but does not include
35 16 an agent or a broker-dealer.
35 17 Sec. 19. Section 502.102, subsection 28, paragraph
35 18 f, Code 2007, is amended to read as follows:
35 19 f. It includes a ~~viatical~~ life settlement
35 20 ~~investment~~ contract as defined in section 508G.2.
35 21 Sec. 20. Section 502.102, subsection 31A, Code
35 22 2007, is amended by striking the subsection.
35 23 Sec. 21. Section 502.201, subsection 9E, Code
35 24 2007, is amended to read as follows:
35 25 9E. ~~VIATICAL LIFE SETTLEMENT CONTRACTS.~~ A
35 26 ~~viatical~~ life settlement contract as defined in
35 27 section 508.102, or fractional or pooled interest in
35 28 such contract, provided any of the following
35 29 conditions are satisfied:
35 30 a. The assignment, transfer, sale, devise, or
35 31 bequest of a death benefit of a life insurance policy
35 32 or contract is made by the ~~viator~~ owner of a life
35 33 insurance policy to an insurance company as provided
35 34 under Title XIII, subtitle 1 chapter 508G.
35 35 b. The assignment, transfer, sale, devise, or
35 36 bequest of a life insurance policy or contract, for
35 37 any value less than the expected death benefit, is
35 38 made by the ~~viator~~ owner of the life insurance policy
35 39 to a family member or other person who enters into no
35 40 more than one such agreement in a calendar year.
35 41 c. A life insurance policy or contract is assigned
35 42 to a bank, savings bank, savings and loan association,
35 43 credit union, or other licensed lending institution as
35 44 collateral for a loan.
35 45 d. Accelerated benefits are exercised as provided
35 46 in the life insurance policy or contract and
35 47 consistent with applicable law.
35 48 e. The assignment, transfer, sale, devise, or
35 49 bequest of the death benefit or ownership of a life
35 50 insurance policy or contract made by the policyholder



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36 1 or contract owner to a ~~viatical settlement~~ provider
36 2 pursuant to a life settlement contract, if the
36 3 ~~viatical~~ life settlement transaction contract complies
36 4 with chapter ~~508E~~ 508G, including rules adopted
36 5 pursuant to that chapter.

36 6 Sec. 22. Chapter 508E, Code 2007, is repealed.

36 7 DIVISION III

36 8 TRANSITIONAL PROVISIONS

36 9 Sec. 23. TRANSACTIONS OF BUSINESS.

36 10 1. A provider lawfully transacting business in
36 11 this state prior to July 1, 2009, may continue to do
36 12 so pending approval or disapproval of that person's
36 13 application for a license as long as the application
36 14 is filed with the commissioner not later than thirty
36 15 days after publication by the commissioner of an
36 16 application form and instructions for licensure of
36 17 providers. If the publication of the application form
36 18 and instructions is made prior to July 1, 2009, the
36 19 filing of the application shall not be later than
36 20 thirty days after July 1, 2009. During the time that
36 21 such an application is pending with the commissioner,
36 22 the applicant may use any form of life settlement
36 23 contract that has been filed with the commissioner
36 24 pending approval of the application, provided that
36 25 such form is otherwise in compliance with the
36 26 provisions of this Act. Any person transacting
36 27 business in this state under this provision shall be
36 28 obligated to comply with all other requirements of
36 29 this Act.

36 30 2. A person who has lawfully negotiated life
36 31 settlement contracts between any owner residing in
36 32 this state and one or more providers for at least one
36 33 year immediately prior to July 1, 2009, may continue
36 34 to do so pending approval or disapproval of that
36 35 person's application for a license as long as the
36 36 application is filed with the commissioner not later
36 37 than thirty days after publication by the commissioner
36 38 of an application form and instructions for licensure
36 39 of brokers. If the publication of the application
36 40 form and instructions is prior to July 1, 2009, the
36 41 filing of the application shall not be later than
36 42 thirty days after July 1, 2009. Any person
36 43 transacting business in this state under this
36 44 provision shall be obligated to comply with all other
36 45 requirements of this Act.

36 46 Sec. 24. EFFECTIVE DATE. This Act takes effect
36 47 July 1, 2009.>

36 48 #__. Title page, line 1, by striking the words
36 49 <viatical settlements> and inserting the following:
36 50 <life settlement arrangements>.



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37 1 #____. Title page, line 1, by striking the word
37 2 <fees> and inserting the following: <fees,>.
37 3 #____. Title page, by striking line 2 and inserting
37 4 the following: <penalties, and an effective date.>>
37 5
37 6
37 7
37 8 STRUYK of Pottawattamie
37 9 SF 2392.509 82
37 10 da/rj/11514



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House Amendment 8471

PAG LIN

1 1 Amend the amendment, H=8391, to Senate File 2392,
1 2 as amended, passed, and reprinted by the Senate, as
1 3 follows:
1 4 #1. Page 36, by inserting after line 42 the
1 5 following:
1 6 <Sec. _____. INTERIM COMMITTEE. The legislative
1 7 council is requested to establish an interim committee
1 8 to study the provisions of this Act, and specifically
1 9 an amendment to this Act to establish a proper time
1 10 period when a person may enter into a viatical
1 11 settlement contract after the issuance of the
1 12 insurance policy or certificate. The interim
1 13 committee shall make a recommendation to the
1 14 legislative council for purposes of amending this Act
1 15 to establish the proper time period if necessary for
1 16 consideration by the Eighty-third General Assembly
1 17 during its 2009 legislative session.>
1 18 #2. Page 36, by striking lines 43 and 44 and
1 19 inserting the following:
1 20 <Sec. _____. EFFECTIVE DATES.
1 21 1. Except as provided in subsection 2, this Act
1 22 takes effect July 1, 2009.
1 23 2. The provision of this Act establishing an
1 24 interim committee takes effect upon enactment.>
1 25 #3. Page 37, line 1, by striking the words <an
1 26 effective date> and inserting the following:
1 27 <effective dates>.
1 28 #4. By renumbering as necessary.
1 29
1 30
1 31
1 32 QUIRK of Chickasaw
1 33
1 34
1 35
1 36 BAILEY of Hamilton
1 37
1 38
1 39
1 40 REICHERT of Muscatine
1 41 SF 2392.209 82
1 42 da/rj/11513
1 43
1 44
1 45
1 46
1 47
1 48
1 49
1 50



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House Amendment 8472

PAG LIN

1 1 Amend House File 2558, as passed by the House, as
1 2 follows:
1 3 #1. By striking everything after the enacting
1 4 clause and inserting the following:
1 5 <Sec. _____. NEW SECTION. 15.118 CONFIDENTIALITY
1 6 OF INFORMATION IN FINANCIAL ASSISTANCE APPLICATIONS.
1 7 1. The board and the department shall give due
1 8 regard to the confidentiality of certain information
1 9 disclosed by applicants for financial assistance
1 10 during the application process, the contract
1 11 administration process, and the period following
1 12 closeout of a contract in the manner described in this
1 13 section.
1 14 2. All information contained in an application for
1 15 financial assistance submitted to the department shall
1 16 remain confidential while the department is reviewing
1 17 the application, processing requests for
1 18 confidentiality, negotiating with the applicant, and
1 19 preparing the application for consideration by the
1 20 director or the board. The department may release
1 21 certain information in an application for financial
1 22 assistance to a third party for technical review. If
1 23 the department releases such information to a third
1 24 party, the department shall ensure that the third
1 25 party protects such information from public
1 26 disclosure. After the department has considered a
1 27 request for confidentiality, any information not
1 28 deemed confidential shall be made publicly available.
1 29 Any information deemed confidential by the department
1 30 shall also be kept confidential during and following
1 31 administration of a contract executed pursuant to a
1 32 successful application.
1 33 3. The department shall consider the written
1 34 request of an applicant or award recipient to keep
1 35 confidential certain details of an application, a
1 36 contract, or the materials submitted in support of an
1 37 application or a contract. If the request includes a
1 38 sufficient explanation as to why the public disclosure
1 39 of such details would give an unfair advantage to
1 40 competitors, the department shall keep certain details
1 41 confidential. If the department elects to keep
1 42 certain details confidential, the department shall
1 43 release only the nonconfidential details in response
1 44 to a request for records pursuant to chapter 22. If
1 45 confidential details are withheld from a request for
1 46 records pursuant to chapter 22, the department shall
1 47 release an explanation of why the information was
1 48 deemed confidential and a summary of the nature of the
1 49 information withheld and the reasons for withholding
1 50 it. In considering requests for confidential



Iowa General Assembly
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House Amendment 8472 continued

2 1 treatment, the department shall narrowly construe the
2 2 provisions of this section in order to appropriately
2 3 balance an applicant's need for confidentiality
2 4 against the public's right to information about the
2 5 department's activities.
2 6 4. If a request for confidentiality is denied by
2 7 the department, an applicant may withdraw the
2 8 application and any supporting materials, and the
2 9 department shall not retain any copies of the
2 10 application or supporting materials. Upon notice that
2 11 an application has been withdrawn, the department
2 12 shall not release a copy in response to a request for
2 13 records pursuant to chapter 22.
2 14 5. The department shall adopt by rule a process
2 15 for considering requests to keep information
2 16 confidential pursuant to this section. The department
2 17 may adopt emergency rules pursuant to chapter 17A to
2 18 implement this section. The rules shall include
2 19 criteria for guiding the department's decisions about
2 20 the confidential treatment of applicant information.
2 21 The criteria may include but are not limited to the
2 22 following:
2 23 a. The nature and extent of competition in the
2 24 applicant's industry sector.
2 25 b. The likelihood of adverse financial impact to
2 26 the applicant if the information were to be released.
2 27 c. The risk that the applicant will locate in
2 28 another state if the request is denied.
2 29 d. Any other factor the department reasonably
2 30 considers relevant.>
2 31 #2. By renumbering as necessary.
2 32 HF 2558.S
2 33 tw/ml/12



**Iowa General Assembly
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House Amendment 8473

PAG LIN

1 1 Amend the amendment, H=8350, to Senate File 2392,
 1 2 as amended, passed, and reprinted by the Senate, as
 1 3 follows:
 1 4 #1. Page 1, line 50, by striking the word
 1 5 <five=year> and inserting the following: <two=year>.
 1 6 #2. Page 2, line 28, by striking the word
 1 7 <five=year> and inserting the following: <two=year>.
 1 8 #3. Page 4, by inserting after line 42 the
 1 9 following:
 1 10 <#____. Page 58, by inserting after line 4 the
 1 11 following:
 1 12 <Sec. _____. INTERIM COMMITTEE. The legislative
 1 13 council is requested to establish an interim committee
 1 14 to study sections 508E.11 and 508E.12 as enacted in
 1 15 this Act, and specifically the proper time period when
 1 16 a person may enter into a viatical settlement contract
 1 17 after the issuance of the insurance policy or
 1 18 certificate. If established, the interim committee
 1 19 shall make a recommendation to the legislative council
 1 20 for purposes of increasing the time period if
 1 21 necessary for consideration by the Eighty=third
 1 22 General Assembly during its 2009 legislative
 1 23 session.>>
 1 24 #4. By renumbering as necessary.
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 1 28 QUIRK of Chickasaw
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 1 32 BAILEY of Hamilton
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 1 36 REICHERT of Muscatine
 1 37 SF 2392.307 82
 1 38 da/rj/11524
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**Iowa General Assembly
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House Amendment 8474

PAG LIN

1 1 Amend the amendment, H=8432, to Senate File 2216,
 1 2 as amended, passed, and reprinted by the Senate, as
 1 3 follows:
 1 4 #1. Page 1, line 31, by striking the figure <2012>
 1 5 and inserting the following: <2014>.
 1 6 #2. Page 1, line 35, by striking the figure <2012>
 1 7 and inserting the following: <2014>.
 1 8 #3. Page 1, line 37, by striking the figure <2012>
 1 9 and inserting the following: <2014>.
 1 10 #4. Page 1, line 41, by inserting after the word
 1 11 <school.> the following: <School districts and
 1 12 accredited nonpublic schools are encouraged to
 1 13 implement the rigorous core content standards between
 1 14 July 1, 2012, and June 30, 2014.>
 1 15
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 1 18 RAECKER of Polk
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 1 21
 1 22 WISE of Lee
 1 23 SF 2216.210 82
 1 24 kh/nh/12238
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Iowa General Assembly
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House Amendment 8475

PAG LIN

1 1 Amend Senate File 2404, as passed by the Senate, as
1 2 follows:
1 3 #1. Page 2, by inserting after line 17 the
1 4 following:
1 5 <Sec. _____. Section 8F.3, subsection 1, Code
1 6 Supplement 2007, is amended by adding the following
1 7 new paragraph:
1 8 NEW PARAGRAPH. e. Information that the recipient
1 9 entity's policies prohibit the use of any of the
1 10 moneys received pursuant to a service contract to
1 11 provide bonuses to officers or employees of the
1 12 recipient entity.
1 13 Sec. _____. NEW SECTION. 68B.24A BONUSES ==
1 14 BANNED.
1 15 Unless otherwise authorized by law or required
1 16 pursuant to a collective bargaining agreement, an
1 17 appointed state officer or a state employee shall not
1 18 receive, in addition to a salary, any remuneration in
1 19 the form of a bonus, including but not limited to a
1 20 retention bonus, recruitment bonus, exceptional job
1 21 performance pay, extraordinary duty pay, or
1 22 extraordinary or special duty pay, for or during the
1 23 time period beginning on or after the effective date
1 24 of this Act.
1 25 Sec. _____. Section 68B.25, Code 2007, is amended to
1 26 read as follows:
1 27 68B.25 ADDITIONAL PENALTY.
1 28 In addition to any penalty contained in any other
1 29 provision of law, a person who knowingly and
1 30 intentionally violates a provision of sections 68B.2A
1 31 through 68B.7, sections 68B.22 through ~~68B.24~~ 68B.24A,
1 32 or sections 68B.35 through 68B.38 is guilty of a
1 33 serious misdemeanor and may be reprimanded, suspended,
1 34 or dismissed from the person's position or otherwise
1 35 sanctioned.>
1 36 #2. Page 3, by inserting after line 12 the
1 37 following:
1 38 <Sec. _____. Section 70A.1, subsection 1, Code 2007,
1 39 is amended to read as follows:
1 40 1. Salaries specifically provided for in an
1 41 appropriation Act of the general assembly shall be in
1 42 lieu of existing statutory salaries, for the positions
1 43 provided for in the Act, and all salaries, including
1 44 longevity where applicable by express provision in the
1 45 Code, shall be paid according to the provisions of
1 46 chapter 91A and shall be in full compensation of all
1 47 services, including any service on committees, boards,
1 48 commissions or similar duty for Iowa government,
1 49 except for members of the general assembly. A state
1 50 employee on an annual salary shall not be paid for a



Iowa General Assembly
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House Amendment 8475 continued

2 1 pay period an amount which exceeds the employee's
2 2 annual salary transposed into a rate applicable to the
2 3 pay period by dividing the annual salary by the number
2 4 of pay periods in the fiscal year. Salaries for state
2 5 employees covered by the overtime payment provisions
2 6 of the federal Fair Labor Standards Act shall be
2 7 established on an hourly basis. In addition, unless
2 8 otherwise authorized by law or required pursuant to a
2 9 collective bargaining agreement, a state employee
2 10 shall not, in addition to a salary, receive any
2 11 remuneration in the form of a bonus, including but not
2 12 limited to a retention bonus, recruitment bonus,
2 13 exceptional job performance pay, extraordinary duty
2 14 pay, or extraordinary or special duty pay, for or
2 15 during the time period beginning on or after the
2 16 effective date of this Act.

2 17 Sec. ____ . APPOINTED STATE OFFICERS. The governor
2 18 shall establish a salary for appointed nonelected
2 19 persons in the executive branch of state government
2 20 holding a position authorized by a law that addresses
2 21 the salary ranges of state officers within the range
2 22 provided, by considering, among other items, the
2 23 experience of the individual in the position, changes
2 24 in the duties of the position, the incumbent's
2 25 performance of assigned duties, and subordinates'
2 26 salaries. However, the attorney general shall
2 27 establish the salary for the consumer advocate, the
2 28 chief justice of the supreme court shall establish the
2 29 salary for the state court administrator, the ethics
2 30 and campaign disclosure board shall establish the
2 31 salary of the executive director, the Iowa public
2 32 broadcasting board shall establish the salary of the
2 33 administrator of the public broadcasting division of
2 34 the department of education, and the state fair board
2 35 shall establish the salary of the secretary of the
2 36 state fair board, each within the salary range
2 37 authorized by a law that addresses the salary ranges
2 38 of state officers.

2 39 The governor, in establishing salaries as
2 40 authorized by a law that addresses the salary ranges
2 41 of state officers, shall take into consideration other
2 42 employee benefits which may be provided for an
2 43 individual including but not limited to housing.

2 44 A person whose salary is established pursuant to a
2 45 law that addresses the salary ranges of state officers
2 46 and who is a full-time, year-round employee of the
2 47 state shall not receive any other remuneration from
2 48 the state or from any other source for the performance
2 49 of that person's duties. However, this provision does
2 50 not exclude the reimbursement for necessary travel and



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House Amendment 8475 continued

3 1 expenses incurred in the performance of duties or
3 2 fringe benefits normally provided to employees of the
3 3 state.>
3 4 #3. Title page, line 2, by inserting after the
3 5 word <grants> the following: <and to bonuses awarded
3 6 to certain government officials and employees, and
3 7 employees of entities receiving government funds
3 8 pursuant to a service contract with the state>.
3 9 #4. By renumbering as necessary.
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3 13 BAUDLER of Adair
3 14 SF 2404.501 82
3 15 av/rj/11478



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House Amendment 8476

PAG LIN

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1 1 Amend House File 2679 as follows:
1 2 #1. Page 4, by striking line 27 and inserting the
1 3 following:
1 4 <..... $ 8,417,427>
1 5 #2. Page 22, by striking line 32 and inserting the
1 6 following:
1 7 <..... $ 10,077,191>
1 8 #3. Page 23, by striking line 3 and inserting the
1 9 following:
1 10 <..... $ 5,674,351>
1 11
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1 14 STRUYK of Pottawattamie
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1 18 PETTENGILL of Benton
1 19 HF 2679.505 82
1 20 kh/jp/12106
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House Amendment 8477

PAG LIN

1 1 Amend House File 2681 as follows:
1 2 #1. Page 2, by inserting after line 23 the
1 3 following:
1 4 <Sec. _____. Section 299.2, subsection 1, Code 2007,
1 5 is amended to read as follows:
1 6 1. a. Who has completed the requirements for
1 7 graduation in an accredited school or has obtained a
1 8 high school equivalency diploma under chapter 259A.
1 9 b. Who is making satisfactory progress towards
1 10 completion of the requirements for a high school
1 11 equivalency diploma under chapter 259A after obtaining
1 12 a written statement from the school district of
1 13 enrollment affirming that the child has withdrawn from
1 14 high school. A school district or accredited
1 15 nonpublic school shall provide the written statement
1 16 to a former student upon request.>
1 17 #2. By renumbering as necessary.
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1 21 GAYMAN of Scott
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1 25 L. MILLER of Scott
1 26 HF 2681.501 82
1 27 kh/nh/12107

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Iowa General Assembly
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House File 2680 - Introduced

HOUSE FILE
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 2487)
(SUCCESSOR TO HSB 529)

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

A BILL FOR

- 1 An Act relating to student achievement and teacher quality
- 2 program definitions and requirements and extending or changing
- 3 program allocations.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 5334HZ 82
- 6 kh/rj/8



Iowa General Assembly
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April 09, 2008

House File 2680 - Introduced continued

PAG LIN

1 1 Section 1. Section 282.10, subsection 4, Code 2007, is
1 2 amended to read as follows:
1 3 4. A whole grade sharing agreement shall be signed by the
1 4 boards of the districts involved in the agreement not later
1 5 than February 1 of the school year preceding the school year
1 6 for which the agreement is to take effect. The boards of the
1 7 districts shall negotiate as part of the new or existing
1 8 agreement the disposition of teacher quality funding provided
1 9 under chapter 284.

1 10 Sec. 2. Section 284.2, subsection 11, Code Supplement
1 11 2007, is amended to read as follows:
1 12 11. "Teacher" means an individual who holds a
1 13 practitioner's license issued under chapter 272, or a
1 14 statement of professional recognition issued under chapter 272
1 15 who is employed in a nonadministrative position by a school
1 16 district or area education agency pursuant to a contract
1 17 issued by a board of directors under section 279.13. A
1 18 teacher may be employed in both an administrative and a
1 19 nonadministrative position by a board of directors and shall
1 20 be considered a part-time teacher for the portion of time that
1 21 the teacher is employed in a nonadministrative position.
1 22 ~~"Teacher" includes a licensed individual employed on a less~~
1 23 ~~than full-time basis by a school district through a contract~~
1 24 ~~between the school district and an institution of higher~~
1 25 ~~education with a practitioner preparation program in which the~~
1 26 ~~licensed teacher is enrolled.~~

1 27 Sec. 3. Section 284.7, subsection 1, paragraph a,
1 28 subparagraph (2), Code Supplement 2007, is amended to read as
1 29 follows:

1 30 (2) Beginning July 1, ~~2007~~ 2008, the minimum salary for a
1 31 beginning teacher shall be ~~twenty-six~~ twenty-eight thousand
1 32 ~~five hundred~~ dollars.

1 33 Sec. 4. Section 284.7, subsection 1, paragraph b,
1 34 subparagraph (2), Code Supplement 2007, is amended to read as
1 35 follows:



Iowa General Assembly
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April 09, 2008

House File 2680 - Introduced continued

2 1 (2) Beginning July 1, ~~2007~~ 2008, the minimum salary for a
2 2 first-year career teacher shall be ~~twenty-seven~~ thirty
2 3 thousand ~~five hundred~~ dollars and the minimum salary for all
~~2 4 other career teachers shall be twenty-eight thousand five~~
~~2 5 hundred dollars.~~

2 6 Sec. 5. Section 284.7, subsection 5, paragraph b, Code
2 7 Supplement 2007, is amended to read as follows:
2 8 b. If, once the minimum salary requirements of this
2 9 section have been met by the school district or area education
2 10 agency, and the school district or area education agency
2 11 receiving funds pursuant to section 284.13, subsection 1,
2 12 paragraph "h" or "i", for purposes of this section, and the
2 13 certified bargaining representative for the licensed employees
2 14 have not reached an agreement for distribution of the funds
2 15 remaining, in accordance with paragraph "a", the board of
2 16 directors shall divide the funds remaining among full-time
2 17 teachers employed by the district or area education agency
2 18 whose regular compensation is equal to or greater than the
2 19 minimum salary specified in this section. The payment amount
2 20 for teachers employed on less than a full-time basis shall be
2 21 prorated. For purposes of this paragraph, regular
2 22 compensation means base salary plus any salary provided under
2 23 chapter 294A.

2 24 Sec. 6. Section 284.7, subsection 5, Code Supplement 2007,
2 25 is amended by adding the following new paragraph:
2 26 NEW PARAGRAPH. e. A school district or area education
2 27 agency receiving funds pursuant to section 284.13, subsection
2 28 1, paragraph "h" or "i", shall determine the amount to be paid
2 29 to teachers in accordance with this subsection and the amount
2 30 determined to be paid to an individual teacher shall be
2 31 divided evenly and paid in each pay period of the fiscal year
2 32 beginning with the October payroll.

2 33 Sec. 7. Section 284.8, subsection 1, Code Supplement 2007,
2 34 is amended to read as follows:
2 35 1. A school district shall review a teacher's performance



Iowa General Assembly
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April 09, 2008

House File 2680 - Introduced continued

3 1 at least once every three years for purposes of assisting
3 2 teachers in making continuous improvement, documenting
3 3 continued competence in the Iowa teaching standards,
3 4 identifying teachers in need of improvement, or to determine
3 5 whether the teacher's practice meets school district
3 6 expectations for career advancement in accordance with section
3 7 284.7. The review shall include, at minimum, classroom
3 8 observation of the teacher, the teacher's progress, and
3 9 implementation of the teacher's individual professional
3 10 development plan, subject to the level of funding resources
3 11 provided to implement the plan; and shall include supporting
3 12 documentation from parents, students, and other evaluators,
3 13 teachers, parents, and students.

3 14 Sec. 8. Section 284.13, subsection 1, paragraph a, Code
3 15 Supplement 2007, is amended to read as follows:

3 16 a. For ~~each~~ the fiscal year of the fiscal period beginning
3 17 July 1, ~~2007~~ 2008, and ending June 30, 2009, to the department
3 18 of education, ~~the amount of one million eighty-seven seven~~
3 19 hundred seven thousand five hundred dollars for the issuance
3 20 of national board certification awards in accordance with
3 21 section 256.44.

3 22 ~~(1)~~ Of the amount allocated under this paragraph "a", not
3 23 less than eighty-five thousand dollars shall be used to
3 24 administer the ambassador to education position in accordance
3 25 with section 256.45.

~~3 26 (2) Of the amount allocated under this paragraph "a", for
3 27 the fiscal year beginning July 1, 2007, and ending June 30,
3 28 2008, not less than one million dollars shall be used to
3 29 supplement the allocation of funds for market factor teacher
3 30 incentives made pursuant to paragraph "f", subparagraph (1).~~

3 31 Sec. 9. Section 284.13, subsection 1, paragraphs d and e,
3 32 Code Supplement 2007, are amended to read as follows:

3 33 d. (1) For the fiscal year beginning July 1, ~~2007~~ 2008,
3 34 and ending June 30, ~~2008~~ 2009, up to ~~twenty~~ twenty-eight
3 35 million five hundred thousand dollars to the department for



Iowa General Assembly
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House File 2680 - Introduced continued

4 1 use by school districts for professional development as
4 2 provided in section 284.6. Of the amount allocated under this
4 3 paragraph, up to eight million five hundred thousand dollars
4 4 shall be provided to school districts for professional
4 5 development related to the infusion and implementation of the
4 6 model core curriculum prescribed in section 256.7, subsection
4 7 26. The department shall distribute funds allocated for the
4 8 purpose of this paragraph based on the average per diem
4 9 contract salary for each district as reported to the
4 10 department for the school year beginning July 1, ~~2006~~ 2007,
4 11 multiplied by the total number of full-time equivalent
4 12 teachers in the base year. The department shall adjust each
4 13 district's average per diem salary by the allowable growth
4 14 rate established under section 257.8 for the fiscal year
4 15 beginning July 1, ~~2007~~ 2008. The contract salary amount shall
4 16 be the amount paid for their regular responsibilities but
4 17 shall not include pay for extracurricular activities. These
4 18 funds shall not supplant existing funding for professional
4 19 development activities. Notwithstanding any provision to the
4 20 contrary, moneys received by a school district under this
4 21 paragraph shall not revert but shall remain available for the
4 22 same purpose in the succeeding fiscal year. A school district
4 23 shall submit a report to the department in a manner determined
4 24 by the department describing its use of the funds received
4 25 under this paragraph. The department shall submit a report on
4 26 school district use of the moneys distributed pursuant to this
4 27 paragraph to the general assembly and the legislative services
4 28 agency not later than January 15 of the fiscal year for which
4 29 moneys are allocated for purposes of this paragraph.
4 30 (2) From moneys available under subparagraph (1) for the
4 31 fiscal year beginning July 1, ~~2007~~ 2008, and ending June 30,
4 32 ~~2008~~ 2009, the department shall allocate to area education
4 33 agencies an amount per teacher employed by an area education
4 34 agency that is approximately equivalent to the average per
4 35 teacher amount allocated to the districts. The average per



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April 09, 2008

House File 2680 - Introduced continued

5 1 teacher amount shall be calculated by dividing the total
5 2 number of teachers employed by school districts and the
5 3 teachers employed by area education agencies into the total
5 4 amount of moneys available under subparagraph (1).

5 5 (3) For the fiscal year beginning July 1, 2008, and ending
5 6 June 30, 2009, up to one million one hundred sixty-five
5 7 thousand dollars to the department for implementation of a
5 8 statewide early childhood professional development system
5 9 through the area education agencies that is designed to
5 10 support the statewide preschool program for four-year-old
5 11 children under chapter 256C and to the extent possible, other
5 12 early childhood programs.

5 13 e. For ~~the each~~ fiscal year beginning July 1, 2007, and
5 14 ending June 30, 2008 in which funds are appropriated for
5 15 purposes of this chapter, an amount up to one million eight
5 16 hundred forty-five thousand dollars to the department for the
5 17 establishment of teacher development academies in accordance
5 18 with section 284.6, subsection 10. A portion of the funds
5 19 allocated to the department for purposes of this paragraph may
5 20 be used for administrative purposes.

5 21 Sec. 10. Section 284.13, subsection 1, paragraph f, Code
5 22 Supplement 2007, is amended by striking the paragraph.

5 23 Sec. 11. Section 284.13, subsection 1, paragraph g,
5 24 subparagraph (3), Code Supplement 2007, is amended to read as
5 25 follows:

5 26 (3) For the fiscal year beginning July 1, 2008, and ending
5 27 June 30, 2009, the sum of ~~two million five three~~ hundred
5 28 thirty-five thousand dollars. From the amount allocated for
5 29 the fiscal year under this subparagraph, an amount up to ten
5 30 thousand dollars shall be used for purposes of the
5 31 pay-for-performance commission's expenses, an amount up to one
5 32 hundred thousand dollars shall be used by the department for
5 33 oversight and administration of the implementation pilots as
5 34 provided in sections 284.14 and 284.14A, and an amount up to
5 35 two hundred thousand dollars shall be used for the employment



**Iowa General Assembly
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House File 2680 - Introduced continued

6 1 of an external evaluator.

6 2 Sec. 12. Section 284.11, Code Supplement 2007, is
6 3 repealed.

6 4 EXPLANATION

6 5 This bill makes changes to the student achievement and
6 6 teacher quality program.

6 7 The bill increases the allocation for national board
6 8 certification awards by \$620,000 for FY 2008=2009, requires
6 9 that school districts entering into a whole grade sharing
6 10 agreement include the disposition of student achievement and
6 11 teacher quality funding received in the agreement, changes the
6 12 definition of teacher for purposes of the program, raises the
6 13 minimum beginning and first-year career teacher salaries,
6 14 defines regular compensation, allocates \$8.5 million to school
6 15 districts for professional development related to
6 16 implementation of the model core curriculum, allocates
6 17 \$1,165,000 for implementation through the area education
6 18 agencies of a statewide early childhood professional
6 19 development system to support the statewide preschool program,
6 20 and extends program allocations for professional development
6 21 for school district and area education agency teachers and for
6 22 teacher development academies through FY 2008=2009.

6 23 The bill changes the definition of teacher to eliminate
6 24 language related to individuals who are part-time teachers
6 25 under a contract between a school district and a practitioner
6 26 preparation program.

6 27 The bill increases the minimum beginning teacher's salary
6 28 to \$28,000 from \$26,500, and increases the minimum first-year
6 29 career teacher's salary to \$30,000 from \$27,500. The bill
6 30 also eliminates language setting the minimum salary for all
6 31 other career teachers at \$28,500.

6 32 When the school district or area education agency and the
6 33 certified bargaining representative for the institution's
6 34 licensed employees have not reached an agreement for purposes
6 35 of distributing teacher salary funding, the bill defines



Iowa General Assembly
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House File 2680 - Introduced continued

7 1 "regular compensation" as the base salary plus any salary
7 2 moneys provided under the educational excellence program. The
7 3 bill also provides that the salary moneys will be divided
7 4 evenly and paid in each pay period of the fiscal year
7 5 beginning with the October payroll.
7 6 Currently, a school district must review a teacher's
7 7 performance at least once every three years. The bill
7 8 replaces the language that limits the review to certain areas
7 9 subject to the level of funding provided, to instead make the
7 10 limitation subject to the level of resources provided. The
7 11 bill also eliminates a requirement that the review include
7 12 supporting documentation from other evaluators.
7 13 The bill reduces the fiscal year 2008=2009 allocation for
7 14 pay-for-performance and career ladder pilots to \$335,000 from
7 15 \$2.5 million.
7 16 The bill eliminates future funding for market factor
7 17 teacher incentives, repeals the language providing for the
7 18 incentives, and eliminates obsolete language related to the
7 19 incentives.
7 20 LSB 5334HZ 82
7 21 kh/rj/8



Iowa General Assembly
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House File 2681 - Introduced

HOUSE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2623)
(SUCCESSOR TO HF 2144)

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

A BILL FOR

- 1 An Act relating to the compulsory school attendance age and
- 2 providing effective dates.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 5102HZ 82
- 5 kh/nh/14



Iowa General Assembly
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House File 2681 - Introduced continued

PAG LIN

1 1 Section 1. Section 299.1A, Code 2007, is amended to read
1 2 as follows:
1 3 299.1A COMPULSORY ATTENDANCE AGE.
1 4 1. a. ~~A Except as provided in paragraph "b" and section~~
1 5 ~~299.2, a child who has reached the age of six and is under~~
1 6 ~~sixteen through seventeen years of age by September 15 is of~~
1 7 ~~compulsory attendance age. However, if a child enrolled in a~~
1 8 ~~school district or accredited nonpublic school reaches the age~~
1 9 ~~of sixteen on or after September 15, the child remains of~~
1 10 ~~compulsory age until the end of the regular school calendar.~~
1 11 b. A child who will receive competent private instruction
1 12 in accordance with chapter 299A and who reaches the age of six
1 13 by September 15 is of compulsory attendance age. A child
1 14 receiving such private instruction is of compulsory attendance
1 15 age until the age of sixteen if the child reaches age sixteen
1 16 on or before September 15. A child receiving such private
1 17 instruction who reaches age sixteen on or after September 15
1 18 remains of compulsory attendance age until the end of the
1 19 school year.
1 20 2. a. An individual who reaches the age of eighteen on or
1 21 after September 15 during the school year and intends to
1 22 terminate school enrollment prior to graduation is encouraged
1 23 to file with the board of directors of the school district or
1 24 the accredited nonpublic school of enrollment a formal
1 25 declaration of intent to terminate school enrollment and, to
1 26 the degree possible, participate in an exit interview pursuant
1 27 to paragraph "b" and complete a survey in accordance with
1 28 paragraph "c". The school district or accredited nonpublic
1 29 school shall make every effort to notify the individual's
1 30 parent or guardian of receipt of the individual's declaration
1 31 of intent to terminate school enrollment.
1 32 b. To the degree possible, a guidance counselor or other
1 33 school personnel designated by the school district or
1 34 accredited nonpublic school shall conduct an exit interview
1 35 with the individual to do all of the following:



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2 1 (1) Determine the reasons for the individual's decision to
2 2 terminate school enrollment.
2 3 (2) Discuss actions that could be taken to assist the
2 4 individual to stay in school.
2 5 (3) Inform the individual of opportunities to continue the
2 6 individual's education in a different environment, including
2 7 but not limited to adult education and test preparation
2 8 designed to qualify the individual for a high school
2 9 equivalency diploma.
2 10 c. To the degree possible, the individual and the
2 11 individual's parent or guardian are encouraged to complete a
2 12 survey provided by the school district in a format prescribed
2 13 by the department of education to provide data on the
2 14 individual's reasons for terminating enrollment and actions
2 15 taken by the school to keep the individual enrolled. The
2 16 survey shall include an open-ended question asking why the
2 17 individual is dropping out of school. The school district or
2 18 accredited nonpublic school shall submit the data from the
2 19 completed surveys to the department of education annually.
2 20 Sec. 2. Section 299.2, unnumbered paragraph 1, Code 2007,
2 21 is amended to read as follows:
2 22 Section Sections 299.1 and 299.1A shall not apply to any
2 23 child:
2 24 Sec. 3. Section 299A.8, Code Supplement 2007, is amended
2 25 to read as follows:
2 26 299A.8 DUAL ENROLLMENT.
2 27 If a parent, guardian, or legal custodian of a child who is
2 28 receiving competent private instruction under this chapter ~~or~~
~~2 29 a child over compulsory age who is receiving private~~
~~2 30 instruction submits a request, the child shall also be~~
2 31 registered in a public school for dual enrollment purposes.
2 32 If the child is enrolled in a public school district for dual
2 33 enrollment purposes, the child shall be permitted to
2 34 participate in any academic activities in the district and
2 35 shall also be permitted to participate on the same basis as



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3 1 public school children in any extracurricular activities
3 2 available to children in the child's grade or group, and the
3 3 parent, guardian, or legal custodian shall not be required to
3 4 pay the costs of any annual evaluation under this chapter. If
3 5 the child is enrolled for dual enrollment purposes, the child
3 6 shall be included in the public school's basic enrollment
3 7 under section 257.6. A pupil who is participating only in
3 8 extracurricular activities shall be counted under section
3 9 257.6, subsection 1, paragraph "a", subparagraph (6). A pupil
3 10 enrolled in grades nine through twelve under this section
3 11 shall be counted in the same manner as a shared-time pupil
3 12 under section 257.6, subsection 1, paragraph "a", subparagraph
3 13 (3).

3 14 Sec. 4. SCHOOL DISTRICT COMPULSORY ATTENDANCE SUPPORT
3 15 REVIEW. The board of directors of each school district shall,
3 16 during the school year beginning July 1, 2008, convene a
3 17 working group comprised of educational and community
3 18 stakeholders to review financial and programmatic supports for
3 19 students affected by an increase in the compulsory attendance
3 20 age from sixteen through seventeen. The working group shall
3 21 consider, at a minimum, the necessity of expansion of support
3 22 programs and services for such students, web-based at-risk
3 23 academy courses, summer school offerings, credit recovery
3 24 efforts, mentoring and tutoring services, before and after
3 25 school supports, career academies, and at-risk allowable
3 26 growth provisions, and the use of the instructional support
3 27 levy. The working group shall include in the comprehensive
3 28 school improvement plan submitted to the department of
3 29 education in accordance with section 256.7, subsection 21, a
3 30 plan for addressing the needs of students at risk of dropping
3 31 out, including any proposed changes to the local program or
3 32 funding priorities.

3 33 Sec. 5. COMPULSORY ATTENDANCE WORKING GROUP. The
3 34 department of education shall convene a working group
3 35 comprised of the director of the department of education, or



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4 1 the director's designee, and other education stakeholders
4 2 appointed by the department to review supports for students
4 3 affected by an increase in the compulsory attendance age from
4 4 sixteen to eighteen years of age. The working group shall
4 5 consider, at a minimum, the necessity of expansion of support
4 6 programs and services for such students, online at-risk
4 7 academy courses, career academies, and current at-risk
4 8 allowable growth provisions, and full funding of the
4 9 instructional support levy. The working group shall submit
4 10 its findings and recommendations, including any proposed
4 11 changes in policy or statute, to the state board of education
4 12 and the general assembly by January 15, 2009.

4 13 Sec. 6. STATE MANDATE FUNDING SPECIFIED. In accordance
4 14 with section 25B.2, subsection 3, the state cost of requiring
4 15 compliance with any state mandate included in this Act shall
4 16 be paid by a school district from state school foundation aid
4 17 received by the school district under section 257.16. This
4 18 specification of the payment of the state cost shall be deemed
4 19 to meet all the state funding-related requirements of section
4 20 25B.2, subsection 3, and no additional state funding shall be
4 21 necessary for the full implementation of this Act by and
4 22 enforcement of this Act against all affected school districts.

4 23 Sec. 7. EFFECTIVE DATES. The section of this Act
4 24 providing for a compulsory attendance working group takes
4 25 effect July 1, 2008, and the remainder of the Act takes effect
4 26 July 1, 2009.

4 27 EXPLANATION

4 28 This bill raises the compulsory school attendance age from
4 29 16 to 17 for students other than those receiving competent
4 30 private instruction. The bill encourages students, other than
4 31 those who received competent private instruction, who reach
4 32 age 18 on or after September 15 and intend to leave school to
4 33 file with the school district or accredited nonpublic school a
4 34 formal declaration of intent to terminate school enrollment
4 35 and, to the degree possible, participate in an exit interview



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5 1 and complete a survey that will provide data annually to the
5 2 department of education regarding the reasons students are
5 3 terminating enrollment.

5 4 The school district or nonpublic school must make every
5 5 effort to notify the individual's parent or guardian of a
5 6 student's intent to terminate enrollment. To the degree
5 7 possible, in conducting the exit interview, school personnel
5 8 must determine the reasons for the individual's decision to
5 9 terminate school enrollment, discuss actions that could be
5 10 taken to assist the individual to stay in school, and inform
5 11 the individual of opportunities to continue the individual's
5 12 education in a different environment, including but not
5 13 limited to adult education and test preparation designed to
5 14 qualify the individual for a high school equivalency diploma.
5 15 The survey must include an open-ended question asking why the
5 16 student is dropping out.

5 17 The bill directs each school district to convene a working
5 18 group during the 2008=2009 school year to review financial and
5 19 programmatic supports for students affected by the increase in
5 20 the compulsory age of attendance. The working group must
5 21 include in the school district's comprehensive school
5 22 improvement plan a plan for addressing the needs of students
5 23 at risk of dropping out.

5 24 The bill also directs the department of education to
5 25 convene a compulsory attendance working group. The working
5 26 group is to review supports for affected students and to
5 27 consider the necessity of expanding support programs and
5 28 services, online at-risk academy courses, career academies,
5 29 current at-risk allowable growth provisions, and full funding
5 30 of the instructional support levy. The working group must
5 31 submit a report to the general assembly and the department of
5 32 education by January 15, 2009.

5 33 The bill includes technical amendments to eliminate a
5 34 reference to the compulsory attendance age for purposes of
5 35 dual enrollment and to exempt children who meet conditions



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6 1 existing in Code section 299.2.
6 2 The provision relating to the compulsory attendance working
6 3 group takes effect July 1, 2008, while the remainder of the
6 4 bill takes effect July 1, 2009.
6 5 The bill may include a state mandate as defined in Code
6 6 section 25B.3. The bill requires that the state cost of any
6 7 state mandate included in the bill be paid by a school
6 8 district from state school foundation aid received by the
6 9 school district under Code section 257.16. The specification
6 10 is deemed to constitute state compliance with any state
6 11 mandate funding-related requirements of Code section 25B.2.
6 12 The inclusion of this specification is intended to reinstate
6 13 the requirement of political subdivisions to comply with any
6 14 state mandates included in the bill.
6 15 LSB 5102HZ 82
6 16 kh/nh/14



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House File 2682 - Introduced

HOUSE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2566)
(SUCCESSOR TO HSB 678)

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

Passed Senate, Date _____
Vote: Ayes _____ Nays _____

A BILL FOR

- 1 An Act relating to the funding of school district programs for
- 2 returning dropouts and dropout prevention.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 6417HZ 82
- 5 ak/sc/8



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House File 2682 - Introduced continued

PAG LIN

1 1 Section 1. Section 257.38, subsection 2, Code 2007, is
1 2 amended to read as follows:
1 3 2. Program plans shall identify the parts of the plan that
1 4 will be implemented first upon approval of the request. If a
1 5 district is requesting to use modified allowable growth to
1 6 finance the program, the school district shall not identify
1 7 more than ~~five~~ seven percent of its budget enrollment for the
1 8 budget year as returning dropouts and potential dropouts.

1 9 EXPLANATION

1 10 This bill allows a school district to identify up to 7
1 11 percent of the district's budget enrollment as returning
1 12 dropouts and potential dropouts when the district is
1 13 requesting to use modified allowable growth to fund a program
1 14 for returning dropouts and dropout prevention. A school
1 15 district was previously allowed to identify only 5 percent of
1 16 the district's budget enrollment as returning dropouts or
1 17 potential dropouts.

1 18 LSB 6417HZ 82

1 19 ak/sc/8



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House File 2683 - Introduced

HOUSE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 781)

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____
Approved

Vote: Ayes _____ Nays _____

A BILL FOR

- 1 An Act relating to the meetings of and appeals from the property
- 2 assessment appeal board and including effective and
- 3 applicability date provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 6569HV 82
- 6 mg/rj/8



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PAG LIN

1 1 Section 1. Section 441.37A, subsection 2, unnumbered
1 2 paragraph 2, Code 2007, is amended to read as follows:
1 3 An appeal may be considered by less than a majority of the
1 4 members of the board, and the chairperson of the board may
1 5 assign members to consider appeals. If a hearing is
1 6 requested, it shall be open to the public and shall be
1 7 conducted in accordance with the rules of practice and
1 8 procedure adopted by the board. However, any deliberation of
1 9 a board member considering the appeal in reaching a decision
1 10 on any appeal shall be confidential. A meeting of the board
1 11 to rule on procedural motions in a pending appeal, or to
1 12 deliberate on the decision to be reached in an appeal is
1 13 exempt from the provisions of chapter 21. The property
1 14 assessment appeal board or any member of the board may require
1 15 the production of any books, records, papers, or documents as
1 16 evidence in any matter pending before the board that may be
1 17 material, relevant, or necessary for the making of a just
1 18 decision. Any books, records, papers, or documents produced
1 19 as evidence shall become part of the record of the appeal.
1 20 Any testimony given relating to the appeal shall be
1 21 transcribed and made a part of the record of the appeal.
1 22 Sec. 2. Section 441.38, subsection 1, Code 2007, is
1 23 amended to read as follows:
1 24 1. Appeals may be taken from the action of the local board
1 25 of review with reference to protests of assessment, to the
1 26 district court of the county in which the board holds its
1 27 sessions within twenty days after its adjournment or May 31,
1 28 whichever date is later. Appeals may be taken from the action
1 29 of the property assessment appeal board to the district court
1 30 of the county where the property which is the subject of the
1 31 appeal is located or to the district court of Polk county
1 32 within twenty days after the letter of disposition of the
1 33 appeal by the property assessment appeal board is postmarked
1 34 to the appellant. No new grounds in addition to those set out
1 35 in the protest to the local board of review as provided in



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2 1 section 441.37, or in addition to those set out in the appeal
2 2 to the property assessment appeal board, if applicable, can be
2 3 pleaded, ~~but additional.~~ Additional evidence to sustain those
2 4 grounds may be introduced in an appeal from the local board of
2 5 review to the district court. However, no new evidence to
2 6 sustain those grounds may be introduced in an appeal from the
2 7 property assessment appeal board to the district court. The
2 8 assessor shall have the same right to appeal and in the same
2 9 manner as an individual taxpayer, public body, or other public
2 10 officer as provided in section 441.42. Appeals shall be taken
2 11 by filing a written notice of appeal with the clerk of
2 12 district court. The notice of appeal from the action of the
2 13 property assessment appeal board shall conform to the
2 14 requirements of a petition for judicial review as provided in
2 15 section 17A.19. Filing of the written notice of appeal shall
2 16 preserve all rights of appeal of the appellant.

2 17 Sec. 3. EFFECTIVE AND APPLICABILITY DATE PROVISIONS.

2 18 1. The section of this Act amending section 441.38 applies
2 19 to appeals taken on or after the effective date of this Act.

2 20 2. This Act, being deemed of immediate importance, takes
2 21 effect upon enactment.

2 22 EXPLANATION

2 23 Code section 441.37A is amended to provide that meetings of
2 24 the property assessment appeal board to rule on procedural
2 25 motions in a pending appeal, or to deliberate on a decision to
2 26 be reached in an appeal are exempt from the open meetings law.

2 27 Code section 441.38 is amended to provide that appeals from
2 28 the property assessment appeal board may be made in the
2 29 district court in Polk county. In addition, the Code section
2 30 is amended to provide that additional evidence to sustain an
2 31 appeal may be introduced when appealing a decision of the
2 32 local board of review to the district court. However, no
2 33 additional evidence is permitted if the appeal is of a
2 34 decision of the property assessment appeal board. Also added
2 35 to Code section 441.38 is a provision that the notice of



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3 1 appeal from action of the property assessment appeal board is
3 2 to conform to a petition for judicial review under the Iowa
3 3 administrative procedure Act.
3 4 The bill takes effect upon enactment with the amendments to
3 5 Code section 441.38 applying to appeals taken on or after the
3 6 effective date.
3 7 LSB 6569HV 82
3 8 mg/rj/8



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House File 2684 - Introduced

HOUSE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 903)
(SUCCESSOR TO HF 768)
(SUCCESSOR TO HSB 168)

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

A BILL FOR

- 1 An Act creating an insurance industry new jobs tax credit.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 3 TLSB 6670HW 82
- 4 mg/rj/24



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1 1 Section 1. NEW SECTION. 432.12L INSURANCE INDUSTRY NEW
1 2 JOBS TAX CREDIT.
1 3 1. The taxes imposed under this chapter shall be reduced
1 4 by an insurance industry new jobs tax credit. The insurance
1 5 industry new jobs tax credit is in lieu of, and not in
1 6 addition to, the new jobs tax credit as provided in section
1 7 422.11A. An industry which has entered into an agreement
1 8 under chapter 260E and which has increased its base employment
1 9 level by at least ten percent within the time set in the
1 10 agreement or, in the case of an industry without a base
1 11 employment level, adds new jobs within the time set in the
1 12 agreement is entitled to an insurance industry new jobs tax
1 13 credit for the tax year selected by the industry. In
1 14 determining if the industry has increased its base employment
1 15 level by ten percent or added new jobs, only those new jobs
1 16 directly resulting from the project covered by the agreement
1 17 and those directly related to those new jobs shall be counted.
1 18 2. The amount of the credit is equal to the product of six
1 19 percent of the taxable wages upon which an employer is
1 20 required to contribute to the state unemployment compensation
1 21 administration fund, as defined in section 96.19, times the
1 22 number of new jobs existing in the tax year that directly
1 23 result from the project covered by the agreement or new jobs
1 24 that directly result from those new jobs. The tax year chosen
1 25 by the industry shall either begin or end during the period
1 26 beginning with the date of the agreement and ending with the
1 27 date by which the project is to be completed under the
1 28 agreement. Any credit in excess of the tax liability for the
1 29 tax year may be credited to the tax liability for the
1 30 following ten tax years or until depleted, whichever is the
1 31 earlier. An insurance industry new jobs tax credit may only
1 32 be claimed once for each new qualifying job. For purposes of
1 33 this section, "agreement", "industry", "new job", and
1 34 "project" mean the same as defined in section 260E.2, and
1 35 "base employment level" means the number of full-time jobs an



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House File 2684 - Introduced continued

2 1 industry employs at the plant site which is covered by an
2 2 agreement under chapter 260E on the date of that agreement.
2 3 The insurance industry new jobs tax credit may only be claimed
2 4 by an industry entering into an agreement under chapter 260E
2 5 on or after July 1, 2008.

2 6 EXPLANATION

2 7 This bill creates an insurance industry new jobs tax
2 8 credit.

2 9 The bill provides that the tax on insurance premiums shall
2 10 be reduced by an insurance industry new jobs tax credit. The
2 11 insurance industry new jobs tax credit is in lieu of, and not
2 12 in addition to, the new jobs tax credit allowed against
2 13 personal income tax liability. The bill provides that an
2 14 industry which has entered into an industrial new jobs
2 15 agreement under Code chapter 260E and which has increased its
2 16 base employment level by at least 10 percent within the time
2 17 set in the agreement or, in the case of an industry without a
2 18 base employment level, adds new jobs within the time set in
2 19 the agreement is entitled to the insurance industry new jobs
2 20 tax credit for the tax year selected by the industry.

2 21 The bill provides that the amount of the tax credit is
2 22 equal to the product of 6 percent of the taxable wages upon
2 23 which an employer is required to contribute to the state
2 24 unemployment compensation administration fund times the number
2 25 of new jobs existing in the tax year that directly result from
2 26 the project covered by the agreement or new jobs that directly
2 27 result from those new jobs. The bill allows any credit in
2 28 excess of the tax liability for the tax year to be credited to
2 29 the tax liability for the following 10 tax years or until
2 30 depleted, whichever is the earlier.

2 31 The bill provides that an insurance industry new jobs tax
2 32 credit may only be claimed once for each new qualifying job.
2 33 The bill provides that an insurance industry new jobs tax
2 34 credit may only be claimed by an industry entering into an
2 35 agreement under Code chapter 260E on or after July 1, 2008.



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House File 2684 - Introduced continued

3 1 LSB 6670HW 82
3 2 mg/rj/24



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House File 2685 - Introduced

HOUSE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2518)
(SUCCESSOR TO HSB 647)

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

Passed Senate, Date _____
Vote: Ayes _____ Nays _____

A BILL FOR

- 1 An Act relating to rules for the discharge of wastewater from
- 2 water well drilling sites and providing for a fee.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 6093HZ 82
- 5 tw/nh/5



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House File 2685 - Introduced continued

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1 1 Section 1. NEW SECTION. 455B.198 WASTEWATER DISCHARGE
1 2 FROM WELL DRILLING SITES == RULES.
1 3 1. The commission shall adopt rules to regulate the
1 4 discharge of wastewater from water well drilling sites. The
1 5 rules shall incorporate the following considerations:
1 6 a. The size of the well as measured by the flow of water
1 7 in gallons per minute.
1 8 b. The best management practices to address wastewater
1 9 discharge.
1 10 c. Requirements for notification to the department prior
1 11 to the commencement of drilling operations.
1 12 d. Requirements for retention of records for a well.
1 13 e. Reasonable and appropriate limitations on wastewater
1 14 discharge that take into consideration the need for the well
1 15 and the need to protect the environment.
1 16 2. The commission shall have the authority in the rules to
1 17 provide for the issuance of a general permit and to establish
1 18 a fee sufficient to recover the costs of issuing a general
1 19 permit, which shall not exceed fifty dollars. The fees shall
1 20 be remitted to the department and shall be used by the
1 21 department to administer the permitting requirements of this
1 22 section.
1 23 3. The commission shall convene an advisory committee that
1 24 includes representatives of the Iowa water well association to
1 25 assist in the development of the rules.
1 26 4. The rules shall be adopted no later than July 31, 2009.
1 27 EXPLANATION
1 28 This bill relates to water well drilling.
1 29 The bill directs the environmental protection commission to
1 30 develop rules for water well drilling and requires the rules
1 31 to incorporate the following considerations: the size of the
1 32 well as measured by the flow of water in gallons per minute,
1 33 best management practices to address wastewater discharge,
1 34 requirements for notification to the department prior to the
1 35 commencement of drilling operations, requirements for



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2 1 retention of records for a well, and reasonable and
2 2 appropriate limitations on wastewater discharge that consider
2 3 the need for the well and the need to protect the environment.
2 4 The bill directs the commission to impose a fee sufficient
2 5 to cover the cost of issuing permits provided the fee is less
2 6 than \$50.
2 7 The bill directs the commission to convene an advisory
2 8 committee of representatives from the Iowa water well
2 9 association to assist in the development of the rules.
2 10 The bill provides that the rules be adopted no later than
2 11 July 31, 2009.
2 12 LSB 6093HZ 82
2 13 tw/nh/5



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House Study Bill 792

HOUSE FILE
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON SMITH)

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

Passed Senate, Date _____
Vote: Ayes _____ Nays _____

A BILL FOR

- 1 An Act establishing a pilot physician assistant mental health
- 2 fellowship program and making appropriations.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 6616YC 82
- 5 jp/nh/5



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House Study Bill 792 continued

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1 1 Section 1. PILOT PHYSICIAN ASSISTANT MENTAL HEALTH
1 2 FELLOWSHIP PROGRAM == APPROPRIATIONS.
1 3 1. A pilot physician assistant mental health fellowship
1 4 program is established to be administered by the department of
1 5 public health with assistance from the college student aid
1 6 commission in accordance with this section. The purpose of
1 7 the program is to determine the effect of making available
1 8 specialized training and support for physician assistants in
1 9 providing mental health services on the efforts to address
1 10 Iowa's shortage of mental health professionals.
1 11 2. The program shall provide for all of the following:
1 12 a. Collaboration with a 220=bed hospital serving a
1 13 13=county area in central Iowa that provides a clinic at the
1 14 Iowa veterans home, a private nonprofit agency headquartered
1 15 in a city with a population of more than 190,000 that operates
1 16 a freestanding psychiatric medical institution for children, a
1 17 private university with a medical school educating osteopathic
1 18 physicians located in a city with a population of more than
1 19 190,000, the Iowa veterans home, and any other clinical
1 20 partner designated for the program. Population figures used
1 21 in this paragraph refer to the most recent certified federal
1 22 census. The clinical partners shall provide supervision,
1 23 clinical experience, training, and other support for the
1 24 program and physician assistant students participating in the
1 25 program.
1 26 b. Elderly, youth, and general population clinical
1 27 experiences.
1 28 c. A fellowship of twelve months for three physician
1 29 assistant students for each year of the program. The program
1 30 shall operate for three years, subject to the funding provided
1 31 for the program.
1 32 d. Supervision of students participating in the program
1 33 shall be provided by the university and the other clinical
1 34 partners participating in the program.
1 35 e. A student participating in the program shall be



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House Study Bill 792 continued

2 1 eligible for a stipend of not more than \$50,000 for the twelve
2 2 months of the fellowship plus related fringe benefits. In
2 3 addition, the students who complete the program and practice
2 4 in Iowa in mental health professional shortage areas, as
2 5 defined in section 135.80, shall be eligible for up to \$20,000
2 6 in loan forgiveness. The stipend and loan forgiveness
2 7 provisions shall be determined by the department and the
2 8 commission, in consultation with the clinical partners.

2 9 f. The state and private entity clinical partners shall
2 10 regularly evaluate and document the experiences with the
2 11 approaches utilized and outcomes achieved by the program to
2 12 identify an optimal model for operating such a program on an
2 13 ongoing basis. The evaluation process shall include but is
2 14 not limited to identifying ways the program's clinical and
2 15 training components could be modified to facilitate other
2 16 student and practicing physician assistants specializing as
2 17 mental health professionals.

2 18 3. There is appropriated from the general fund of the
2 19 state to the department of public health for the following
2 20 fiscal years the following amounts, or so much thereof as is
2 21 necessary, to be used for the pilot physician assistant mental
2 22 health fellowship program in accordance with this section:

| | | |
|------|-----------------------|------------|
| 2 23 | a. FY 2008=2009 | \$ 300,000 |
| 2 24 | b. FY 2009=2010 | \$ 300,000 |
| 2 25 | c. FY 2010=2011 | \$ 300,000 |

2 26 Notwithstanding section 8.33, moneys appropriated in this
2 27 section that remain unencumbered or unobligated at the close
2 28 of a fiscal year shall not revert but shall remain available
2 29 for expenditure for the purposes designated until the close of
2 30 the succeeding fiscal year.

2 31 EXPLANATION

2 32 This bill establishes a pilot physician assistant mental
2 33 health fellowship program to be administered by the department
2 34 of public health with assistance from the college student aid
2 35 commission. The purpose of the program is to determine the



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House Study Bill 792 continued

3 1 effect of making available specialized training and support
3 2 for physician assistants in providing mental health services
3 3 on efforts to address Iowa's shortage of mental health
3 4 professionals.
3 5 The program is directed to physician assistant students by
3 6 providing a 12-month fellowship to three students per year.
3 7 Supervision of the student participants is to be performed by
3 8 a collaboration of a university training osteopathic
3 9 physicians, a hospital in central Iowa, a nonprofit agency
3 10 which operates a psychiatric medical institution for children,
3 11 the Iowa veterans home, and other clinical partners. Elderly,
3 12 youth, and general population clinical experiences are to be
3 13 provided to the students participating in the program. The
3 14 participants are eligible for a stipend of up to \$50,000 plus
3 15 fringe benefits and loan forgiveness of up to \$20,000 if
3 16 employed in a shortage area when beginning practice. The
3 17 state agencies and the clinical partners are required to
3 18 regularly evaluate the program.
3 19 Annual appropriations of \$300,000 are provided for the
3 20 program for fiscal years 2008=2009, 2009=2010, and 2010=2011.
3 21 LSB 6616YC 82
3 22 jp/nh/5



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Senate Amendment 5316

PAG LIN

1 1 Amend the amendment, S=5283, to House File 2558, as
1 2 passed by the House, as follows:
1 3 #1. Page 2, line 24, by striking the word <board>
1 4 and inserting the following: <department>.
1 5
1 6
1 7
1 8 RICH OLIVE
1 9 HF 2558.502 82
1 10 tw/nh/21153
1 11
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Senate Amendment 5317

PAG LIN

1 1 Amend House File 2601, as passed by the House, as
1 2 follows:
1 3 #1. By striking everything after the enacting
1 4 clause and inserting the following:
1 5 <Section 1. Section 28L.1, Code 2007, is amended
1 6 to read as follows:
1 7 28L.1 STATE INTERAGENCY MISSOURI RIVER AUTHORITY
1 8 CREATED == DUTIES.
1 9 1. A state interagency Missouri river authority is
1 10 created. The members of the authority shall include
1 11 the governor or the governor's designee, the secretary
1 12 of agriculture or the secretary's designee, the
1 13 chairperson of the utilities board or the
1 14 chairperson's designee, and the directors of the
1 15 department of natural resources, the state department
1 16 of transportation, and the department of economic
1 17 development or the directors' designees. The governor
1 18 shall serve as chairperson. The director of the
1 19 department of natural resources or the director's
1 20 designee shall serve as the coordinator of the
1 21 authority's activities and shall serve as chairperson
1 22 in the absence of the governor.
1 23 2. The authority shall be responsible for
1 24 representing the interests of this state with regard
1 25 to its membership in the Missouri river ~~basin~~
1 26 association of states and tribes and to promote the
1 27 management of the Missouri river in a manner that ~~does~~
1 28 ~~not negatively impact landowners~~ positively impacts
1 29 this state's many interests along, in, and on the
1 30 river or negatively impact the state's economy. The
1 31 Missouri river ~~basin~~ association of states and tribes
1 32 is an interstate association of government
1 33 representatives formed to seek consensus solutions to
1 34 issues impacting the Missouri river basin.
1 35 3. The director of the department of natural
1 36 resources or the director's designee shall coordinate
1 37 regular meetings of the state interagency Missouri
1 38 river authority to determine the state's position
1 39 before any meeting of the Missouri river association
1 40 of states and tribes or before a substantive proposal
1 41 or action is voted upon at such meeting. The members
1 42 of the state interagency Missouri river authority
1 43 shall attempt to achieve consensus on the state's
1 44 position regarding any substantive proposal or action
1 45 being considered by the Missouri river association of
1 46 states and tribes. Regardless of whether a consensus
1 47 can be achieved, a vote of the members shall be taken.
1 48 The state interagency Missouri river authority shall
1 49 not vote to approve or disapprove a substantive
1 50 proposal or action being considered by the Missouri



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Senate Amendment 5317 continued

2 1 river ~~basin~~ association of states and tribes without
2 2 the agreement approval of the directors of all four
~~2 3 state departments and the chairperson of the utilities~~
~~2 4 board who are a majority of the members of the~~
2 5 authority. If a substantive proposal or action
~~2 6 considered by the association is not approved or~~
~~2 7 disapproved by all four directors and the chairperson~~
~~2 8 of the utilities board, the state shall abstain from~~
~~2 9 voting on the proposal or action. The director of the~~
2 10 department of natural resources or the director's
2 11 designee shall cast the votes for the state
2 12 interagency Missouri river authority that are
2 13 reflective of the position of the authority.
2 14 4. The state interagency Missouri river authority
2 15 shall ~~meet regularly with~~ seek input from stakeholder
2 16 groups in this state to receive their recommendations
~~2 17 before substantive proposals or actions are voted upon~~
~~2 18 or to receive policy positions to submit to the~~
~~2 19 Missouri river basin association with regard to issues~~
2 20 impacting the Missouri river basin.>
2 21
2 22
2 23
2 24 JOHN P. KIBBIE
2 25
2 26
2 27
2 28 HUBERT HOUSER
2 29 HF 2601.701 82
2 30 da/ml/12



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Senate File 2415 - Introduced

SENATE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 595)
(SUCCESSOR TO SSB 1329)

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

A BILL FOR

- 1 An Act allowing certain counties to participate in a pilot
- 2 project for emergency response districts and providing for a
- 3 district tax levy.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 6674SZ 82
- 6 md/sc/5



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Senate File 2415 - Introduced continued

PAG LIN

1 1 Section 1. NEW SECTION. 357I.1 AUTHORIZATION AND
1 2 PURPOSE.
1 3 This chapter authorizes a pilot project for which a county
1 4 of the state may establish an emergency response district.
1 5 The purpose of this chapter is to provide a county within
1 6 the state an opportunity to participate in a pilot project
1 7 having a new governance structure to facilitate the delivery
1 8 and funding of fire protection service and emergency medical
1 9 service to residents of the county.
1 10 Sec. 2. NEW SECTION. 357I.2 DEFINITIONS.
1 11 As used in this chapter, unless the context otherwise
1 12 requires:
1 13 1. "Board" means the board of supervisors of a county.
1 14 2. "Commission" means a governing body composed of a
1 15 member of the board of supervisors, the sheriff, and the mayor
1 16 from each city within the district.
1 17 3. "District" means an emergency response district.
1 18 Sec. 3. NEW SECTION. 357I.3 MOTION FOR PUBLIC HEARING.
1 19 1. The board of supervisors of any county having a
1 20 population of at least sixteen thousand nine hundred
1 21 twenty-five but not more than sixteen thousand nine hundred
1 22 fifty, according to the 2000 certified federal census, shall,
1 23 on the board's own motion, hold a public hearing concerning
1 24 the establishment of a proposed district. The motion shall
1 25 include a statement containing the following information:
1 26 a. The need for fire protection service and emergency
1 27 medical service.
1 28 b. The geographic boundaries of the district to be served.
1 29 c. The approximate number of families in the district.
1 30 d. The proposed personnel, equipment, and facilities to
1 31 provide the fire protection service and emergency medical
1 32 service.
1 33 2. The board of supervisors shall notify the state fire
1 34 marshal's office that a motion has been adopted to form a
1 35 district.



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Senate File 2415 - Introduced continued

2 1 Sec. 4. NEW SECTION. 357I.4 DISTRICT.
2 2 The boundary lines of a district may include any
2 3 incorporated or unincorporated areas within a county.
2 4 Sec. 5. NEW SECTION. 357I.5 TIME OF HEARING.
2 5 The public hearing required in section 357I.3 shall be held
2 6 within thirty days of the adoption of the motion. Notice of
2 7 hearing shall be given by publication in two successive issues
2 8 of any newspaper of general circulation within the district.
2 9 The last publication shall be not less than one week before
2 10 the proposed hearing.
2 11 Sec. 6. NEW SECTION. 357I.6 DISTRICT ESTABLISHED == PLAN
2 12 == PILOT AUTHORIZED.
2 13 1. Within ten days after the hearing, the board shall
2 14 adopt a resolution establishing the district or abandoning the
2 15 board's motion.
2 16 2. Within ten days after establishing a district, the
2 17 board shall submit a plan to the state fire marshal's office
2 18 and the county finance committee. The plan shall include all
2 19 of the following:
2 20 a. Personnel, equipment, facilities, and other available
2 21 resources that may be shared by all of the various fire
2 22 departments and emergency medical service providers within the
2 23 district.
2 24 b. Financial information demonstrating the ability to
2 25 provide fire protection service and emergency medical service
2 26 to the residents of the district.
2 27 c. A plan for transition of delivery and funding of fire
2 28 protection service and emergency medical service to the new
2 29 district.
2 30 3. The county finance committee shall review the
2 31 district's financial information, including revenues,
2 32 expenditures, and budget items as well as the financial
2 33 implications and plan for transitioning to a new financing
2 34 structure. Within thirty days after receiving the plan, the
2 35 county finance committee shall report its findings to the



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Senate File 2415 - Introduced continued

3 1 state fire marshal.
3 2 4. The state fire marshal shall consider the county
3 3 finance committee's findings and review the district's
3 4 personnel, equipment, facilities, and other available
3 5 resources that may be shared by all of the various fire
3 6 departments and emergency medical service providers as well as
3 7 the practical considerations and plan for transitioning to a
3 8 new structure for delivering fire protection service and
3 9 emergency medical service to the district. The state fire
3 10 marshal shall determine whether the district can successfully
3 11 deliver fire protection service and emergency medical service
3 12 throughout the district.
3 13 5. Within sixty days of receiving the board's plan, the
3 14 state fire marshal shall notify the board whether the board's
3 15 plan is approved.
3 16 Sec. 7. NEW SECTION. 357I.7 PILOT PROJECT == FIVE YEARS
3 17 == REPORT.
3 18 1. A district established by the board and having a plan
3 19 approved by the state fire marshal under section 357I.6 is
3 20 authorized to proceed and continue as a pilot project for five
3 21 years beginning on July 1 of the fiscal year following the
3 22 date of the board's resolution establishing the district.
3 23 However, if the date of the board's action falls after
3 24 November 1, the pilot project shall not begin until July 1 of
3 25 the fiscal year subsequent to the next following fiscal year.
3 26 2. The commission shall submit an annual report to the
3 27 state fire marshal summarizing the results of the pilot
3 28 project, including the strengths of the project, whether
3 29 delivery of fire protection service and emergency medical
3 30 service was improved throughout the district, and additional
3 31 measures needed to improve the delivery of such services.
3 32 Sec. 8. NEW SECTION. 357I.8 ENGINEER.
3 33 1. When the pilot project is approved, the board shall
3 34 appoint a civil engineer or county engineer who shall prepare
3 35 a preliminary plat showing:



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Senate File 2415 - Introduced continued

4 1 a. The proper design in general outline of the district.
4 2 b. The lots and parcels of land within the proposed
4 3 district as they appear on the county auditor's plat books
4 4 with the names of the owners.
4 5 c. The assessed valuation of the lots and parcels.
4 6 2. The board shall determine the compensation for the
4 7 engineer's preliminary investigation. The engineer shall file
4 8 a report with the county auditor within thirty days of
4 9 appointment. The board may extend the time upon good cause
4 10 shown.
4 11 Sec. 9. NEW SECTION. 357I.9 HEARING ON ENGINEER'S
4 12 REPORT.
4 13 After the engineer's report is filed, the board shall give
4 14 notice, as provided in section 357I.5, of a public hearing to
4 15 be held concerning the engineer's preliminary plat. Within
4 16 ten days after the hearing, the board shall, by resolution,
4 17 approve or disapprove the engineer's plan.
4 18 Sec. 10. NEW SECTION. 357I.10 APPROVAL OF DISTRICT
4 19 PROPERTY TAX LEVY.
4 20 Annually, the commission shall propose the levy of a tax of
4 21 not more than one dollar and sixty and three-quarters cents
4 22 per one thousand dollars of assessed value on all taxable
4 23 property within the district. The commission shall hold a
4 24 public hearing within thirty days of the commission's approval
4 25 of a proposed property tax levy rate to receive public
4 26 comment. Notice of the hearing shall be given by publication
4 27 in a newspaper of general circulation within the district and
4 28 shall be posted in a public place in each city within the
4 29 district no less than ten days before the public hearing. The
4 30 notice shall include the commission's proposed property tax
4 31 levy rate, the reason for the tax, and the time when and the
4 32 place where the hearing shall be held. The commission shall
4 33 be considered a municipality for purposes of adopting and
4 34 certifying a budget pursuant to chapter 24 and shall set the
4 35 property tax levy rate no more than ten days following the



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Senate File 2415 - Introduced continued

5 1 public hearing. The tax shall be set to raise only the amount
5 2 needed.

5 3 Sec. 11. NEW SECTION. 357I.11 GOVERNANCE AUTHORITY ==
5 4 COMMISSION.

5 5 The district shall be governed by a commission, as defined
5 6 in section 357I.2.

5 7 Sec. 12. NEW SECTION. 357I.12 COMMISSION POWERS.

5 8 1. The commission may purchase, own, rent, or maintain
5 9 fire and emergency medical services apparatus or equipment
5 10 within the state or outside the territorial jurisdiction and
5 11 boundary limits of this state, provide housing for such
5 12 apparatus and equipment, provide fire protection service and
5 13 emergency medical service and facilities, and may certify for
5 14 levy an annual tax as provided in section 357I.10. The
5 15 commission may purchase material, employ fire protection
5 16 service personnel, emergency medical service personnel, and
5 17 other personnel, and may perform all other acts necessary to
5 18 properly maintain and operate the district. The commission
5 19 may contract under chapter 28E with any city or county or
5 20 public or private agency that is not a member of the district
5 21 for the purpose of providing fire protection service or
5 22 emergency medical service under this chapter. The
5 23 commissioners are allowed necessary expenses in the discharge
5 24 of their duties.

5 25 2. The commission shall draw the boundaries of fire and
5 26 emergency medical services areas within the district to be
5 27 assigned to various fire departments and stations throughout
5 28 the district.

5 29 Sec. 13. NEW SECTION. 357I.13 DISTRICT FIRE CHIEF.

5 30 The commission shall appoint a district fire chief who
5 31 shall serve at the pleasure of the commission and shall be
5 32 responsible for the coordination of fire protection service
5 33 and emergency medical service throughout the district.

5 34 Sec. 14. NEW SECTION. 357I.14 FIRE CHIEFS.

5 35 The district fire chief shall appoint an assistant fire



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6 1 chief for each existing fire department and station within the
6 2 district who shall be responsible for delivery of fire
6 3 protection service and emergency medical service within the
6 4 areas designated by the commission pursuant to section
6 5 357I.12.

6 6 Sec. 15. NEW SECTION. 357I.15 CITIES WITHIN THE
6 7 DISTRICT.

6 8 If a city is included in a district, the maximum tax levy
6 9 authorized for the general fund of that city under section
6 10 384.1 shall be reduced by the amount of the tax rate levied
6 11 within the city by the district. Such city shall not be
6 12 responsible for providing fire protection service and
6 13 emergency medical service as provided in section 364.16, and
6 14 shall have no liability for the method, manner, or means by
6 15 which the district provides the fire protection service and
6 16 emergency medical service.

6 17 Sec. 16. NEW SECTION. 357I.16 BONDS IN ANTICIPATION OF
6 18 REVENUE.

6 19 A district may anticipate the collection of taxes by the
6 20 levy authorized in section 357I.10, and to carry out the
6 21 purposes of this chapter may issue bonds payable in not more
6 22 than ten equal installments with the rate of interest not
6 23 exceeding that permitted by chapter 74A. An indebtedness
6 24 shall not be incurred under this chapter until authorized by
6 25 an election. The election shall be conducted by the county
6 26 commissioner of elections pursuant to chapters 39 through 53.
6 27 The commission shall give the county commissioner of elections
6 28 thirty=two days' notice of the special election.

6 29 Sec. 17. NEW SECTION. 357I.17 TRANSITION == TOWNSHIP TAX
6 30 DISCONTINUED.

6 31 When the boundary lines of the district include all or a
6 32 portion of a township and the district has certified a tax
6 33 levy within the township for the purpose of fire protection
6 34 service and emergency medical service, the township trustees
6 35 shall no longer levy the tax provided by section 359.43 in



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7 1 that portion of the township provided services by the
7 2 district. Any indebtedness incurred for the purposes of
7 3 sections 359.42 through 359.45 for a service now provided by
7 4 the district shall be assumed by the district.
7 5 Sec. 18. NEW SECTION. 357I.18 TRANSITION == EMERGENCY
7 6 MEDICAL SERVICES DISTRICT TAXES DISCONTINUED.
7 7 When the boundary lines of the emergency response district
7 8 include all or a portion of an emergency medical services
7 9 district under chapter 357F or chapter 357G and the emergency
7 10 response district has certified a tax to be levied on property
7 11 located within the emergency medical services district for the
7 12 purpose of emergency medical service, the emergency medical
7 13 services district trustees shall no longer levy the taxes
7 14 authorized in section 357F.8 or section 357G.8 in that portion
7 15 of such emergency medical services district that is provided
7 16 services by the emergency response district. Any indebtedness
7 17 incurred by an emergency medical services district under
7 18 chapter 357F or chapter 357G for a service now provided by the
7 19 emergency response district shall be assumed by the emergency
7 20 response district.

7 21 EXPLANATION

7 22 This bill authorizes a county with a population of at least
7 23 16,925 but not more than 16,950 to participate in a pilot
7 24 project to establish an emergency response district. The
7 25 boundaries of the district may include any incorporated or
7 26 unincorporated areas within a county. The bill provides
7 27 procedures for establishing such a district upon the motion of
7 28 the county board of supervisors and requires a public hearing
7 29 on a proposed district.

7 30 Once a public hearing is held, the bill provides that the
7 31 board of supervisors may establish the district by resolution.
7 32 The bill provides that the board submit a plan to the state
7 33 fire marshal's office and the county finance committee that
7 34 includes all of the following:

7 35 1. Personnel, equipment, facilities, and other available



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8 1 resources that may be shared by all of the various fire
8 2 departments and emergency medical service providers.
8 3 2. Financial information demonstrating the ability to
8 4 provide fire protection service and emergency medical service
8 5 to the residents of the district.
8 6 3. A plan for transitioning to the new district.
8 7 The bill provides that after the county finance committee
8 8 has reviewed the financial information and reported its
8 9 findings to the state fire marshal, the state fire marshal
8 10 shall review the findings as well as the personnel, equipment,
8 11 facilities, and other resources of the district to determine
8 12 whether the district can successfully deliver services
8 13 throughout the district.
8 14 A district established by the board and having an approved
8 15 plan by the state fire marshal is authorized to proceed and
8 16 continue as a pilot project for five years beginning on July 1
8 17 of the fiscal year following the date of the board's
8 18 resolution establishing the district. However, if the date of
8 19 the board's action falls after November 1, the pilot project
8 20 shall not begin until July 1 of the fiscal year subsequent to
8 21 the next following fiscal year.
8 22 The bill requires that at the end of five years the
8 23 commission that governs the district submit a report to the
8 24 state fire marshal summarizing the results of the pilot
8 25 project, including the strengths of the project, whether
8 26 delivery of fire protection service and emergency medical
8 27 service was improved throughout the district, and additional
8 28 measures needed to improve the delivery of such services.
8 29 The bill provides that the commission, composed of a member
8 30 of the board of supervisors, the sheriff, and the mayor from
8 31 each city within the district, may annually levy a tax of not
8 32 more than \$1.60 and three-fourths cents per \$1,000 of assessed
8 33 value on all the taxable property within the district after
8 34 holding a public hearing on the proposed property tax levy
8 35 rate. The bill also provides that the district may issue



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Senate File 2415 - Introduced continued

9 1 bonds if the indebtedness is authorized by election.
9 2 The bill provides that the commission appoint a district
9 3 fire chief who shall serve at the pleasure of the commission
9 4 and shall be responsible for the coordination of fire
9 5 protection service and emergency medical service throughout
9 6 the district. The district fire chief is responsible for
9 7 appointing an assistant fire chief for each existing fire
9 8 department and station within the district who shall be
9 9 responsible for delivery of fire protection service and
9 10 emergency medical service within the areas designated by the
9 11 commission.
9 12 Finally, the bill provides a transition provision from
9 13 township-funded fire protection and emergency medical services
9 14 to funding by the newly created district. The bill also
9 15 provides that any indebtedness incurred by the township
9 16 trustees for these services shall be assumed by the district.
9 17 The bill also provides similar transition provisions relating
9 18 to existing emergency medical services districts established
9 19 under Code chapter 357F or Code chapter 357G.
9 20 LSB 6674SZ 82
9 21 md/sc/5



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Senate File 2416 - Introduced

SENATE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3286)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved

A BILL FOR

- 1 An Act relating to wage payment collection and employment
- 2 classification issues arising between employers and
- 3 individuals who provide services to employers and including an
- 4 appropriation and an effective date.
- 5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 6 TL5B 6589SV 82
- 7 ak/rj/8



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Senate File 2416 - Introduced continued

PAG LIN

1 1 DIVISION I
 1 2 WAGE PAYMENT COLLECTION
 1 3 Section 1. Section 91A.2, subsection 3, Code 2007, is
 1 4 amended to read as follows:
 1 5 3. "Employee" means a natural person who is employed in
 1 6 this state for wages by an employer. Employee also includes a
 1 7 commission salesperson who takes orders or performs services
 1 8 on behalf of a principal and who is paid on the basis of
 1 9 commissions but does not include persons who purchase for
 1 10 their own account for resale.
 1 11 a. For the purposes of this chapter, the following persons
 1 12 engaged in agriculture are not employees:
 1 13 ~~a.~~ 1. The spouse of the employer and relatives of either
 1 14 the employer or spouse residing on the premises of the
 1 15 employer.
 1 16 ~~b.~~ 2. A person engaged in agriculture as an
 1 17 owner=operator or tenant=operator and the spouse or relatives
 1 18 of either who reside on the premises while exchanging labor
 1 19 with the operator or for other mutual benefit of any and all
 1 20 such persons.
 1 21 ~~c.~~ 3. Neighboring persons engaged in agriculture who are
 1 22 exchanging labor or other services.
 1 23 b. In order to establish the absence of an employment
 1 24 relationship, a putative employer has the burden to establish
 1 25 all of the following:
 1 26 1. The putative employer and putative employee share the
 1 27 intention to create an independent contractor relationship.
 1 28 2. The putative employer does not control or direct the
 1 29 performance of services by the putative employee.
 1 30 3. The putative employer is not responsible for payment of
 1 31 wages to the putative employee.
 1 32 4. The putative employer does not have the right to
 1 33 discharge the putative employee or terminate the working
 1 34 relationship with the putative employee.
 1 35 5. The putative employer is not the authority in charge of



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Senate File 2416 - Introduced continued

2 1 the work or for whose benefit the putative employee is
2 2 providing services.

2 3 Sec. 2. Section 91A.2, subsection 6, Code 2007, is amended
2 4 to read as follows:

2 5 6. "Liquidated damages" means the sum of five percent
2 6 multiplied by the amount of any wages that were not paid or of
2 7 any authorized expenses that were not reimbursed on a regular
2 8 payday or on another day pursuant to section 91A.3 multiplied
2 9 by the total number of days, excluding Sundays, legal
2 10 holidays, and the first seven days after the regular payday on
2 11 which wages were not paid or expenses were not reimbursed.
2 12 However, such sum shall not exceed twice the amount of the
2 13 unpaid wages and shall not accumulate ~~when an employer is~~
~~2 14 subject to a petition filed in bankruptcy.~~

2 15 Sec. 3. Section 91A.6, subsections 1 and 2, Code 2007, are
2 16 amended to read as follows:

2 17 1. An employer shall ~~after being notified by the~~
~~2 18 commissioner pursuant to subsection 2 do the following:~~

2 19 a. Notify its employees in writing at the time of hiring
2 20 what wages and regular paydays are designated by the employer.

2 21 b. Notify, at least one pay period prior to the initiation
2 22 of any changes, its employees of any changes in the
2 23 arrangements specified in this subsection ~~±~~ that reduce wages
2 24 or alter the regular paydays. The notice shall either be in
2 25 writing or posted at a place where employee notices are
2 26 routinely posted.

2 27 c. Make available to its employees upon written request, a
2 28 written statement enumerating employment agreements and
2 29 policies with regard to vacation pay, sick leave,
2 30 reimbursement for expenses, retirement benefits, severance
2 31 pay, or other comparable matters with respect to wages.
2 32 Notice of such availability shall be given to each employee in
2 33 writing or by a notice posted at a place where employee
2 34 notices are routinely posted.

2 35 d. Establish, maintain, and preserve for three calendar



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Senate File 2416 - Introduced continued

3 1 years the payroll records showing the hours worked, wages
3 2 earned, and deductions made for each employee and any
3 3 employment agreements entered into between an employer and
3 4 employee. Failure to do so shall raise a rebuttable
3 5 presumption that the employer did not pay the required minimum
3 6 wage under section 91D.1.

~~3 7 2. The commissioner shall notify an employer to comply
3 8 with subsection 1 if the employer has paid a claim for unpaid
3 9 wages or nonreimbursed authorized expenses and liquidated
3 10 damages under section 91A.10 or if the employer has been
3 11 assessed a civil money penalty under section 91A.12. However,
3 12 a court may, when rendering a judgment for wages or
3 13 nonreimbursed authorized expenses and liquidated damages or
3 14 upholding a civil money penalty assessment, order that an
3 15 employer shall not be required to comply with the provisions
3 16 of subsection 1 or that an employer shall be required to
3 17 comply with the provisions of subsection 1 for a particular
3 18 period of time.~~

3 19 Sec. 4. Section 91A.8, Code 2007, is amended to read as
3 20 follows:

3 21 91A.8 VIOLATIONS BY EMPLOYER, DAMAGES RECOVERABLE BY AN
3 22 EMPLOYEE UNDER THIS CHAPTER.

3 23 1. A violation of this chapter shall occur any week when
3 24 an individual employee was not paid the legally required wages
3 25 under this chapter, state taxes were not withheld, or in the
3 26 case of improper discharge, discrimination, or retaliation
3 27 against an employee, every week after the improper discharge,
3 28 discrimination, or retaliation has occurred until compensation
3 29 is finally made.

3 30 2. When it has been shown that an employer has
3 31 ~~intentionally~~ failed to pay an employee wages or reimburse
3 32 expenses pursuant to section 91A.3, whether as the result of a
3 33 wage dispute or otherwise, the employer shall be liable to the
3 34 employee for ~~any~~ the unpaid wages or expenses that are so
~~3 35 intentionally failed to be paid or reimbursed, plus liquidated~~



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4 1 damages, court costs, and any ~~attorney's~~ attorney fees
4 2 incurred in recovering the unpaid wages and determined to have
4 3 been usual and necessary. ~~In other instances the employer~~
~~4 4 shall be liable only for unpaid wages or expenses, court costs~~
~~4 5 and usual and necessary attorney's fees incurred in recovering~~
~~4 6 the unpaid wages or expenses.~~

4 7 Sec. 5. Section 91A.9, subsection 2, Code 2007, is amended
4 8 to read as follows:

4 9 2. a. The commissioner may, consistent with due process
4 10 of law, enter any place of employment to inspect records
4 11 concerning wages and payrolls, to question the employer and
4 12 employees, and to investigate such facts, conditions, or
4 13 matters as are deemed appropriate in determining whether any
4 14 person has violated the provisions of this chapter. ~~However,~~
~~4 15 such entry by the commissioner shall only be in response to a~~
~~4 16 written complaint.~~

4 17 b. A complaining employee may submit a written request for
4 18 confidentiality of identifying information. Upon such
4 19 request, the commissioner shall determine if the commissioner
4 20 can effectively pursue the matter while keeping the identity
4 21 of the complaining employee confidential. If the commissioner
4 22 determines that an employee's identity must be disclosed in
4 23 order to effectively pursue the matter, the commissioner may
4 24 do so only with the employee's consent. Otherwise, the
4 25 commissioner shall keep the complaining employee's identity
4 26 confidential notwithstanding chapter 22.

4 27 Sec. 6. Section 91A.10, subsection 1, Code 2007, is
4 28 amended to read as follows:

4 29 1. a. Upon the written complaint of the employee
4 30 involved, the commissioner may determine whether wages have
4 31 not been paid and may constitute an enforceable claim. If for
4 32 any reason the commissioner decides not to make such
4 33 determination, the commissioner shall so notify the
4 34 complaining employee within fourteen days of receipt of the
4 35 complaint. The commissioner shall otherwise notify the



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5 1 employee of such determination within a reasonable time ~~and if~~
~~5 2 it is determined.~~

5 3 b. Without regard to whether the commissioner received a
5 4 written complaint from an employee or initiated an
5 5 investigation, if the commissioner determines that there is an
5 6 enforceable claim, the commissioner shall, with the consent of
5 7 the complaining employee, take an assignment in trust for the
5 8 wages and for any claim for liquidated damages ~~without being~~
~~5 9 bound by any of the. The technical rules respecting the~~
5 10 validity of the assignment shall not apply. However, the
5 11 commissioner shall not accept any complaint for unpaid wages
5 12 and liquidated damages after one year from the date the wages
5 13 became due and payable.

5 14 Sec. 7. Section 91A.10, subsection 5, Code 2007, is
5 15 amended to read as follows:

5 16 ~~5. An employer shall not discharge or in any other manner~~
~~5 17 discriminate against any employee because the employee has~~
~~5 18 filed a complaint, assigned a claim, or brought an action~~
~~5 19 under this section or has cooperated in bringing any action~~
~~5 20 against an employer. An employer or other person shall not~~
5 21 discharge or in any other manner discriminate or retaliate
5 22 against an employee or other person for exercising any right
5 23 provided under this chapter or any rules adopted pursuant to
5 24 this chapter, or against another employee or person for
5 25 providing assistance to an employee or providing information
5 26 regarding the employee or person, or for testifying or
5 27 planning to testify in any investigation or proceeding
5 28 regarding the employee or person. Taking adverse action
5 29 against an employee or other person within ninety days of an
5 30 employee's or other person's engaging in the foregoing
5 31 activities raises a presumption that such action was
5 32 retaliation, which may be rebutted by clear and convincing
5 33 evidence that such action was taken for other permissible
5 34 reasons. Any employee may file a complaint with the
5 35 commissioner alleging discharge, ~~or~~ discrimination, or



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6 1 retaliation within thirty days after such violation occurs.
 6 2 Upon receipt of the complaint, the commissioner shall cause an
 6 3 investigation to be made to the extent deemed appropriate. If
 6 4 the commissioner determines from the investigation that the
 6 5 provisions of this subsection have been violated, the
 6 6 commissioner shall bring an action in the appropriate district
 6 7 court against such person. The district court shall have
 6 8 jurisdiction, for cause shown, to restrain violations of this
 6 9 subsection and order all appropriate relief including rehiring
 6 10 or reinstatement of the employee to the former position with
 6 11 back pay.

6 12 Sec. 8. Section 91A.10, Code 2007, is amended by adding
 6 13 the following new subsection:

6 14 NEW SUBSECTION. 6. A civil action to enforce this section
 6 15 may also be maintained in any court of competent jurisdiction
 6 16 by the commissioner or by any party injured by a violation of
 6 17 this section. An employer or other person who retaliates
 6 18 against an employee or other person in violation of this
 6 19 section shall be required to pay the person an amount set by
 6 20 the commissioner or a court sufficient to compensate the
 6 21 employee or other person and deter future violations, but not
 6 22 less than one hundred fifty dollars for each day that the
 6 23 violation continued.

6 24 Sec. 9. Section 91A.12, subsection 1, Code 2007, is
 6 25 amended to read as follows:

6 26 1. Any employer who violates the provisions of this
 6 27 chapter or the rules ~~promulgated under it~~ adopted pursuant to
 6 28 this chapter shall be subject to a civil money penalty of not
 6 29 more than ~~one~~ five hundred dollars for each violation. The
 6 30 commissioner may recover such civil money penalty according to
 6 31 the provisions of subsections 2 ~~to~~ through 5. Any civil money
 6 32 penalty recovered shall be deposited in the general fund of
 6 33 the state.

6 34
 6 35

DIVISION II
 EMPLOYEE CLASSIFICATION



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7 1 Sec. 10. NEW SECTION. 91G.1 PURPOSE.
7 2 The purpose of this chapter is to address the practice of
7 3 misclassifying employees as independent contractors.
7 4 Sec. 11. NEW SECTION. 91G.2 DEFINITIONS.
7 5 1. "Commissioner" means the labor commissioner appointed
7 6 pursuant to section 91.2 or the labor commissioner's designee.
7 7 2. "Construction" means any constructing, altering,
7 8 reconstructing, repairing, rehabilitating, refinishing,
7 9 refurbishing, remodeling, remediating, renovating, custom
7 10 fabricating, maintenance, landscaping, improving, wrecking,
7 11 painting, decorating, demolishing, and adding to or
7 12 subtracting from any building, structure, airport facility,
7 13 highway, roadway, street, alley, bridge, sewer, drain, ditch,
7 14 sewage disposal plant, water works, parking facility,
7 15 railroad, excavation or other project, development, real
7 16 property, or improvement, or to do any part thereof, whether
7 17 or not the performance of the work described in this
7 18 subsection involves an addition to, or fabrication into, any
7 19 structure, project, development, real property, or improvement
7 20 described in this subsection of any material or article of
7 21 merchandise.
7 22 3. "Contractor" means any person, as defined in section
7 23 4.1, engaged in construction. "Contractor" includes general
7 24 contractors, subcontractors, and the state of Iowa and its
7 25 officers, agencies, and political subdivisions.
7 26 4. "Division" means the division of labor services of the
7 27 department of workforce development.
7 28 5. "Interested party" means an individual performing
7 29 services for a contractor who alleges a violation of this
7 30 chapter or a person with an interest in compliance with this
7 31 chapter.
7 32 6. "Performing services" means any constructing, altering,
7 33 reconstructing, repairing, rehabilitating, refinishing,
7 34 refurbishing, remodeling, remediating, renovating, custom
7 35 fabricating, maintenance, landscaping, improving, wrecking,



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8 1 painting, decorating, demolishing, and adding to or
8 2 subtracting from any building, structure, airport facility,
8 3 highway, roadway, street, alley, bridge, sewer, drain, ditch,
8 4 sewage disposal plant, water works, parking facility,
8 5 railroad, excavation or other project, development, real
8 6 property, or improvement, or to do any part thereof, whether
8 7 or not the performance of the work described in this
8 8 subsection involves an addition to, or fabrication into, any
8 9 structure, project, development, real property, or improvement
8 10 described in this subsection of any material or article of
8 11 merchandise.

8 12 Sec. 12. NEW SECTION. 91G.3 STATUS OF INDIVIDUALS
8 13 PERFORMING SERVICES.

8 14 1. An individual performing services shall be classified
8 15 as an employee unless all of the following conditions are
8 16 present and the contractor and the individual both intend to
8 17 create an independent contractor relationship between the
8 18 contractor and the individual:

8 19 a. The contractor does not control or direct the
8 20 performance of services by the individual.

8 21 b. The contractor is not responsible for the payment of
8 22 the individual's wages.

8 23 c. The contractor does not have the right to discharge the
8 24 individual or terminate the working relationship with the
8 25 individual.

8 26 d. The contractor is not the authority in charge of the
8 27 work or for whose benefit the individual is providing
8 28 services.

8 29 2. An individual classified as an employee under this
8 30 section shall also be classified as an employee pursuant to
8 31 chapters 85, 85A, 85B, 88, 91A, and 96. A contractor commits
8 32 a violation of this chapter by not treating the individual so
8 33 classified under this chapter as an employee pursuant to
8 34 chapters 85, 85A, 85B, 88, 91A, and 96.

8 35 3. An individual who is an owner-operator as described in



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9 1 section 85.61, subsection 11, and not deemed an employee under
9 2 that subsection shall not be classified as an employee under
9 3 this section.

9 4 Sec. 13. NEW SECTION. 91G.4 NOTICE OF LAW.

9 5 1. The commissioner shall create posters in both English
9 6 and Spanish summarizing the requirements of this chapter. The
9 7 English and Spanish versions of the poster shall be posted on
9 8 the division's internet site and on bulletin boards in the
9 9 workforce centers.

9 10 2. The commissioner shall provide the posters without
9 11 charge to contractors upon request.

9 12 3. If a contractor violates section 91G.3 or 91G.8 or
9 13 rules adopted pursuant to any of those sections, the
9 14 contractor shall post the English and Spanish versions of the
9 15 poster created by the commissioner. The posters shall be
9 16 posted in conspicuous locations at the places where notices to
9 17 employees are normally posted at each job site and office of
9 18 the contractor.

9 19 Sec. 14. NEW SECTION. 91G.5 ENFORCEMENT.

9 20 1. An interested party may file a complaint with the
9 21 commissioner alleging a violation of section 91G.3, 91G.4, or
9 22 91G.8 or rules adopted pursuant to any of those sections. An
9 23 interested party who makes a complaint when the interested
9 24 party knows such representation to be false commits a simple
9 25 misdemeanor.

9 26 2. The commissioner shall adopt rules pursuant to and
9 27 consistent with chapter 17A regarding investigations to
9 28 determine whether a contractor has violated any provisions of
9 29 this chapter or any rules adopted pursuant to this chapter.

9 30 3. The commissioner shall enforce the provisions of this
9 31 chapter. The commissioner may conduct investigations in
9 32 connection with the administration and enforcement of this
9 33 chapter and may visit and inspect, at all reasonable times,
9 34 any places where individuals are performing services for a
9 35 contractor and may inspect, at all reasonable times, documents



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10 1 related to the determination of whether an individual is an
10 2 employee under section 91G.3.

10 3 4. The commissioner and an employee of the commissioner
10 4 shall be indemnified for any damages and legal expenses
10 5 incurred as a result of the good-faith performance of the
10 6 employee's official duties under this chapter, in regard to
10 7 any claim for civil damages not specifically covered by the
10 8 Iowa tort claims Act, chapter 669.

10 9 5. The commissioner may compel by subpoena the attendance
10 10 and testimony of witnesses and the production of books,
10 11 payrolls, records, papers, and other evidence in an
10 12 investigation and may administer oaths to witnesses.

10 13 6. Upon the failure or refusal of any person to obey a
10 14 subpoena, the commissioner may petition a district court of
10 15 competent jurisdiction, and upon proper showing, the court may
10 16 enter an order compelling the witness to appear and testify or
10 17 produce documentary evidence. Failure to obey the court order
10 18 is punishable as contempt of court.

10 19 7. A determination by the commissioner as to whether a
10 20 violation of section 91G.3, 91G.4, or 91G.8 or rules adopted
10 21 pursuant to any of those sections has occurred shall be
10 22 considered final agency action under chapter 17A.

10 23 8. If the commissioner determines upon investigation that
10 24 a violation of section 91G.3, 91G.4, or 91G.8 or rules adopted
10 25 pursuant to any of those sections has occurred, the
10 26 commissioner may do any of the following:

10 27 a. Issue and cause to be served on any party an order to
10 28 cease and desist from any further violation.

10 29 b. Take affirmative or other action as deemed reasonable
10 30 to eliminate the effect of any violation.

10 31 c. Collect the amount of any wages, salary, employment
10 32 benefits, or other compensation denied or lost to an
10 33 individual.

10 34 d. Assess any civil penalty allowed by this chapter.

10 35 e. Refer matters to the county attorney upon determining



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11 1 that a criminal violation may have occurred.

11 2 9. Judicial review of any final agency action of the
11 3 commissioner taken pursuant to this section may be sought in
11 4 accordance with the terms of chapter 17A. If a petition for
11 5 judicial review is not filed within thirty days after service
11 6 of the determination of the commissioner, the commissioner's
11 7 determination shall be conclusive in connection with any
11 8 petition for enforcement filed by the commissioner and in such
11 9 case, the clerk of court, unless otherwise ordered by the
11 10 court, shall forthwith enter a decree enforcing the
11 11 commissioner's determination and shall transmit a copy of the
11 12 decree to the commissioner and the contractor named in the
11 13 petition.

11 14 10. A contractor shall not be liable under this chapter
11 15 for any other contractor's failure to properly classify
11 16 individuals.

11 17 11. In any civil action to enforce the provisions of this
11 18 chapter, the commissioner may be represented by an attorney
11 19 employed by the division or, at the commissioner's request, by
11 20 the attorney general.

11 21 Sec. 15. NEW SECTION. 91G.6 PENALTIES.

11 22 1. A contractor who violates section 91G.3, 91G.4, or
11 23 91G.8 or rules adopted pursuant to one of those sections is
11 24 subject to a civil penalty not to exceed one thousand two
11 25 hundred fifty dollars for a first violation as determined by
11 26 the commissioner. A contractor is subject to a civil penalty
11 27 not to exceed one thousand eight hundred seventy-five dollars
11 28 for a second violation occurring within six years of a first
11 29 violation as determined by the commissioner. A contractor
11 30 shall be subject to a civil penalty not to exceed three
11 31 thousand one hundred twenty-five dollars for a third or
11 32 successive violation occurring within six years of a first
11 33 violation as determined by the commissioner.

11 34 2. A contractor who violates any provision of section
11 35 91G.3, 91G.4, or 91G.8 or rules adopted pursuant to one of



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12 1 those sections commits a simple misdemeanor. A contractor who
12 2 commits such a second violation within six years of a first
12 3 violation commits a serious misdemeanor. A contractor who
12 4 commits such a third or subsequent violation within six years
12 5 of a first violation commits an aggravated misdemeanor.

12 6 3. A contractor who obstructs the commissioner, the
12 7 employee of the commissioner, or another person authorized to
12 8 inspect places where individuals are performing services for a
12 9 contractor is subject to a civil penalty not to exceed one
12 10 thousand eight hundred seventy-five dollars.

12 11 4. Each violation described in this section for each
12 12 individual and for each day the violation continues
12 13 constitutes a separate and distinct violation. In determining
12 14 the amount of a civil penalty, the commissioner shall consider
12 15 the appropriateness of the civil penalty to the contractor and
12 16 the gravity of the violation.

12 17 Sec. 16. NEW SECTION. 91G.7 STATE CONTRACT PROHIBITION.

12 18 For a second or subsequent violation of section 91G.3 or
12 19 91G.4 determined by the commissioner to have occurred within
12 20 six years of an earlier violation or for a first or subsequent
12 21 violation of section 91G.8, the commissioner shall add the
12 22 contractor's name to a list to be posted on the division's
12 23 internet site and notify the violating contractor of the
12 24 posting. A state contract shall not be awarded to a
12 25 contractor whose name appears on the list until three years
12 26 have elapsed from the date of the determination of the last
12 27 violation.

12 28 Sec. 17. NEW SECTION. 91G.8 RETALIATION.

12 29 1. A contractor or contractor's agent shall not retaliate
12 30 through discharge or in any other manner against an individual
12 31 for any of the following:

12 32 a. Making a good-faith complaint to the commissioner or to
12 33 a state or federal agency regarding a violation of section
12 34 91G.3 or 91G.4.

12 35 b. Testifying or otherwise cooperating in an investigation



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13 1 or proceeding under this chapter.
13 2 2. Such retaliation shall subject a contractor or
13 3 contractor's agent to civil penalties and a prohibition on
13 4 being awarded state contracts pursuant to this chapter and may
13 5 give rise to a private right of action.
13 6 Sec. 18. NEW SECTION. 91G.9 DISPOSITION OF PENALTIES.
13 7 Any penalties assessed and collected by the commissioner
13 8 pursuant to this chapter shall be deposited in the general
13 9 fund of the state.
13 10 Sec. 19. NEW SECTION. 91G.10 PRIVATE RIGHT OF ACTION.
13 11 1. An individual, who has not received compensatory
13 12 damages under section 91G.5, alleging a contractor's violation
13 13 of this chapter or a rule adopted pursuant to this chapter and
13 14 damages may file suit in district court against the
13 15 contractor, in the county where the alleged violation
13 16 occurred, or where any person who is party to the action
13 17 resides, without regard to exhaustion of any alternative
13 18 administrative remedies provided in this chapter. Actions may
13 19 be brought by one or more aggrieved individuals for and on
13 20 behalf of themselves and other individuals similarly situated.
13 21 2. If it is established that an individual has been
13 22 damaged through a proceeding under subsection 1 by a
13 23 contractor who has willfully violated a provision of this
13 24 chapter or a rule adopted pursuant to this chapter, the
13 25 individual shall be entitled to collect the following:
13 26 a. The amount of any wages, salary, employment benefits,
13 27 or other compensation denied or lost to the individual due to
13 28 the violation or a retaliatory action, and court costs and
13 29 interest at the statutory rate from the date of filing.
13 30 b. Punitive damages, not to exceed five times the amount
13 31 awarded in paragraph "a".
13 32 c. Reasonable attorney fees, if the contractor who has
13 33 damaged the individual has committed a second or subsequent
13 34 violation of section 91G.3, 91G.4, or 91G.8, or rules adopted
13 35 pursuant to this chapter, occurring within six years of a



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14 1 first violation.

14 2 3. The right of a damaged individual to bring an action
14 3 under this section terminates five years from the date of the
14 4 alleged violation by the contractor.

14 5 Sec. 20. NEW SECTION. 91G.11 COOPERATION.

14 6 1. All state agencies shall cooperate under this chapter
14 7 by sharing information concerning possible misclassification
14 8 by a contractor of one or more of the contractor's employees
14 9 as independent contractors.

14 10 2. Upon determining that a contractor misclassified one or
14 11 more employees as independent contractors in violation of this
14 12 chapter, the commissioner shall notify the division
14 13 administering unemployment insurance services, the division of
14 14 workers' compensation, and the department of revenue, each of
14 15 which shall investigate the contractor's compliance with
14 16 applicable laws.

14 17 3. Cooperation under this chapter shall be considered a
14 18 duty of office for the heads of state agencies or their
14 19 designees. Failure to so cooperate constitutes a violation of
14 20 section 721.2, subsection 6.

14 21 Sec. 21. Section 84A.5, subsection 4, Code Supplement
14 22 2007, is amended to read as follows:

14 23 4. The division of labor services is responsible for the
14 24 administration of the laws of this state under chapters 88,
14 25 88A, 88B, 89, 89A, 89B, 90A, 91, 91A, 91C, 91D, 91E, 91G, 92,
14 26 and 94A, and section 85.68. The executive head of the
14 27 division is the labor commissioner, appointed pursuant to
14 28 section 91.2.

14 29 Sec. 22. Section 85.61, subsection 11, paragraph b, Code
14 30 Supplement 2007, is amended to read as follows:

14 31 b. (1) "Worker" or "employee" includes an inmate as
14 32 defined in section 85.59 and a person described in section
14 33 85.60.

14 34 (2) "Worker" or "employee" includes an individual who is
14 35 classified as an employee pursuant to section 91G.3.



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15 1 Sec. 23. Section 86.45, subsection 2, Code 2007, is
15 2 amended by adding the following new paragraph:
15 3 NEW PARAGRAPH. j. To cooperate with the division of labor
15 4 services, the division of the department of workforce
15 5 development that administers unemployment insurance services,
15 6 and the department of revenue pursuant to chapter 91G by
15 7 sharing information concerning possible misclassification of
15 8 one or more employees as independent contractors.

15 9 Sec. 24. Section 88.3, subsection 4, Code 2007, is amended
15 10 to read as follows:

15 11 4. "Employee" means an employee of an employer who is
15 12 employed in a business of the employer. "Employee" also means
15 13 an inmate as defined in section 85.59, when the inmate works
15 14 in connection with the maintenance of the institution, in an
15 15 industry maintained in the institution, or while otherwise on
15 16 detail to perform services for pay. "Employee" also means a
15 17 volunteer involved in responses to hazardous waste incidences.
15 18 The employer of a volunteer is that entity which provides or
15 19 which is required to provide workers' compensation coverage
15 20 for the volunteer. "Employee" includes an individual who is
15 21 classified as an employee pursuant to section 91G.3.

15 22 Sec. 25. Section 91.4, subsection 5, Code Supplement 2007,
15 23 is amended to read as follows:

15 24 5. The director of the department of workforce
15 25 development, in consultation with the labor commissioner,
15 26 shall, at the time provided by law, make an annual report to
15 27 the governor setting forth in appropriate form the business
15 28 and expense of the division of labor services for the
15 29 preceding year, the number of disputes or violations processed
15 30 by the division and the disposition of the disputes or
15 31 violations, and other matters pertaining to the division which
15 32 are of public interest, together with recommendations for
15 33 change or amendment of the laws in this chapter and chapters
15 34 88, 88A, 88B, 89, 89A, 89B, 90A, 91A, 91C, 91D, 91E, 91G, 92,
15 35 and 94A, and section 85.68, and the recommendations, if any,



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16 1 shall be transmitted by the governor to the first general
16 2 assembly in session after the report is filed.

16 3 Sec. 26. Section 91A.2, subsection 3, unnumbered paragraph
16 4 1, Code 2007, is amended to read as follows:

16 5 "Employee" means a natural person who is employed in this
16 6 state for wages by an employer. Employee also includes a
16 7 commission salesperson who takes orders or performs services
16 8 on behalf of a principal and who is paid on the basis of
16 9 commissions but does not include persons who purchase for
16 10 their own account for resale. "Employee" includes an
16 11 individual who is classified as an employee pursuant to

16 12 section 91G.3. For the purposes of this chapter, the
16 13 following persons engaged in agriculture are not employees:

16 14 Sec. 27. Section 96.11, Code Supplement 2007, is amended
16 15 by adding the following new subsection:

16 16 NEW SUBSECTION. 17. INTERAGENCY COOPERATION.

16 17 a. All state agencies shall cooperate with the director
16 18 and the department pursuant to chapter 91G by sharing
16 19 information concerning possible misclassification of employees
16 20 as independent contractors.

16 21 b. Cooperation under this chapter shall be considered a
16 22 duty of office for the heads of the state agencies or their
16 23 designees. Failure to so cooperate constitutes a violation of
16 24 section 721.2, subsection 6.

16 25 Sec. 28. Section 96.19, subsection 18, paragraph a,
16 26 subparagraph (2), Code 2007, is amended to read as follows:

16 27 (2) Any individual who, under the usual common law rules
16 28 applicable in determining the employer=employee relationship,
16 29 has the status of an employee, or any individual who is
16 30 classified as an employee pursuant to section 91G.3, or

16 31 DIVISION III

16 32 SEVERABILITY AND EFFECTIVE DATE

16 33 Sec. 29. SEVERABILITY. The provisions of this Act are
16 34 severable in the manner provided by section 4.12.

16 35 Sec. 30. EFFECTIVE DATE. This Act takes effect January 1,



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17 1 2009.

17 2 EXPLANATION

17 3 This bill relates to employers and individuals who perform
17 4 labor in wage payment collection and employment classification
17 5 areas.

17 6 DIVISION I. In Code section 91A.2, the definition of
17 7 "employee" is amended to include five requirements to
17 8 determine whether an individual is an employee or independent
17 9 contractor. To establish the absence of an employment
17 10 relationship, a putative employer must prove that the employer
17 11 and the individual share an intention to create an independent
17 12 contractor relationship; the employer does not control the
17 13 performance of the individual's services; the employer is not
17 14 responsible for paying the individual's wages; the employer
17 15 does not have the authority to terminate the relationship; and
17 16 the employer is not the entity for whose benefit the
17 17 individual is providing services. Also in Code section 91A.2,
17 18 the definition of "liquidated damages" is amended so that the
17 19 amount cannot exceed twice the amount of unpaid wages and
17 20 cannot accumulate.

17 21 Code section 91A.6(1) and (2) are amended to remove the
17 22 requirement that an employer has been notified by the division
17 23 of labor services of the department of workforce development
17 24 before the employer is required to fulfill the requirements in
17 25 subsection 1 relating to employee wage and benefit
17 26 information. Additionally, Code section 91A.6(1)(d) is
17 27 amended to establish a rebuttable presumption that an employer
17 28 did not pay the minimum wage if the employer does not maintain
17 29 proper payroll records.

17 30 In Code section 91A.8(1), a violation of this Code chapter
17 31 occurs any week when an individual employee is not paid wages,
17 32 state taxes are not withheld, or in each week that an employee
17 33 is improperly discharged, discriminated against, or retaliated
17 34 against until compensation is made. In Code section 91A.8(2),
17 35 language that relates to the damages that an employer shall be



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18 1 liable for in other instances, is deleted.
18 2 Code section 91A.9(2) has two changes. The first is to
18 3 eliminate language limiting the commissioner's entry into a
18 4 place of employment only in response to a written complaint.
18 5 The second change provides that a complaining employee must
18 6 request confidentiality. The commissioner shall then
18 7 determine whether the commissioner can effectively investigate
18 8 the matter and maintain the employee's confidentiality. If
18 9 maintaining the employee's confidentiality is not possible,
18 10 the commissioner shall proceed only with the employee's
18 11 consent.
18 12 Code section 91A.10(1) is amended by splitting the section
18 13 into two paragraphs. The second paragraph's first sentence
18 14 begins with a new clause that states that the commissioner can
18 15 determine whether there is an enforceable claim, regardless of
18 16 whether the investigation began due to a complaining employee
18 17 or at the behest of the commissioner. The paragraph also
18 18 includes rewritten language that states that the technical
18 19 rules respecting the validity of an assignment in trust for
18 20 the claim of wages shall not apply.
18 21 Code section 91A.10(5), which is the subsection covering
18 22 retaliatory actions by employers or others, is expanded to
18 23 cover persons other than employees who act under this Code
18 24 chapter against an employee. A 90-day period is established
18 25 during which any action against an employee or other person is
18 26 rebuttably presumed to be retaliatory. New subsection 6 is
18 27 created in Code section 91A.10 to allow the commissioner to
18 28 maintain a civil action in any court of proper jurisdiction.
18 29 An employer who retaliates against an employee or other person
18 30 shall compensate the injured party an amount set by the
18 31 commissioner or the court, but not less than \$150 for each day
18 32 of the violation.
18 33 In Code section 91A.12, the civil penalty that the
18 34 commissioner may assess is raised to \$500 per violation which
18 35 is deposited into the general fund of the state.



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19 1 DIVISION II. This division of the bill creates new Code
19 2 chapter 91G and relates to the classification of individuals
19 3 as employees or independent contractors.
19 4 New Code section 91G.1 addresses the purpose of the Code
19 5 chapter.
19 6 New Code section 91G.2 includes definitions pertinent to
19 7 the Code chapter.
19 8 New Code section 91G.3 classifies the status of individuals
19 9 performing services. New Code section 91G.3(1) provides the
19 10 criteria for determining the status of an individual as an
19 11 employee. New Code section 91G.3(2) provides that an
19 12 individual classified as an employee under this Code section
19 13 also qualifies as an employee for the purposes of Code
19 14 chapters 85, 85A, and 85B (workers' compensation), 88
19 15 (occupational safety and health), 91A (wage payment
19 16 collection), and 96 (unemployment compensation). It is a
19 17 violation of new Code chapter 91G to fail to properly classify
19 18 an individual as an employee under these Code chapters. New
19 19 Code section 91G.3(3) provides that an individual who is an
19 20 owner-operator as described in Code section 85.61(11) shall
19 21 not be classified as an employee under new Code section 91G.3.
19 22 New Code section 91G.4 requires the commissioner to create
19 23 posters in both English and Spanish that summarize the Code
19 24 chapter requirements. If a contractor is found to have
19 25 violated new Code sections 91G.3 or 91G.8, the contractor must
19 26 post the posters in both languages in conspicuous places at
19 27 all job sites and offices.
19 28 New Code section 91G.5 provides enforcement provisions. In
19 29 new Code section 91G.5(1), an interested party may file a
19 30 complaint alleging a violation of this Code chapter. However,
19 31 a party who knowingly makes a false complaint commits a simple
19 32 misdemeanor, which is punishable by confinement for no more
19 33 than 30 days or a fine of at least \$65 but not more than \$625
19 34 or by both. Under new Code section 91G.5(2), the commissioner
19 35 is charged with establishing rules consistent with Code



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20 1 chapter 17A. In new Code section 91G.5(3), the commissioner
20 2 is charged with investigating complaints and conducting
20 3 investigations.

20 4 Under new Code section 91G.5(4), the commissioner and
20 5 employees are indemnified for damages and legal expenses
20 6 incurred as a result of the good-faith performance of their
20 7 job duties against any claims not covered by Code chapter 669,
20 8 the Iowa tort claims Act. Under new Code section 91G.5(5),
20 9 the commissioner may administer oaths and issue subpoenas to
20 10 access witnesses and documents, payroll records, and other
20 11 evidence in order to advance an investigation. New Code
20 12 section 91G.5(6) allows the commissioner or the commissioner's
20 13 investigators to commence a contempt action in court
20 14 commanding a person to obey the order of the commissioner
20 15 issued under new Code chapter 91G or be adjudged guilty of
20 16 contempt of court.

20 17 Under new Code section 91G.5(7), a determination by the
20 18 commissioner about whether a violation has occurred is final
20 19 agency action. Under new Code section 91G.5(8), when the
20 20 commissioner determines there has been a violation, the
20 21 commissioner may take specific actions, including cease and
20 22 desist, individual compensatory, and civil penalty remedies.

20 23 Under new Code section 91G.5(9), judicial review of a final
20 24 agency action by the commissioner may be instituted within 30
20 25 days according to the terms of Code chapter 17A. If no
20 26 petition of review is filed within 30 days, the commissioner's
20 27 findings are considered conclusive for any petition for
20 28 enforcement that the commissioner may file. Upon petition by
20 29 the commissioner, the clerk of the court, unless otherwise
20 30 ordered by the court, shall enter a decree enforcing the
20 31 order.

20 32 In new Code section 91G.5(10), a contractor is not
20 33 responsible for any other contractor's failure to properly
20 34 classify individuals who perform services for the contractor.
20 35 In new Code section 91G.5(11), in a civil action, the



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21 1 commissioner may choose to be represented by a departmental
21 2 attorney or the attorney general.
21 3 New Code section 91G.6 deals with the penalties. In new
21 4 Code section 91G.6(1), a contractor who violates this Code
21 5 chapter or any rule adopted pursuant to this Code chapter
21 6 shall be subject to a civil penalty not to exceed \$1,250 for
21 7 the first violation, up to \$1,875 for a second violation
21 8 within six years of the first, and up to \$3,125 for a third or
21 9 successive violation within six years of the first violation.
21 10 Under new Code section 91G.6(2), a contractor who violates
21 11 any provision of this Code chapter or any rule adopted
21 12 pursuant to this Code chapter commits a simple misdemeanor,
21 13 which is punishable by confinement for no more than 30 days or
21 14 a fine of at least \$65 but not more than \$625 or by both. A
21 15 contractor who commits a second violation within a six-year
21 16 period commits a serious misdemeanor, which is punishable by
21 17 confinement for no more than one year and a fine of at least
21 18 \$315 but not more than \$1,875. A contractor who commits a
21 19 third or subsequent violation within a six-year period commits
21 20 an aggravated misdemeanor, which is punishable by confinement
21 21 for no more than two years and a fine of at least \$625 but not
21 22 more than \$6,250. Under new Code section 91G.6(3), any
21 23 contractor who obstructs the commissioner's inspection of
21 24 places of employment shall be liable for a civil penalty of up
21 25 to \$1,875. Under new Code section 91G.6(4), each violation
21 26 for each individual and for each day the violation continues
21 27 constitutes a separate and distinct violation. In determining
21 28 the amount of a penalty, the commissioner shall consider the
21 29 appropriateness of the penalty to the contractor and the
21 30 gravity of the violation.
21 31 New Code section 91G.7 provides that if a contractor is
21 32 found to have violated a provision of new Code section 91G.3
21 33 or 91G.4 a second or subsequent time within six years of an
21 34 earlier violation or is found to have violated, for a first or
21 35 subsequent time, new Code section 91G.8, the contractor's name



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22 1 shall be posted on the division's internet site. A state
22 2 contract shall not be awarded to a contractor whose name
22 3 appears on the posting until three years have passed from the
22 4 date of the last violation determination.

22 5 New Code section 91G.8 makes it a violation of the Code
22 6 chapter for a contractor or a contractor's agent to retaliate
22 7 in any way against an individual for making a good-faith
22 8 complaint or cooperating in an investigation. Retaliation
22 9 subjects the contractor to civil penalties, to being banned
22 10 from state contracts, and a possible private right of action.

22 11 Under new Code section 91G.9, any civil penalties collected
22 12 by the commissioner shall be deposited in the general fund of
22 13 the state.

22 14 In new Code section 91G.10, if an individual has not
22 15 received compensatory damages under new Code section 91G.5,
22 16 then the individual who is damaged by an alleged new Code
22 17 chapter 91G violation may file suit in district court in the
22 18 county where the alleged violation occurred or where any
22 19 person who is party to the violation resides and may do so
22 20 without exhausting any alternative administrative remedies in
22 21 new Code chapter 91G. If it is established that an individual
22 22 has been damaged through a proceeding under new Code section
22 23 91G.10, remedies include compensatory damages, court costs and
22 24 interest, and punitive damages up to five times the amount of
22 25 the compensatory damages. If this is the contractor's second
22 26 or subsequent violation in six years of a first violation,
22 27 reasonable attorney fees may be awarded. The right to bring a
22 28 private action terminates five years after the date of the
22 29 alleged violation.

22 30 New Code section 91G.11(1) requires all state agencies to
22 31 cooperate by sharing information about possible
22 32 misclassifications by contractors. Under Code section
22 33 91G.11(2), the commissioner shall notify the other agencies
22 34 when a misclassification violation is determined, and the
22 35 other agencies shall investigate. New Code section 91G.11(3)



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23 1 makes cooperation and investigation among the heads of the
23 2 state agencies a duty of office; failing to cooperate,
23 3 pursuant to new Code section 721.2(6), results in a simple
23 4 misdemeanor, which is punishable by confinement for no more
23 5 than 30 days or a fine of at least \$65 but not more than \$625
23 6 or by both.

23 7 The definition of "employee" in new Code section 91G.3 is
23 8 essentially incorporated as part of the definitions of
23 9 "employee" in the following amended Code sections: 85.61,
23 10 86.45, 88.3, 91A.2, and 96.19.

23 11 In Code sections 84A.5 and 91.4 the division of labor of
23 12 the department of workforce development is given
23 13 responsibility for administration for new Code chapter 91G and
23 14 filing of annual reports about matters pertaining to these
23 15 Code chapters, respectively.

23 16 Code section 96.11 is amended by adding a new subsection
23 17 for interagency cooperation. The subsection requires all
23 18 state agencies to cooperate by sharing information about
23 19 possible misclassifications of employees by contractors.
23 20 Cooperation and investigation among the heads of the state
23 21 agencies is considered a duty of office; failing to cooperate,
23 22 pursuant to Code section 721.2(6), results in a simple
23 23 misdemeanor, which is punishable by confinement for no more
23 24 than 30 days or a fine of at least \$65 but not more than \$625
23 25 or by both.

23 26 DIVISION III. The provisions of the bill are severable as
23 27 provided by Code section 4.12.

23 28 The bill takes effect January 1, 2009.

23 29 LSB 6589SV 82

23 30 ak/rj/8



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SENATE FILE
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 3295)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved

A BILL FOR

1 An Act relating to and making appropriations from the healthy
2 Iowans tobacco trust and the tobacco settlement trust fund,
3 and providing for the repeal of the healthy Iowans tobacco
4 trust, and providing effective dates.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5008SV 82
7 pf/jp/24



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1 1                               DIVISION I
1 2             HEALTHY IOWANS TOBACCO TRUST == APPROPRIATIONS
1 3       Section 1. HEALTHY IOWANS TOBACCO TRUST == APPROPRIATIONS
1 4 TO DEPARTMENTS. There is appropriated from the healthy Iowans
1 5 tobacco trust created in section 12.65 to the following
1 6 departments for the fiscal year beginning July 1, 2008, and
1 7 ending June 30, 2009, the following amounts, or so much
1 8 thereof as is necessary, to be used for the purposes
1 9 designated:
1 10      1. To the department of human services:
1 11      a. For child and family services including for
1 12 reimbursement of adoption, independent living, shelter care,
1 13 and home studies services providers, and other service
1 14 providers under the purview of the department of human
1 15 services:
1 16 ..... $ 3,761,677
1 17      b. To continue supplementation of the state supplementary
1 18 assistance program including reimbursements for residential
1 19 care facilities and in-home health services:
1 20 ..... $ 182,381
1 21      c. For general administration of health-related programs:
1 22 ..... $ 274,000
1 23      2. To the Iowa department of public health:
1 24      a. For the tobacco use prevention and control initiative,
1 25 including efforts at the state and local levels, as provided
1 26 in chapter 142A and for not more than the following full-time
1 27 equivalent positions:
1 28 ..... $ 5,928,265
1 29 ..... FTEs 7.00
1 30      (1) The director of public health shall dedicate
1 31 sufficient resources to promote and ensure retailer compliance
1 32 with tobacco laws and ordinances relating to persons under 18
1 33 years of age, and shall prioritize the state's compliance in
1 34 the allocation of available funds to comply with 42 U.S.C. }
1 35 300x=26 and section 453A.2.

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2 1 (2) Of the full-time equivalent positions funded in this
2 2 paragraph "a", 2.00 full-time equivalent positions shall be
2 3 utilized to provide for enforcement of tobacco laws,
2 4 regulations, and ordinances under a chapter 28D agreement
2 5 entered into between the Iowa department of public health and
2 6 the alcoholic beverages division of the department of
2 7 commerce.

2 8 (3) Of the funds appropriated in this paragraph "a", not
2 9 more than \$525,759 shall be expended on administration and
2 10 management of the program.

2 11 (4) Of the funds appropriated in this paragraph "a", not
2 12 less than 80 percent of the amount expended in the fiscal year
2 13 beginning July 1, 2001, for community partnerships shall be
2 14 expended in the fiscal year beginning July 1, 2008, for that
2 15 purpose.

2 16 b. For additional substance abuse treatment under the
2 17 substance abuse treatment program:

2 18 \$ 13,800,000

2 19 (1) The department shall use funds appropriated in this
2 20 paragraph "b" to enhance the quality of and to expand the
2 21 capacity to provide 24-hour substance abuse treatment
2 22 programs.

2 23 (2) The department shall use funds appropriated in this
2 24 paragraph "b" to expand the length of individual client
2 25 substance abuse treatment plans, as necessary to reduce
2 26 program recidivism.

2 27 (3) The department shall use funds appropriated in this
2 28 paragraph "b" to share research-based best practices for
2 29 treatment with substance abuse treatment facilities.

2 30 (4) The department shall use funds appropriated in this
2 31 paragraph "b" to develop a results-based funding approach for
2 32 substance abuse treatment services.

2 33 (5) The department shall use funds appropriated in this
2 34 paragraph "b" to develop a program to encourage individuals
2 35 who are successfully managing their substance abuse problems



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3 1 to serve as role models.

3 2 (6) The department shall submit a report annually by March

3 3 1, to the governor and the general assembly delineating the

3 4 success rates of the substance abuse treatment programs that

3 5 receive funding under this paragraph "b".

3 6 c. For the healthy Iowans 2010 plan within the Iowa

3 7 department of public health and for not more than the

3 8 following full-time equivalent positions:

3 9 \$ 2,509,960

3 10 FTEs 4.00

3 11 (1) Of the funds appropriated in this paragraph "c", not

3 12 more than \$1,157,482 shall be used for essential public health

3 13 services that promote healthy aging throughout the lifespan,

3 14 contracted through a formula for local boards of health, to

3 15 enhance health promotion and disease prevention services.

3 16 (2) Of the funds appropriated in this paragraph "c", not

3 17 more than \$387,320 shall be used for the continuation and

3 18 support of a coordinated system of delivery of trauma and

3 19 emergency medical services.

3 20 (3) Of the funds appropriated in this paragraph "c", not

3 21 more than \$600,000 shall be used for the state poison control

3 22 center.

3 23 (4) Of the funds appropriated in this paragraph "c", not

3 24 more than \$288,770 shall be used for the development of

3 25 scientific and medical expertise in environmental

3 26 epidemiology.

3 27 (5) Of the funds appropriated in this paragraph "c", not

3 28 more than \$76,388 shall be used for the childhood lead

3 29 poisoning prevention program.

3 30 d. For the center for congenital and inherited disorders

3 31 established pursuant to section 136A.3:

3 32 \$ 26,000

3 33 e. For a grant program to provide substance abuse

3 34 prevention programming for children:

3 35 \$ 1,050,000



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4 1 (1) Of the funds appropriated in this paragraph "e",
4 2 \$500,000 shall be utilized to provide funding for
4 3 organizations that provide programming for children by
4 4 utilizing mentors. Programs approved for grants under this
4 5 subparagraph (1) shall be certified or will be certified
4 6 within six months of receiving the grant award by the Iowa
4 7 commission on volunteer services as utilizing the standards
4 8 for effective practice for mentoring programs.

4 9 (2) Of the funds appropriated in this paragraph "e",
4 10 \$500,000 shall be utilized to provide funding for
4 11 organizations that provide programming that includes youth
4 12 development and leadership. The programs shall also be
4 13 recognized as being programs that are scientifically based
4 14 with evidence of their effectiveness in reducing substance
4 15 abuse in children.

4 16 (3) The Iowa department of public health shall utilize a
4 17 request for proposals process to implement the program under
4 18 this paragraph "e".

4 19 (4) All grant recipients under this paragraph "e" shall
4 20 participate in a program evaluation as a requirement for
4 21 receiving grant funds.

4 22 (5) Of the funds appropriated in this paragraph "e",
4 23 \$50,000 shall be used to administer substance abuse prevention
4 24 grants and for program evaluations.

4 25 g. For providing grants to individual patients who have
4 26 phenylketonuria (PKU) to assist with the costs of necessary
4 27 special foods:

4 28 \$ 100,000

4 29 h. For additional funding to leverage federal funding
4 30 through the federal Ryan White Care Act, Title II, AIDS drug
4 31 assistance program supplemental drug treatment grants:

4 32 \$ 275,000

4 33 i. For a grant to an existing national-affiliated
4 34 organization to provide education, client-centered programs,
4 35 and client and family support for people living with epilepsy



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5 1 and their families:
5 2 \$ 100,000
5 3 3. To the department of corrections:
5 4 \$ 4,477,474
5 5 It is the intent of the general assembly that each judicial
5 6 district department of correctional services shall cooperate
5 7 with and utilize local community-based treatment providers
5 8 licensed under chapter 125. Each judicial district department
5 9 of correctional services shall submit a report to the general
5 10 assembly and to the co-chairpersons and ranking members of the
5 11 joint appropriations subcommittee on the justice system and
5 12 the legislative services agency by December 15, 2008,
5 13 detailing the utilization of drug court funds allocated in
5 14 this subsection.
5 15 a. Of the funds appropriated in this subsection, \$410,332
5 16 is allocated to the first judicial district department of
5 17 correctional services. Of the funds allocated, \$100,000 shall
5 18 be used for community-based corrections, \$182,116 shall be
5 19 used to expand the drug court in Black Hawk county to Dubuque
5 20 and Delaware counties, and \$128,216 shall be used to replace
5 21 expired federal funding for dual diagnosis offenders.
5 22 b. Of the funds appropriated in this subsection, \$441,215
5 23 is allocated to the second judicial district department of
5 24 correctional services. Of the funds allocated, \$100,000 shall
5 25 be used for community-based corrections, and \$341,215 shall be
5 26 used to replace expired federal funding for day programming
5 27 and to replace expired federal funding for the drug court
5 28 program.
5 29 c. Of the funds appropriated in this subsection, \$220,856
5 30 is allocated to the third judicial district department of
5 31 correctional services. Of the funds allocated, \$100,000 shall
5 32 be used for community-based corrections, and \$120,856 shall be
5 33 used to replace expired federal funding for the drug court
5 34 program.
5 35 d. Of the funds appropriated in this subsection, \$310,547



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6 1 is allocated to the fourth judicial district department of
6 2 correctional services. Of the funds allocated, \$100,000 shall
6 3 be used for community-based corrections, and \$210,547 shall be
6 4 used for the drug court program.

6 5 e. Of the funds appropriated in this subsection, \$419,582
6 6 is allocated to the fifth judicial district department of
6 7 correctional services. Of the funds allocated, \$100,000 shall
6 8 be used for community-based corrections, and \$319,582 shall be
6 9 used to replace expired federal funding for the drug court
6 10 program.

6 11 f. Of the funds appropriated in this subsection, \$566,750
6 12 is allocated to the sixth judicial district department of
6 13 correctional services. Of the funds allocated, \$100,000 shall
6 14 be used for community-based corrections, \$64,741 shall be used
6 15 to replace expired federal funding for dual diagnosis
6 16 offenders, and \$402,009 shall be used to establish drug court
6 17 programs in Johnson and Linn counties.

6 18 g. Of the funds appropriated in this subsection, \$256,608
6 19 is allocated to the seventh judicial district department of
6 20 correctional services. Of the funds allocated, \$100,000 shall
6 21 be used for community-based corrections, and \$156,608 shall be
6 22 used to replace expired federal funding for the drug court
6 23 program.

6 24 h. Of the funds appropriated in this subsection, \$324,299
6 25 is allocated to the eighth judicial district department of
6 26 correctional services. Of the funds allocated, \$100,000 shall
6 27 be used for community-based corrections, and \$224,299 shall be
6 28 used to implement an adult drug court program.

6 29 i. Of the funds appropriated in this subsection,
6 30 \$1,497,285 is allocated to the Fort Madison correctional
6 31 facility for the clinical care unit.

6 32 j. Of the funds appropriated in this subsection, \$30,000
6 33 is allocated for a transitional housing pilot project for
6 34 offenders on parole who are in the early stages of recovery
6 35 from substance abuse. The department of corrections shall



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7 1 contract with a private nonprofit substance abuse treatment
 7 2 provider in a city with a population exceeding 65,000 but not
 7 3 exceeding 75,000 to implement the pilot project. The
 7 4 department shall file a report with the co-chairpersons and
 7 5 ranking members of the joint appropriations subcommittee on
 7 6 the justice system and the legislative services agency by
 7 7 February 1, 2009, detailing the number of offenders served by
 7 8 the pilot project, the recidivism rate, a description of the
 7 9 types of services received by the offenders, and the number of
 7 10 prison bed days saved by the pilot project.

7 11 Sec. 2. PURCHASE OF SERVICE CONTRACT PROVIDERS ==
 7 12 REIMBURSEMENT INCREASE. There is appropriated from the
 7 13 healthy Iowans tobacco trust created in section 12.65 to the
 7 14 property tax relief fund created in section 426B.1 for the
 7 15 fiscal year beginning July 1, 2008, and ending June 30, 2009,
 7 16 the following amount, or so much thereof as is necessary, to
 7 17 be used for the purposes designated:

7 18 For assistance to the counties with limited county mental
 7 19 health, mental retardation, and developmental disabilities
 7 20 services fund balances which were selected in accordance with
 7 21 2000 Iowa Acts, chapter 1221, section 3, to receive such
 7 22 assistance in the same amount provided during the fiscal year
 7 23 beginning July 1, 2000, and ending June 30, 2001, to pay
 7 24 reimbursement increases in accordance with 2000 Iowa Acts,
 7 25 chapter 1221, section 3:

7 26 \$ 146,750

7 27 Sec. 3. IOWA EMPOWERMENT FUND. There is appropriated from
 7 28 the healthy Iowans tobacco trust created in section 12.65 to
 7 29 the Iowa empowerment fund created in section 28.9 for the
 7 30 fiscal year beginning July 1, 2008, and ending June 30, 2009,
 7 31 for deposit in the school ready children grants account:

7 32 \$ 2,153,250

7 33 Sec. 4. IOWA COMMISSION ON VOLUNTEER SERVICES. There is
 7 34 appropriated from the healthy Iowans tobacco trust created in
 7 35 section 12.65 to the department of economic development for



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8 1 the fiscal year beginning July 1, 2008, and ending June 30,
8 2 2009, the following amount, or so much thereof as is
8 3 necessary, to be used for the purpose designated:
8 4 For allocation to the Iowa commission on volunteer services
8 5 for the Iowa's promise and mentoring partnership program and
8 6 for not more than the following full-time equivalent
8 7 positions:
8 8 \$ 125,000
8 9 FTEs 1.00

8 10 Sec. 5. DEPARTMENT OF EDUCATION. There is appropriated
8 11 from the healthy Iowans tobacco trust created in section 12.65
8 12 to the department of education for the fiscal year beginning
8 13 July 1, 2008, and ending June 30, 2009, the following amount,
8 14 or so much thereof as is necessary, to be used for the purpose
8 15 designated:
8 16 To continue the competitive grants program to expand the
8 17 availability of the before and after school grant program as
8 18 provided in section 256.26:
8 19 \$ 505,000

8 20 Of the amount appropriated for purposes of the competitive
8 21 grants program, not more than \$100,000 may be used to retain a
8 22 contractor to work with the department on long-term planning
8 23 and development of a statewide infrastructure to provide
8 24 coordination, support, and technical assistance to before and
8 25 after school programs. The contractor shall be qualified to
8 26 provide services in policy development, before and after
8 27 school funding mechanisms, public and private partnerships,
8 28 data collection, the promotion of quality, and working with
8 29 various state and local interests.

8 30 Sec. 6. 2007 Iowa Acts, chapter 208, section 1, subsection
8 31 2, paragraph e, is amended to read as follows:
8 32 e. For the center for congenital and inherited disorders
8 33 established pursuant to section 136A.3:
8 34 \$ ~~26,000~~
8 35 0



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Senate File 2417 - Introduced continued

9 1 Sec. 7. ENDOWMENT FOR IOWA'S HEALTH ACCOUNT == TRANSFER.
9 2 Notwithstanding any provision of law to the contrary, the
9 3 unencumbered or unobligated balance of the endowment for
9 4 Iowa's health account created in section 12E.12 at the close
9 5 of the fiscal year beginning July 1, 2007, shall be
9 6 transferred to the healthy Iowans tobacco trust created in
9 7 section 12.65.

9 8 Sec. 8. EFFECTIVE DATES.

9 9 1. The section of this division of this Act transferring
9 10 the balance at the end of the fiscal year beginning July 1,
9 11 2007, in the endowment for Iowa's health account to the
9 12 healthy Iowans tobacco trust, being deemed of immediate
9 13 importance, takes effect upon enactment.

9 14 2. The section of this division of this Act amending the
9 15 appropriation for the center for congenital and inherited
9 16 disorders in 2007 Iowa Acts, chapter 208, being deemed of
9 17 immediate importance, takes effect upon enactment.

9 18 DIVISION II

9 19 HEALTHY IOWANS TOBACCO TRUST == REPEAL

9 20 Sec. 9. Section 12E.2, subsection 5, Code 2007, is amended
9 21 by striking the subsection.

9 22 Sec. 10. Section 12E.2, subsection 10, Code 2007, is
9 23 amended to read as follows:

9 24 10. "Program plan" means the tobacco settlement program
9 25 plan dated February 14, 2001, including exhibits to the
9 26 program plan, submitted by the authority to the legislative
9 27 council and the executive council, to provide the state with a
9 28 secure and stable source of funding for the purposes
9 29 designated by section 12E.3A and other provisions of this
9 30 chapter ~~and section 12.65~~.

9 31 Sec. 11. Section 12E.3, subsection 2, paragraph a, Code
9 32 2007, is amended to read as follows:

9 33 a. To implement and administer the program plan and to
9 34 establish a stable source of revenue to be used for the
9 35 purposes designated in section 12E.3A and other provisions of



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10 1 this chapter ~~and section 12.65~~.

10 2 Sec. 12. NEW SECTION. 12E.3A ENDOWMENT FOR IOWA'S HEALTH
10 3 ACCOUNT == PURPOSES.

10 4 1. The general assembly reaffirms and reenacts the
10 5 purposes stated for the use of moneys deposited in the healthy
10 6 Iowans tobacco trust, as the purposes were enacted in 2000
10 7 Iowa Acts, chapter 1232, section 12, and codified in section
10 8 12.65, Code 2007, as the purposes for the endowment for Iowa's
10 9 health account. The purposes include those purposes related
10 10 to health care, substance abuse treatment and enforcement,
10 11 tobacco use prevention and control, and other purposes related
10 12 to the needs of children, adults, and families in the state.

10 13 2. Any net proceeds from the sale of taxable bonds or
10 14 tax-exempt bonds issued to provide funds for the purposes
10 15 stated in section 12.65, Code 2007, and as reaffirmed and
10 16 reenacted in subsection 1 shall continue to be used for such
10 17 purposes, including but not limited to any such proceeds
10 18 deposited in the endowment for Iowa's health account or
10 19 transferred or otherwise credited to the general fund of the
10 20 state.

10 21 Sec. 13. Section 12E.9, subsection 1, paragraph b,
10 22 subparagraphs (3) and (6), Code 2007, are amended to read as
10 23 follows:

10 24 (3) An agreement that the anticipated use by the state of
10 25 bond proceeds received pursuant to the sales agreement shall
10 26 be for capital projects, certain debt service on outstanding
10 27 obligations that funded capital projects, payment of attorney
10 28 fees related to the master settlement agreement, and to
10 29 provide a secure and stable source of funding to the state for
10 30 purposes designated by section 12E.3A and other provisions of
10 31 ~~this chapter and section 12.65~~.

10 32 (6) A requirement that the net proceeds received by the
10 33 authority from the sale of taxable bonds or tax-exempt bonds
10 34 issued to provide funds for the purposes specified in section
10 35 ~~12.65~~ 12E.3A be deposited in the endowment for Iowa's health



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11 1 account of the tobacco settlement trust fund as moneys of the
11 2 authority until transferred to the state pursuant to section
11 3 12E.12, subsection 1, paragraph "b", subparagraph (2). Each
11 4 amount transferred shall be the consideration received by the
11 5 state for that portion of the state's share.

11 6 Sec. 14. Section 12E.10, subsection 1, paragraph a,
11 7 subparagraph (3), Code 2007, is amended to read as follows:

11 8 (3) The authority may also issue taxable bonds or
11 9 tax-exempt bonds to provide additional amounts to be used for
11 10 the purposes specified in section ~~12.65~~ 12E.3A.

11 11 Sec. 15. Section 12E.11, subsection 1, Code 2007, is
11 12 amended to read as follows:

11 13 1. The authority may issue bonds and, if bonds are issued,
11 14 shall make the proceeds from the bonds available to the state
11 15 pursuant to the sales agreement to fund capital projects,
11 16 certain debt service on outstanding obligations that funded
11 17 capital projects, and attorney fees related to the master
11 18 settlement agreement, and to provide a secure and stable
11 19 source of funding to the state, consistent with the purposes
11 20 of section 12E.3A and other provisions of this chapter ~~and~~
~~11 21 section 12.65~~. In connection with the issuance of bonds and
11 22 subject to the terms of the sales agreement, the authority
11 23 shall determine the terms and other details of the financing
11 24 and the method of implementation of the program plan. Bonds
11 25 issued pursuant to this section may be secured by a pledge of
11 26 all or a portion of the state's share and any moneys derived
11 27 from the state's share, and any other sources available to the
11 28 authority with the exception of moneys in the tobacco
11 29 settlement trust fund. The authority may also issue refunding
11 30 bonds, including advance refunding bonds, for the purpose of
11 31 refunding previously issued bonds, and may issue other types
11 32 of bonds, debt obligations, and financing arrangements
11 33 necessary to fulfill its purposes or the purposes of this
11 34 chapter.

11 35 Sec. 16. Section 12E.12, subsection 1, paragraph b,



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12 1 subparagraph (2), Code 2007, is amended to read as follows:

12 2 (2) The endowment for Iowa's health account.

12 3 (a) The net proceeds of any taxable bonds or tax-exempt
12 4 bonds issued to provide funds for the purposes specified in
12 5 section ~~12.65~~ 12E.3A, which the authority is directed to
12 6 deposit in the account, any portion of the state's share which
12 7 is not sold to the authority, and any other moneys
12 8 appropriated by the state for deposit in the account shall be
12 9 deposited in the account and shall be used for the purposes
12 10 specified in section ~~12.65~~ 12E.3A.

~~12 11 (a) There is transferred from the endowment for Iowa's
12 12 health account of the tobacco settlement trust fund to the
12 13 healthy Iowans tobacco trust for the fiscal year beginning
12 14 July 1, 2001, and ending June 30, 2002, the amount of
12 15 fifty-five million dollars, to be used for the purposes
12 16 specified in section 12.65.~~

12 17 (b) For each fiscal year beginning July 1, ~~2002~~ 2009, and
~~12 18 annually thereafter, there is transferred from the moneys
12 19 deposited in the endowment for Iowa's health account of the
12 20 tobacco settlement trust fund are transferred to the healthy
12 21 Iowans tobacco trust fifty-five million dollars plus an
12 22 inflationary factor of one and one-half percent of the amount
12 23 transferred in the previous fiscal year. Any transfer in an
12 24 amount not in accordance with this subparagraph shall not be
12 25 made unless authorized by a three-fifths majority of each
12 26 house and approved by the governor general fund of the state.~~
12 27 The moneys transferred shall be used for the purposes
12 28 specified in section 12E.3A.

12 29 Sec. 17. Section 12E.17, Code 2007, is amended to read as
12 30 follows:

12 31 12E.17 DISSOLUTION OF THE AUTHORITY.

12 32 The authority shall dissolve no later than two years from
12 33 the date of final payment of all outstanding bonds and the
12 34 satisfaction of all outstanding obligations of the authority,
12 35 except to the extent necessary to remain in existence to



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13 1 fulfill any outstanding covenants or provisions with
13 2 bondholders or third parties made in accordance with this
13 3 chapter. Upon dissolution of the authority, all assets of the
13 4 authority shall be returned to the state and shall be
13 5 deposited in the ~~healthy Iowans tobacco trust~~ general fund of
13 6 the state, unless otherwise directed by the general assembly,
13 7 and the authority shall execute any necessary assignments or
13 8 instruments, including any assignment of any right, title, or
13 9 ownership to the state for receipt of payments under the
13 10 master settlement agreement.

13 11 Sec. 18. Section 12.65, Code 2007, is repealed.

13 12 Sec. 19. EFFECTIVE DATE. This division of this Act takes
13 13 effect June 30, 2009.

13 14 DIVISION III

13 15 APPROPRIATIONS AND BALANCES == REVERSIONS

13 16 Sec. 20. HEALTHY IOWANS TOBACCO TRUST AND ENDOWMENT FOR
13 17 IOWA'S HEALTH ACCOUNT == REVERSION.

13 18 1. Notwithstanding any provision of law to the contrary,
13 19 moneys from appropriations that remain unencumbered or
13 20 unobligated at the close of the fiscal year beginning July 1,
13 21 2008, or the close of any succeeding fiscal year that would
13 22 otherwise be required by law to revert to, be deposited in, or
13 23 to be credited to the healthy Iowans tobacco trust or the
13 24 endowment for Iowa's health account shall instead be credited
13 25 to the general fund of the state.

13 26 2. Notwithstanding any provision of law to the contrary,
13 27 the unencumbered or unobligated balances of the healthy Iowans
13 28 tobacco trust at the close of the fiscal year beginning July
13 29 1, 2008, or the endowment for Iowa's health account at the
13 30 close of the fiscal year beginning July 1, 2008, or the close
13 31 of any succeeding fiscal year shall be transferred to the
13 32 general fund of the state.

13 33 EXPLANATION

13 34 Division I of this bill relates to and makes appropriations
13 35 from the healthy Iowans tobacco trust to the following



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14 1 departments for fiscal year 2008=2009:
14 2 To the department of human services:
14 3 1. For child and family services including for
14 4 reimbursement of adoption, independent living, shelter care,
14 5 and home studies services providers, and other service
14 6 providers under the purview of the department of human
14 7 services.
14 8 2. For supplementation of the state supplementary
14 9 assistance program.
14 10 3. For general administration of health-related programs.
14 11 To the Iowa department of public health:
14 12 1. For the tobacco use prevention and control initiative
14 13 and for additional substance abuse treatment.
14 14 2. For development of a healthy Iowans 2010 plan for the
14 15 following purposes: for essential public health services that
14 16 promote healthy aging throughout the lifespan, contracted
14 17 through a formula by local boards of health, to enhance health
14 18 promotion and disease prevention services; for the
14 19 continuation and support of a coordinated system of delivery
14 20 of trauma and emergency medical services; for the poison
14 21 control center; for development of scientific and medical
14 22 expertise in environmental epidemiology; and for the childhood
14 23 lead poisoning prevention program.
14 24 3. For the center for congenital and inherited disorders.
14 25 4. For a grant program to provide substance abuse
14 26 prevention programming for children with specific criteria.
14 27 5. For a grant program for individuals with
14 28 phenylketonuria (PKU).
14 29 6. For leveraging of federal funds under the federal Ryan
14 30 White Care Act.
14 31 7. For a grant to provide education, programming, and
14 32 support for people living with epilepsy and their families.
14 33 To the department of corrections: for community-based
14 34 corrections, day programming, the drug court program, for the
14 35 Fort Madison correctional facility for the clinical care unit,



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15 1 and for a transitional housing pilot project for offenders on
15 2 parole. The bill includes intent language that each judicial
15 3 district department of correctional services cooperate with
15 4 and utilize local community-based licensed substance abuse
15 5 treatment providers. The bill also directs each judicial
15 6 district department of correctional services to submit a
15 7 report to the general assembly and to the co-chairpersons and
15 8 ranking members of the joint appropriations subcommittee on
15 9 the justice system and the legislative services agency by
15 10 December 15, 2008, detailing the utilization of drug court
15 11 funds allocated under the bill.

15 12 The bill appropriates funds for fiscal year 2008=2009 to
15 13 the property tax relief fund for the fiscal year beginning
15 14 July 1, 2008, and ending June 30, 2009, for assistance to
15 15 counties with limited county mental health, mental
15 16 retardation, and developmental disabilities services fund
15 17 balances to pay reimbursement increases in the same amount as
15 18 provided in the fiscal year beginning July 1, 2000, and ending
15 19 June 30, 2001.

15 20 The bill appropriates funds to the Iowa empowerment fund
15 21 for the fiscal year beginning July 1, 2008, and ending June
15 22 30, 2009, for deposit in the school ready children grants
15 23 account.

15 24 The bill appropriates funds to the department of economic
15 25 development for fiscal year 2008=2009 for allocation to the
15 26 Iowa commission on volunteer services for the Iowa's promise
15 27 and mentoring partnership program.

15 28 The bill appropriates funds to the department of education
15 29 to continue the competitive grants program to expand the
15 30 availability of the before and after school grant program,
15 31 including a specified portion of funding to be used to retain
15 32 a contractor to work with the department on long-term planning
15 33 and development of a statewide infrastructure to provide
15 34 coordination, support, and technical assistance to before and
15 35 after school programs. The bill provides that the contractor



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16 1 shall be qualified to provide services in policy development,
16 2 before and after school funding mechanisms, public and private
16 3 partnerships, data collection, the promotion of quality, and
16 4 working with various state and local interests.

16 5 The bill deappropriates funding appropriated from the
16 6 healthy Iowans tobacco trust for FY 2007=2008 for the center
16 7 for congenital and inherited disorders. This provision takes
16 8 effect upon enactment.

16 9 The bill provides for the transfer of additional funds from
16 10 the endowment for Iowa's health account to the healthy Iowans
16 11 tobacco trust for the fiscal year beginning July 1, 2007, and
16 12 ending June 30, 2008. This provision takes effect upon
16 13 enactment.

16 14 Division II of this Act repeals Code section 12.65, which
16 15 creates the healthy Iowans tobacco trust. New Code section
16 16 12E.3A reaffirms and reenacts the purposes specified in Code
16 17 section 12.65 for the healthy Iowans tobacco trust as the
16 18 purposes for the endowment for Iowa's health account. The
16 19 purposes are those related to health care, substance abuse
16 20 treatment and enforcement, tobacco use prevention and control,
16 21 and other purposes related to the needs of children, adults,
16 22 and families in the state.

16 23 Under current law, the proceeds of bonds issued and other
16 24 moneys under the tobacco settlement authority are to be
16 25 deposited in various accounts, including the endowment for
16 26 Iowa's health account. Under current law, a portion of the
16 27 moneys in the endowment for Iowa's health account are then
16 28 transferred to the healthy Iowans tobacco trust. Under the
16 29 bill, with the repeal of the healthy Iowans tobacco trust the
16 30 moneys deposited in the endowment for Iowa's health account
16 31 are transferred to the general fund of the state instead of
16 32 the healthy Iowans tobacco trust.

16 33 Division II takes effect June 30, 2009.

16 34 Division III provides that any moneys from an appropriation
16 35 remaining at the close of FY 2008=2009 or the close of any



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Senate File 2417 - Introduced continued

17 1 succeeding fiscal year that are required by law to revert to
17 2 the healthy Iowans tobacco trust or the endowment for Iowa's
17 3 health account are required to be credited instead to the
17 4 general fund of the state. The unencumbered or unobligated
17 5 balances of the healthy Iowans tobacco trust at the close of
17 6 FY 2008=2009 or the endowment for Iowa's health account at the
17 7 close of FY 2008=2009 or the close of any succeeding fiscal
17 8 year are required to be transferred to the general fund of the
17 9 state.

17 10 LSB 5008SV 82

17 11 pf/jp/24



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Senate Resolution 144 - Introduced continued

2 1 in the nation; and
2 2 WHEREAS, Bulldog guard Adam Emmenecker, initially a
2 3 walk-on player, was named the winner of the Larry Bird
2 4 Missouri Valley Conference Player of the Year Award
2 5 and, with a 3.97 grade-point average, was named the
2 6 Academic All-American University Division Basketball
2 7 Player of the Year and the Missouri Valley Conference
2 8 Men's Basketball Scholar-Athlete of the Year; and
2 9 WHEREAS, Mr. Emmenecker, along with sophomore
2 10 teammate Josh Young, was a first team All-Missouri
2 11 Valley Conference selection; and
2 12 WHEREAS, in an NCAA Tournament nail-biter, the
2 13 Bulldogs, playing Western Kentucky and forcing the
2 14 game into overtime, showed the skill, the tenacity,
2 15 and the courage that has marked the team throughout
2 16 the season; and
2 17 WHEREAS, at that same time, the Drake women's
2 18 basketball team, led by fifth-year head coach Amy
2 19 Stephens, continued its tradition of excellence with
2 20 the Bulldogs' first 20-win season since 2001-2002 and
2 21 by winning its first Missouri Valley Conference
2 22 regular season title since the 2000-2001 season; and
2 23 WHEREAS, senior forward Jill Martin was selected
2 24 four times as the State Farm/Missouri Valley
2 25 Conference Women's Player of the Week, and junior
2 26 guard/forward Lauren Dybing also shared that honor
2 27 once, while senior guard Lindsay Whorton, with a 4.0
2 28 grade-point average and a double major in English and
2 29 education, was selected as the Prairie Farms Missouri
2 30 Valley Conference Women's Basketball Scholar-Athlete



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Senate Resolution 144 - Introduced continued

3 1 of the Year; and

3 2 WHEREAS, for the ninth time in school history, and
3 3 the third time under coach Amy Stephens, the Bulldogs
3 4 participated in the 48-team Women's National
3 5 Invitational Tournament (WNIT); and

3 6 WHEREAS, in the first round at the WNIT, led by Ms.
3 7 Martin and Ms. Whorton, the Bulldogs bested Green Bay;
3 8 NOW THEREFORE,

3 9 BE IT RESOLVED BY THE SENATE, That the Senate
3 10 honors those remarkably talented young men and women
3 11 who make up the 2007=2008 Drake University men's and
3 12 women's basketball teams and congratulates them for
3 13 incredible seasons that have elevated the Bulldogs to
3 14 rank among the best teams in the nation, with the hope
3 15 for continued greatness in the future.

3 16 LSB 6598SS 82

3 17 jr/nh/14.1



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Senate Resolution 145 - Introduced

PAG LIN

S.R. _____ H.R. _____

1 1 SENATE RESOLUTION NO.
1 2 BY HATCH, McCOY, ZAUN, and DEARDEN
1 3 A Resolution to honor the Drake University men's basketball
1 4 coach Keno Davis.
1 5 WHEREAS, Coach Keno Davis began his career by
1 6 serving six years as assistant coach at Southeast
1 7 Missouri State University, and in 2003 joined his
1 8 legendary father, Dr. Tom Davis, as part of the Drake
1 9 men's basketball coaching staff; and
1 10 WHEREAS, building on the work of his father, Keno
1 11 Davis assumed the head coaching position in 2007 and
1 12 immediately led the team to its first appearance in
1 13 NCAA's national tournament since 1971, defeating
1 14 Illinois State University 79-49 in the Missouri Valley
1 15 Conference championship game; and
1 16 WHEREAS, the Bulldogs, with that victory in the
1 17 Missouri Valley Conference tournament, and with a
1 18 record of 28 wins and 4 losses, became one of the top
1 19 20 basketball teams in the nation; and
1 20 WHEREAS, Coach Maury John, who took the Drake
1 21 University men's basketball team to the NCAA Final
1 22 Four in 1969 and the Midwest Regional final in 1970
1 23 and 1971, would be proud to see the talent, the
1 24 dedication, and the fire of today's team and the young
1 25 coach who has taken them so far and so fast; and
1 26 WHEREAS, just completing his first year as head
1 27 coach, Keno Davis has been named the Missouri Valley
1 28 Conference Coach of the Year and The Sporting News
1 29 College Basketball Coach of the Year and was given the
1 30 Henry Iba Coach of the Year Award by the U.S.



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Senate Resolution 145 - Introduced continued

2 1 Basketball Writers Association; and
2 2 WHEREAS, Keno Davis has been named the Associated
2 3 Press National Coach of the Year for 2007=2008, only
2 4 the third first-year coach to win that award; NOW
2 5 THEREFORE,
2 6 BE IT RESOLVED BY THE SENATE, That the Senate
2 7 honors Coach Keno Davis, a worthy successor to his
2 8 father and to the memory of Maury John, for being
2 9 named coach of the year by both the Missouri Valley
2 10 Conference and Sporting News; and
2 11 BE IT FURTHER RESOLVED BY THE SENATE, That the
2 12 Senate thanks Coach Davis for the honor he has brought
2 13 to Drake University, to Bulldog fans everywhere, and
2 14 to his home state of Iowa.
2 15 LSB 6603SS 82
2 16 jr/rj/14



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Senate Resolution 146 - Introduced

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S.R. _____ H.R. _____

1 1 SENATE RESOLUTION NO.
 1 2 BY MULDER
 1 3 A Resolution to honor the athletic career of Vern
 1 4 Wayne Den Herder.
 1 5 WHEREAS, today Vern Wayne Den Herder is a
 1 6 hard-working Iowa farmer, but from the 1960s to the
 1 7 1980s was one of Iowa's top athletic talents who was
 1 8 named to both the Iowa High School Basketball Hall of
 1 9 Fame and College Football Hall of Fame; and
 1 10 WHEREAS, Den Herder was a star player in football,
 1 11 basketball, baseball, and track at Sioux Center High
 1 12 School, setting many records, some which still stand,
 1 13 and was a first-team all-state selection in basketball
 1 14 by the Des Moines Register when the school won the
 1 15 1967 State Basketball Championship; and
 1 16 WHEREAS, from 1967 through 1971 Den Herder attended
 1 17 Central College on a basketball scholarship, playing
 1 18 both football and basketball, and still holds the
 1 19 school record for most rebounds; and
 1 20 WHEREAS, Den Herder's football honors at Central
 1 21 College include All-Iowa Conference honors in 1968,
 1 22 1969, and 1970, team captain and the Iowa Conference's
 1 23 most valuable player, and also being named an
 1 24 All-American college division player by the NAIA, the
 1 25 Football Coaches Association, and the Associated Press
 1 26 in 1970; and
 1 27 WHEREAS, in 1971 Den Herder was drafted by the
 1 28 Miami Dolphins football team, his professional home
 1 29 for 12 years, where he started 153 games as a player;
 1 30 and



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Senate Resolution 146 - Introduced continued

2 1 WHEREAS, in 1972 Den Herder led the National
2 2 Football League (NFL) with 10.5 sacks as the Dolphins
2 3 went on to a 17=0 season and a Super Bowl VII victory,
2 4 the only team in the history of the NFL to go
2 5 undefeated throughout the season, the playoffs, and
2 6 then win the Super Bowl; and
2 7 WHEREAS, in his 12=year career Den Herder won an
2 8 American Football Conference (AFC) championship ring
2 9 in his rookie season, 1971, a National Football League
2 10 championship ring in his rookie season, 1971, NFL
2 11 championship rings from the 1973 and 1974 Super Bowls,
2 12 and an AFC championship ring in 1982, his final
2 13 season; NOW THEREFORE,
2 14 BE IT RESOLVED BY THE SENATE, That the Senate
2 15 honors Vern Wayne Den Herder and his remarkable
2 16 athletic career that spanned parts of three decades
2 17 and two different sports.
2 18 LSB 6658SS 82
2 19 jr/rj/5.2



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Senate Study Bill 3298

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

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

Passed House, Date _____
Vote: Ayes _____ Nays _____

A BILL FOR

- 1 An Act relating to the property tax exemption for speculative
- 2 shell buildings and including effective and retroactive
- 3 applicability date provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 5 TLSB 6673SC 82
- 6 sc/nh/8



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Senate Study Bill 3298 continued

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1 1 Section 1. Section 427.1, subsection 27, Code Supplement
1 2 2007, is amended to read as follows:
1 3 27. a. SPECULATIVE SHELL BUILDINGS OF CERTAIN
1 4 ORGANIZATIONS. New construction of shell buildings by
1 5 community development organizations, not-for-profit
1 6 cooperative associations under chapter 499, or for-profit
1 7 entities for speculative purposes ~~or the portion of the value~~
~~1 8 added to buildings being reconstructed or renovated by~~
~~1 9 community development organizations, not-for-profit~~
~~1 10 cooperative associations under chapter 499, or for-profit~~
~~1 11 entities in order to become speculative shell buildings as~~
1 12 provided in this subsection.
1 13 b. The exemption shall be for one of the following:
1 14 (1) The value added by new construction of a shell
1 15 building or addition to an existing building or structure by a
1 16 community development organization, not-for-profit cooperative
1 17 association under chapter 499, or for-profit entity.
1 18 (2) The value of an existing building being reconstructed
1 19 or renovated, and the value of the land on which the building
1 20 is located, if the reconstruction or renovation constitutes
1 21 complete replacement or refitting of the existing building or
1 22 structure, by a community development organization,
1 23 not-for-profit cooperative association under chapter 499, or
1 24 for-profit entity.
1 25 c. The exemption or partial exemption shall be allowed
1 26 only pursuant to ordinance of a city council or board of
1 27 supervisors, which ordinance shall specify if the exemption
1 28 will be available for community development organizations,
1 29 not-for-profit cooperative associations under chapter 499, or
1 30 for-profit entities ~~and~~. If the exemption is for a project
1 31 described in paragraph "b", subparagraph (1), the exemption
1 32 shall be effective for the assessment year in which the
1 33 building is first assessed for property taxation or the
1 34 assessment year in which the ~~reconstruction or renovation~~
1 35 addition to an existing building first adds value ~~and~~. If the



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2 1 exemption is for a project described in paragraph "b",
2 2 subparagraph (2), the exemption shall be effective for the
2 3 assessment year following the assessment year in which the
2 4 project commences. An exemption allowed under this subsection
2 5 shall be allowed for all subsequent years until the property
2 6 is leased or sold or for a specific time period stated in the
2 7 ordinance or until the exemption is terminated by ordinance of
2 8 the city council or board of supervisors which approved the
2 9 exemption. Eligibility for an exemption as a speculative
2 10 shell building shall be determined as of January 1 of the
2 11 assessment year. However, an exemption shall not be granted a
2 12 speculative shell building of a not-for-profit cooperative
2 13 association under chapter 499 or a for-profit entity if the
2 14 building is used by the cooperative association or for-profit
2 15 entity, or a subsidiary or majority owners thereof for other
2 16 than as a speculative shell building. If the shell building
2 17 or any portion of the shell building is leased or sold, the
2 18 portion of the shell building which is leased or sold, and a
2 19 proportionate share of the land on which it is located if
2 20 applicable, shall not be entitled to an exemption under this
2 21 subsection for subsequent years. An application shall be
~~2 22 filed pursuant to section 427B.4 for each project for which an~~
~~2 23 exemption is claimed. Upon the sale of the shell building,~~
2 24 the shell building shall be considered new construction for
2 25 purposes of section 427B.1 if used for purposes set forth in
2 26 section 427B.1.
2 27 d. (1) If the speculative shell building project is a
2 28 speculative shell building project described in paragraph "b",
2 29 subparagraph (1), an application shall be filed pursuant to
2 30 section 427B.4 for each such project for which an exemption is
2 31 claimed.
2 32 (2) If the speculative shell building project is a
2 33 speculative shell building project described in paragraph "b",
2 34 subparagraph (2), an application shall be filed by the owner
2 35 of the property with the local assessor by February 1 of the



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3 1 assessment year in which the project commences. Applications
3 2 for exemption shall be made on forms prescribed by the
3 3 director of revenue and shall contain information pertaining
3 4 to the nature of the improvement, its cost, and other
3 5 information deemed necessary by the director of revenue. The
3 6 city council or the board of supervisors, by ordinance, shall
3 7 give its approval of a tax exemption for the project if the
3 8 project is in conformance with the zoning plans for the city
3 9 or county. The approval shall also be subject to the hearing
3 10 requirements of section 427B.1. Approval under this
3 11 subparagraph (2) entitles the owner to exemption from taxation
3 12 beginning in the assessment year following the assessment year
3 13 in which the project commences. However, if the tax exemption
3 14 for the building and land is not approved, the person may
3 15 submit an amended proposal to the city council or board of
3 16 supervisors to approve or reject.

3 17 e. For purposes of this subsection the following
3 18 definitions apply:

3 19 ~~a-~~ (1) (a) "Community development organization" means an
3 20 organization, which meets the membership requirements of
3 21 subparagraph ~~(2)~~ subdivision (b), formed within a city or
3 22 county or multicomunity group for one or more of the
3 23 following purposes:

3 24 ~~(a)~~ (i) To promote, stimulate, develop, and advance the
3 25 business prosperity and economic welfare of the community,
3 26 area, or region and its citizens.

3 27 ~~(b)~~ (ii) To encourage and assist the location of new
3 28 business and industry.

3 29 ~~(c)~~ (iii) To rehabilitate and assist existing business and
3 30 industry.

3 31 ~~(d)~~ (iv) To stimulate and assist in the expansion of
3 32 business activity.

3 33 ~~(2)~~ (b) For purposes of this definition, a community
3 34 development organization must have at least fifteen members
3 35 with representation from the following:



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4 1 ~~(a)~~ (i) A representative from government at the level or
4 2 levels corresponding to the community development
4 3 organization's area of operation.
4 4 ~~(b)~~ (ii) A representative from a private sector lending
4 5 institution.
4 6 ~~(c)~~ (iii) A representative of a community organization in
4 7 the area.
4 8 ~~(d)~~ (iv) A representative of business in the area.
4 9 ~~(e)~~ (v) A representative of private citizens in the
4 10 community, area, or region.
4 11 ~~b.~~ (2) "New construction" means new buildings or
4 12 structures and includes new buildings or structures which are
4 13 constructed as additions to existing buildings or structures.
4 14 "New construction" also includes reconstruction or renovation
4 15 of an existing building or structure which constitutes
4 16 complete replacement of an existing building or structure or
4 17 refitting of an existing building or structure, if the
4 18 reconstruction or renovation of the existing building or
4 19 structure is required due to economic obsolescence, if the
4 20 reconstruction or renovation is necessary to implement
4 21 recognized industry standards for the manufacturing or
4 22 processing of products, and the reconstruction or renovation
4 23 is required in order to competitively manufacture or process
4 24 products or for community development organizations,
4 25 not=for=profit cooperative associations under chapter 499, or
4 26 for=profit entities to market a building or structure as a
4 27 speculative shell building, which determination must receive
4 28 prior approval from the city council of the city or county
4 29 board of supervisors of the county.
4 30 ~~e.~~ (3) "Speculative shell building" means a building or
4 31 structure owned and constructed or reconstructed by a
4 32 community development organization, a not=for=profit
4 33 cooperative association under chapter 499, or a for=profit
4 34 entity without a tenant or buyer for the purpose of attracting
4 35 an employer or user which will complete the building to the



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Senate Study Bill 3298 continued

5 1 employer's or user's specification for manufacturing,
5 2 processing, or warehousing the employer's or user's product
5 3 line.

5 4 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,
5 5 being deemed of immediate importance, takes effect upon
5 6 enactment and applies retroactively to January 1, 2007, for
5 7 projects approved by a city council or board of supervisors
5 8 prior to that date. Claims for exemption for the 2007 or 2008
5 9 or 2009 assessment year shall be filed with the appropriate
5 10 governing body on or before October 1, 2008.

5 11 EXPLANATION

5 12 Current law provides a property tax exemption for
5 13 construction, reconstruction, or renovation of a building as a
5 14 speculative shell building. The exemption is available in
5 15 those cities and counties that have adopted an ordinance
5 16 allowing the exemption. Current law also provides that the
5 17 exemption begins in the assessment year that the speculative
5 18 building is first assessed for taxation or the assessment year
5 19 in which the reconstruction or renovation first adds value.

5 20 This bill provides that the exemption may begin in the
5 21 assessment year following the assessment year in which the
5 22 reconstruction or renovation commences if it involves complete
5 23 replacement or refitting of an existing building or structure.
5 24 The bill further provides that the exemption for such a
5 25 project would be for the building being renovated and the land
5 26 on which the building is located.

5 27 The bill takes effect upon enactment and applies
5 28 retroactively to January 1, 2007, for projects approved prior
5 29 to that date. The bill also provides that claims for
5 30 exemption for the 2007 or 2008 or 2009 assessment year must be
5 31 filed with the appropriate local governing body on or before
5 32 October 1, 2008.

5 33 LSB 6673SC 82
5 34 sc/nh/8



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Senate Study Bill 3299

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 relating to notice provided to certain households about
2 the availability of volunteer or free income tax assistance
3 programs and the federal and state earned income tax credits.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6672SC 82
6 mg/sc/5



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Senate Study Bill 3299 continued

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1 1 Section 1. NEW SECTION. 217.47 DISTRIBUTION OF EARNED
1 2 INCOME TAX CREDIT INFORMATION.
1 3 1. The department shall ensure that educational materials
1 4 relating to the federal and state earned income tax credits
1 5 are provided in accordance with this section to each household
1 6 receiving assistance or benefits under:
1 7 a. The hawk=i program under chapter 514I.
1 8 b. The family investment program under chapter 239B.
1 9 c. The medical assistance Act under chapter 249A.
1 10 d. The food programs defined in section 234.1 which are
1 11 administered by the department.
1 12 e. Any other appropriate programs administered by, or
1 13 under the oversight, of the department of human services.
1 14 2. The department shall, by mail or through the internet,
1 15 provide a household described in subsection 1 with access to:
1 16 a. Internal revenue service publications relating to the
1 17 federal earned income tax credit.
1 18 b. Department of revenue publications relating to the
1 19 state earned income tax credit.
1 20 c. Information prepared by tax preparers who provide
1 21 volunteer or free federal or state income tax preparation
1 22 services to low=income and other eligible persons and who are
1 23 located in close geographic proximity to the person.
1 24 3. In January of each year, the department or a
1 25 representative of the department shall mail to each household
1 26 described in subsection 1 information about the federal and
1 27 state earned income tax credit that provides the household
1 28 with referrals to the resources described in subsection 2.
1 29 4. The mailings required by the department under this
1 30 section do not have to be made as a separate mailing but may
1 31 be included in existing mailings being made to the appropriate
1 32 households.
1 33 Sec. 2. Section 252B.5, Code Supplement 2007, is amended
1 34 by adding the following new subsection:
1 35 NEW SUBSECTION. 4A. a. In order to maximize the amount



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2 1 of any tax refund to which an obligor may be entitled and
2 2 which may be applied to child support and medical support
2 3 obligations, cooperate with any volunteer or free income tax
2 4 assistance programs in the state in informing obligors of the
2 5 availability of the programs.

2 6 b. The child support recovery unit shall publicize the
2 7 services of the volunteer or free income tax assistance
2 8 programs by distributing printed materials regarding the
2 9 programs.

2 10 EXPLANATION

2 11 This bill relates to income tax assistance to be provided
2 12 by the department of human services.

2 13 The bill directs the department to provide to certain
2 14 households materials and publications related to the federal
2 15 and state earned income tax credits. These households are
2 16 those in the child health (hawk=i) program, the family
2 17 assistance program, the medical assistance programs, the food
2 18 stamp program, and other appropriate programs administered or
2 19 overseen by the department. The publications or materials
2 20 provided would be those from the internal revenue service, the
2 21 department of revenue, and tax preparers that provide services
2 22 to low-income and other eligible persons.

2 23 The bill also requires the child support recovery unit to
2 24 assist obligors of child support and medical support
2 25 obligations to maximize their tax refunds by publicizing the
2 26 services of volunteer or free income tax assistance programs
2 27 and by distributing materials regarding the programs.

2 28 LSB 6672SC 82

2 29 mg/sc/5