Iowa General Assembly
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Senate File 2071

H-8019

1 Amend Senate File 2071, as passed by the Senate, as
2 follows:
3 1. Page 5, by striking lines 20 through 26 and
4 inserting:
5 <b. In addition, a county may apply for assistance
6 to cover the nonfederal share of medical assistance
7 waiver costs chargeable to the county for the fiscal
8 year of individuals who became eligible for the medical
9 assistance program home and community-based waiver for
10 persons with an intellectual disability on or after
11 October 1, 2011.>
12 2. Page 7, by striking lines 11 and 12 and
13 inserting <individuals who became eligible for the
14 medical assistance program home and community-based
15 waiver for persons with an intellectual disability on
16 or after October 1, 2011, as described in subsection 3,
17 paragraph "c".>

SCHULTE of Linn

Senate File 2071

H-8020

1 Amend the amendment, H-8009, to Senate File 2071, as
2 passed by the Senate, as follows:
3 1. Page 1, by striking lines 3 through 21.
4 2. By renumbering as necessary.

_____
T. OLSON of Linn

Senate File 2071

H-8021

1 Amend the amendment, H-8009, to Senate File 2071, as
2 passed by the Senate, as follows:
3 1. Page 1, after line 2 by inserting:
4 <___. Page 1, after line 2 by inserting:
5 <MEDICAID APPROPRIATION REDUCTION
6 Section 1. 2011 Iowa Acts, chapter 129, section 10,
7 unnumbered paragraph 2, is amended to read as follows:
8 For medical assistance program reimbursement and
9 associated costs as specifically provided in the
10 reimbursement methodologies in effect on June 30,
11 2011, except as otherwise expressly authorized by
12 law, and consistent with options under federal law and
13 regulations:
14 ..... $~~909,993,421~~
15 903,493,421>>
16 2. By striking page 1, line 25, through page 2,
17 line 21.
18 3. By renumbering as necessary.

WAGNER of Linn

Senate File 2071

H-8022

1 Amend the amendment, H-8009, to Senate File 2071, as
2 passed by the Senate, as follows:
3 1. By striking page 1, line 25, through page 2,
4 line 21.
5 2. By renumbering as necessary.

_____
T. OLSON of Linn

House File 2288 - Introduced

HOUSE FILE 2288
BY BYRNES

A BILL FOR

1 An Act relating to the use and distribution of teacher salary
2 and professional development funds under the student
3 achievement and teacher quality program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5959YH (2) 84
kh/nh

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Section 1. Section 256G.4, subsection 3, paragraph a, subparagraph (2), subparagraph divisions (a), (b), and (c), Code 2011, are amended to read as follows:

(a) One member representing prekindergarten through grade six public school teachers, who ~~is also~~ may be a participating member of a teacher quality committee if such a committee is created pursuant to section 284.4, subsection 1, paragraph *"c"*.

(b) One member representing grade seven through grade nine public school teachers, who ~~is also~~ may be a participating member of a teacher quality committee if such a committee is created pursuant to section 284.4, subsection 1, paragraph *"c"*.

(c) One member representing grade ten through grade twelve public school teachers, who ~~is also~~ may be a participating member of a teacher quality committee if such a committee is created pursuant to section 284.4, subsection 1, paragraph *"c"*.

Sec. 2. Section 256G.4, subsection 4, paragraph a, subparagraphs (6), (7), and (8), Code 2011, are amended to read as follows:

(6) One member representing prekindergarten through grade six public school teachers, who ~~is also~~ may be a participating member of a teacher quality committee if such a committee is created pursuant to section 284.4, subsection 1, paragraph *"c"*.

(7) One member representing grade seven through grade nine public school teachers, who ~~is also~~ may be a participating member of a teacher quality committee if such a committee is created pursuant to section 284.4, subsection 1, paragraph *"c"*.

(8) One member representing grade ten through grade twelve public school teachers, who ~~is also~~ may be a participating member of a teacher quality committee if such a committee is created pursuant to section 284.4, subsection 1, paragraph *"c"*.

Sec. 3. Section 284.3A, subsection 1, Code 2011, is amended to read as follows:

1. *a.* ~~For the school year beginning July 1, 2009, if~~ If the licensed employees of a school district or area education agency receiving funds pursuant to sections 257.10 and 257.37A

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are organized under chapter 20 for collective bargaining purposes, the school board and the certified bargaining representative for the licensed employees ~~shall~~ may negotiate the distribution of the funds among the teachers employed by the school district or area education agency according to chapter 20.

b. If the licensed employees of a school district or area education agency are not organized for collective bargaining purposes, or if the parties to a negotiation entered into pursuant to paragraph "*a*" fail to reach an agreement, the board of directors shall determine the method of distribution of such funds based upon the student achievement needs of the school district.

~~*c.* For the school years beginning July 1, 2008, and July 1, 2009, a school district or area education agency receiving funds pursuant to sections 257.10 and 257.37A, shall determine the amount to be paid to teachers in accordance with this subsection and the amount determined to be paid to an individual teacher shall be divided evenly by the appropriate number of pay periods and paid in each pay period of the fiscal year beginning with the October payroll.~~

Sec. 4. Section 284.4, subsection 1, paragraph c, Code 2011, is amended to read as follows:

c. Determine the use and distribution of professional development funds calculated and paid to the school district or area education agency as provided in section 257.9, subsection 10, or section 257.10, subsection 10, using one of the following options in the indicated order of priority:

(1) Create a teacher quality committee, subject to the approval of both a majority of the administrators and a majority of the teachers employed by the school district or area education agency. The committee shall have equal representation of administrators and teachers. The teacher members shall be appointed by the certified employee organization if one exists, and if not, by the school

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1 district's or agency's administration. The administrator
2 members shall be appointed by the school board. However, if a
3 school district can demonstrate that an existing professional
4 development, curriculum, or student improvement committee has
5 significant stakeholder involvement and a leadership role in
6 the school district, the appointing authorities may mutually
7 agree to assign to the existing committee the responsibilities
8 set forth in this paragraph "c", to appoint members of the
9 existing committee to the teacher quality committee, or to
10 authorize the existing committee to serve in an advisory
11 capacity to the teacher quality committee. The committee shall
12 do all of the following:
13 ~~(1)~~ (a) Monitor the implementation of the requirements
14 of statutes and administrative code provisions relating to
15 this chapter, including requirements that affect any agreement
16 negotiated pursuant to chapter 20.
17 ~~(2)~~ (b) Monitor the evaluation requirements of this
18 chapter to ensure evaluations are conducted in a fair and
19 consistent manner throughout the school district or agency.
20 In addition to any negotiated evaluation procedures, develop
21 model evidence for the Iowa teaching standards and criteria.
22 The model evidence will minimize paperwork and focus on teacher
23 improvement. The model evidence will determine which standards
24 and criteria can be met with observation and which evidence
25 meets multiple standards and criteria.
26 ~~(3)~~ (c) Determine, following the adoption of the Iowa
27 professional development model by the state board of education,
28 the use and distribution of the professional development
29 funds calculated and paid to the school district or agency as
30 provided in section 257.9, subsection 10, or section 257.10,
31 subsection 10, based upon school district or agency, attendance
32 center, and individual teacher and professional development
33 plans.
34 ~~(4)~~ (d) Monitor the professional development in each
35 attendance center to ensure that the professional development

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meets school district or agency, attendance center, and individual professional development plans.

~~(5)~~ (e) Ensure the agreement negotiated pursuant to chapter 20 determines the compensation for teachers on the committee for work responsibilities required beyond the normal work day.

(2) The school district or area education agency board of directors shall collaborate with the certified employee organization, if one exists, to determine the use and distribution of the professional development funds based upon the school district or agency, attendance center, and individual teacher and professional development plans developed in accordance with this chapter. However, a decision on the use and distribution of professional development funds calculated and paid to the school district or area education agency as provided in section 257.9, subsection 10, or section 257.10, subsection 10, rendered by a board of directors in accordance with this subparagraph is final.

EXPLANATION

This bill provides options to requirements established under the student achievement and teacher quality program for the use and distribution of teacher salary funds calculated and paid to a school district or area education agency through the categorical professional development supplement of the state school foundation program.

Currently, the program requires distribution of teacher salary funds to be determined by negotiations between the school or agency board of directors and the certified bargaining representative for the licensed employees if the employees are organized for collective bargaining purposes. If the employees are not organized for collective bargaining purposes, the board of directors determines the method of distribution.

Under the bill, the board of directors may negotiate the distribution of the teacher salary funds with the certified bargaining representative for the licensed employees, but

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if the parties fail to reach an agreement, the board shall determine the method of distribution of such funds based upon the student achievement needs of the school district.

Currently, school districts and area education agencies are required to create a teacher quality committee, which is charged with, among other duties, determining the use and distribution of the professional development funds based upon school district or agency, attendance center, and individual teacher and professional development plans.

The bill provides that the school district or agency must create the committee only if both a majority of the administrators and a majority of the teachers employed by the district or agency approve of the committee's creation. If a committee is not created, the bill provides that the school district or agency board of directors must collaborate with the certified employee organization, if one exists, to determine the use and distribution of professional development funds based upon the school district or agency, attendance center, and individual teacher and professional development plans, but a decision on the use and distribution of the funds rendered by a board of directors is final.

The bill eliminates an obsolete provision and makes conforming changes.

House File 2289 - Introduced

HOUSE FILE 2289
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 2002)

A BILL FOR

1 An Act relating to the nomination and appointment of district
2 judges and associate juvenile judges.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5013HV (2) 84
jm/rj

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Section 1. Section 46.14, Code 2011, is amended to read as follows:

46.14 Nomination — residence.

1. Each judicial nominating commission shall carefully consider the individuals available for judge, and within sixty days after receiving notice of a vacancy shall certify to the governor and the chief justice the proper number of nominees, in alphabetical order. Such nominees shall be chosen by the affirmative vote of a majority of the full statutory number of commissioners upon the basis of their qualifications and without regard to political affiliation. Nominees shall be members of the bar of Iowa, shall be residents of the state ~~or district of the court to which they are nominated~~, and shall be of such age that they will be able to serve an initial and one regular term of office to which they are nominated before reaching the age of seventy-two years. ~~Nominees for district judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the district judicial nominating commission.~~ Absence of a commissioner or vacancy upon the commission shall not invalidate a nomination. The chairperson of the commission shall promptly certify the names of the nominees, in alphabetical order, to the governor and the chief justice.

2. An applicant for district judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the district judicial nominating commission. A district judge appointee shall be a resident of the judicial district before assuming office or, if the judicial district is divided into judicial election districts, the appointee shall be a resident of the judicial election district where the nomination occurred before assuming office.

~~2.~~ 3. A commissioner shall not be eligible for nomination by the commission during the term for which the commissioner was elected or appointed to that commission. A commissioner shall not be eligible to vote for the nomination of a family

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member, current law partner, or current business partner. For purposes of this subsection, *"family member"* means a spouse, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, father, mother, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

Sec. 2. Section 602.7103C, subsections 2 and 3, Code 2011, are amended to read as follows:

2. A person does not qualify for appointment to the office of full-time associate juvenile judge unless the person is at the time of appointment a resident of the ~~county~~ judicial election district in which the vacancy exists, licensed to practice law in Iowa, and will be able, measured by the person's age at the time of appointment, to complete the initial term of office prior to reaching age seventy-two. An applicant for full-time associate juvenile judge shall file a certified application form, to be provided by the supreme court, with the chairperson of the county magistrate appointing commission.

3. A full-time associate juvenile judge must be a resident of ~~a county~~ the judicial election district in which the office is held during the entire term of office. A full-time associate juvenile judge shall serve within the judicial district in which appointed, as directed by the chief judge, and is subject to reassignment under section 602.6108.

EXPLANATION

This bill relates to the nomination and appointment of district judges and full-time associate juvenile judges.

The bill specifies that a district judge appointee shall be a resident of the judicial district where the nomination occurred before assuming office. If the judicial district is divided into judicial election districts, the bill specifies that the appointee shall be a resident of the judicial election district where the nomination occurred before assuming office.

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1 The bill modifies the residency requirements of a full-time
2 associate juvenile judge. Under the bill, a full-time
3 associate juvenile judge is required at the time of appointment
4 to reside in the judicial election district where the vacancy
5 exists. The bill also requires a full-time associate juvenile
6 judge to reside in the judicial election district in which the
7 office is held during the entire term of office.
8 Current law requires a full-time associate juvenile judge
9 at the time of appointment to reside in the county in which the
10 vacancy exists and to reside in the county in which the office
11 is held during the entire term of office.

House File 2290 - Introduced

HOUSE FILE 2290
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 559)

A BILL FOR

1 An Act revising the Iowa nonprofit corporation Act.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5460HV (1) 84
av/nh

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1 Section 1. Section 504.141, subsection 3, Code 2011, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:
4 3. *"Board"* or *"board of directors"* means the group of
5 individuals responsible for management of the activities and
6 affairs of a corporation, regardless of the name used to refer
7 to the group. *"Board"* or *"board of directors"* includes a
8 designated body to the extent that both of the following are
9 applicable:
10 *a.* The powers, functions, or authority of the board have
11 been vested in, or are exercised by, the designated body.
12 *b.* The provisions of this chapter in which the term *"board"*
13 or *"board of directors"* is used are relevant to the discharge
14 by the designated body of the body's powers, functions, or
15 authority.
16 Sec. 2. Section 504.141, Code 2011, is amended by adding the
17 following new subsections:
18 NEW SUBSECTION. 8A. *"Designated body"* means a person or
19 group, other than a committee of the board of directors, that
20 has been vested by the articles of incorporation or bylaws
21 with powers that, if not vested by the articles or bylaws in
22 that person or group, would be required by this chapter to be
23 exercised by the board or the members.
24 NEW SUBSECTION. 11A. *"Domestic unincorporated entity"* means
25 an unincorporated entity whose internal affairs are governed by
26 the laws of this state.
27 NEW SUBSECTION. 17A. *"Foreign unincorporated entity"* means
28 an unincorporated entity whose internal affairs are governed by
29 an organic law of a jurisdiction other than this state.
30 NEW SUBSECTION. 34A. *a.* *"Unincorporated entity"* means an
31 organization or other legal entity that is not a corporation
32 and that either has a separate legal existence or has the power
33 to acquire an estate in real property in the entity's own name.
34 *"Unincorporated entity"* includes a general partnership, limited
35 liability company, limited partnership, business or statutory

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trust, joint stock association, and unincorporated nonprofit association.

b. "Unincorporated entity" does not include a domestic or foreign business corporation, a nonprofit corporation, an estate, a trust, a governmental subdivision, a state, the United States, or a foreign government.

Sec. 3. Section 504.141, subsections 9, 15, and 22, Code 2011, are amended to read as follows:

9. *"Directors"* means individuals, designated in the articles or bylaws or elected by the incorporators, and their successors and individuals elected or appointed by any other name or title to act as members of the board. *"Directors"* does not include individuals who are members of a designated body.

15. *"Entity"* includes a ~~corporation and foreign corporation; business corporation and~~ domestic or foreign business corporation; ~~limited liability company and~~ domestic or foreign ~~limited liability company; profit and~~ nonprofit ~~unincorporated association;~~ corporation ~~sole~~; ~~business trust,~~ domestic or foreign unincorporated entity; estate~~, partnership,~~ ; trust~~, and two or more persons having a joint or common economic interest; and~~; state~~,~~; the United States~~, and~~; governmental subdivision; and foreign government.

22. *a.* *"Member"* means a person who on more than one occasion, pursuant to the provisions of a corporation's articles or bylaws, has a right to vote for the election of a director or directors of a corporation, irrespective of how a member is defined in the articles or bylaws of the corporation. A person is not a member because of any of the following:

~~*a.*~~ (1) The person's rights as a delegate.

~~*b.*~~ (2) The person's rights to designate a director.

~~*c.*~~ (3) The person's rights as a director.

b. "Member" includes a designated body to the extent that all of the following are applicable:

(1) The powers, functions, or authority of the member have been vested in, or are exercised by, the designated body.

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1 (2) The provisions of this chapter in which the term
2 "*member*" is used are relevant to the discharge by the designated
3 body of the body's powers, functions, or authority.
4 Sec. 4. Section 504.622, Code 2011, is amended by adding the
5 following new subsection:
6 NEW SUBSECTION. 01. A membership in a public benefit or
7 mutual benefit corporation may be terminated or suspended for
8 the reasons and in the manner provided in the articles of
9 incorporation or bylaws.
10 Sec. 5. Section 504.622, subsection 1, Code 2011, is amended
11 to read as follows:
12 1. ~~A~~ To the extent the articles of incorporation or bylaws
13 do not address the termination or suspension of a member, a
14 member of a public benefit or mutual benefit corporation shall
15 not be expelled or suspended, and a membership or memberships
16 in such a corporation shall not be terminated or suspended
17 except pursuant to a procedure which is fair and reasonable and
18 is carried out in good faith.
19 Sec. 6. Section 504.701, Code 2011, is amended by adding the
20 following new subsection:
21 NEW SUBSECTION. 7. The articles of incorporation or
22 bylaws may provide that an annual or regular meeting of
23 members is not required to be held at a geographic location
24 if the meeting is held by means of the internet or other
25 electronic communications technology in a manner pursuant to
26 which the members have the opportunity to read or hear the
27 proceedings substantially concurrent with the occurrence of the
28 proceedings, vote on matters submitted to the members, pose
29 questions, and make comments.
30 Sec. 7. Section 504.702, Code 2011, is amended by adding the
31 following new subsection:
32 NEW SUBSECTION. 6. The articles of incorporation or bylaws
33 may provide that a special meeting of members is not required
34 to be held at a geographic location if the meeting is held
35 by means of the internet or other electronic communications

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1 technology in a manner pursuant to which the members have the
2 opportunity to read or hear the proceedings substantially
3 concurrent with the occurrence of the proceedings, vote on
4 matters submitted to the members, pose questions, and make
5 comments.
6 Sec. 8. NEW SECTION. **504.709 Conduct of meetings.**
7 1. At each meeting of members, an individual shall preside
8 as chair. The chair shall be appointed as follows:
9 *a.* As provided in the articles of incorporation or bylaws.
10 *b.* In the absence of a provision in the articles of
11 incorporation or bylaws, by the board of directors.
12 *c.* In the absence of both a provision in the articles of
13 incorporation or bylaws and an appointment of the chair by the
14 board, by the members at the meeting.
15 2. Except as provided in the articles of incorporation or
16 bylaws, the chair shall determine the order of business and
17 shall have the authority to establish rules for the conduct of
18 the meeting.
19 3. Any rules adopted for, and the conduct of, the meeting
20 shall be fair to the members.
21 4. The chair of the meeting shall announce at the meeting
22 when the polls close for each matter voted upon. If no
23 announcement is made, the polls shall be deemed to have closed
24 upon the final adjournment of the meeting. After the polls
25 are closed, no ballots, proxies, or votes, or any otherwise
26 permissible revocations or changes thereto may be accepted.
27 Sec. 9. NEW SECTION. **504.719 Inspectors of election.**
28 1. A corporation with members may appoint one or more
29 inspectors to act at a meeting of members and to make a report
30 in the form of a record of the inspectors' determinations.
31 Each inspector shall execute the duties of inspector
32 impartially and according to the best of the inspector's
33 ability.
34 2. The inspectors shall do all of the following:
35 *a.* Ascertain the number of members and their voting power.

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b. Determine the members present at the meeting.

c. Determine the validity of proxies and ballots.

d. Count all votes.

e. Determine the result of the voting.

3. An inspector may, but is not required to, be a director, member of a designated body, member, officer, or employee of the corporation. A person who is a candidate for an office to be filled at the meeting shall not be an inspector at that meeting.

Sec. 10. Section 504.801, subsection 2, Code 2011, is amended to read as follows:

2. Except as otherwise provided in this chapter or ~~subsection 3~~ section 504.813, all corporate powers shall be exercised by or under the authority of, and the affairs of the corporation managed under the direction of, and subject to the oversight of, its board of directors.

Sec. 11. Section 504.801, subsection 3, Code 2011, is amended by striking the subsection.

Sec. 12. NEW SECTION. **504.813 Designated body.**

1. Some, but not all, of the powers, authority, or functions of the board of directors of a corporation under this chapter may be vested by the articles of incorporation or bylaws in a designated body. If such a designated body is created, all of the following are applicable:

a. The provisions of this part and other provisions of law applicable to the rights, duties, and liabilities of the board of directors or directors individually also apply to the designated body and to the members of the designated body individually. The provisions of this part and other provisions of law applicable to meetings, notice, and actions of the board of directors also apply to the designated body in the absence of an applicable rule in the articles of incorporation, bylaws, or internal operating rules of the designated body.

b. To the extent that the powers, authority, or functions of the board of directors have been vested in the designated body,

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1 the directors are relieved from their duties and liabilities
2 with respect to those powers, authority, and functions.
3 *c.* A provision of the articles of incorporation or bylaws
4 regarding the indemnification of directors or limiting the
5 liability of directors adopted pursuant to section 504.202,
6 subsection 2, paragraphs *"d"* and *"e"* is applicable to members
7 of the designated body, except as otherwise provided in the
8 articles of incorporation or bylaws.
9 2. Some, but not all, of the rights or obligations of the
10 members of a corporation under this chapter may be vested in
11 a designated body by the articles of incorporation or bylaws.
12 If such a designated body is created, all of the following are
13 applicable:
14 *a.* The provisions of this part and other provisions of
15 law applicable to the rights and obligations of members also
16 apply to the designated body and to members of the designated
17 body individually. The provisions of this part and other
18 provisions of law applicable to meetings, notice, and actions
19 of members also apply to the designated body in the absence
20 of an applicable provision in the articles of incorporation,
21 bylaws, or internal operating rules of the designated body.
22 *b.* To the extent the rights or obligations of the members
23 have been vested in the designated body, the members are
24 relieved from responsibility with respect to those rights and
25 obligations.
26 3. The articles of incorporation or bylaws may prescribe
27 qualifications for members of a designated body. Except
28 as otherwise provided in the articles of incorporation or
29 bylaws, a member of a designated body is not required to be an
30 individual; a director, officer, or member of the corporation;
31 or a resident of this state.
32 Sec. 13. Section 504.826, Code 2011, is amended by adding
33 the following new subsection:
34 NEW SUBSECTION. 7. A corporation may create or authorize
35 the creation of one or more advisory committees whose members

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1 are not required to be directors. An advisory committee is not
2 a committee of the board of directors and shall not exercise
3 any powers of the board.
4 Sec. 14. Section 504.831, Code 2011, is amended by adding
5 the following new subsection:
6 NEW SUBSECTION. 2A. In discharging board or committee
7 duties, a director must disclose, or cause to be disclosed, to
8 the other board or committee members, information not already
9 known by them, but known by the director to be material to the
10 discharge of the decision-making or oversight functions of the
11 board or committee, except that such disclosure is not required
12 to the extent that the director reasonably believes that doing
13 so would violate a duty imposed by law, a legally enforceable
14 obligation of confidentiality, or a professional ethics rule.
15 Sec. 15. Section 504.831, subsection 5, paragraph c, Code
16 2011, is amended to read as follows:
17 *c.* A committee of the board or advisory committee of
18 which the director is not a member, as to matters within
19 ~~its~~ the committee's or advisory committee's jurisdiction, if
20 the director reasonably believes the committee or advisory
21 committee merits confidence.
22 Sec. 16. Section 504.834, Code 2011, is amended by adding
23 the following new subsection:
24 NEW SUBSECTION. 1A. This section does not apply to any of
25 the following:
26 *a.* An advance to pay reimbursable expenses reasonably
27 expected to be incurred by a director or officer.
28 *b.* An advance to pay premiums on life insurance if the
29 advance is secured by the cash value of the policy.
30 *c.* An advance made pursuant to part 5 of this subchapter
31 VIII.
32 *d.* Loans or advances made pursuant to employee benefit
33 plans.
34 *e.* A loan secured by the principal residence of an officer.
35 *f.* A loan to pay relocation expenses of an officer.

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1 Sec. 17. NEW SECTION. **504.836 Business opportunities.**
2 1. A director's taking advantage, directly or indirectly,
3 of a business opportunity shall not be the subject of equitable
4 relief, or give rise to an award of damages or other sanctions
5 against the director, in a proceeding by or in the right of a
6 corporation on the ground that such opportunity should have
7 first been offered to the corporation, if before becoming
8 legally obligated respecting the business opportunity, the
9 director brings the opportunity to the attention of the
10 corporation and action is taken by the directors, a committee
11 of the directors, or the members disclaiming the corporation's
12 interest in the opportunity in compliance with the procedures
13 set forth in section 504.833, as if the decision being made
14 concerned a conflict of interest transaction.
15 2. In any proceeding seeking equitable relief or other
16 remedy, based upon an alleged improper taking advantage of a
17 business opportunity by a director, the fact that the director
18 did not employ the procedure described in subsection 1 before
19 taking advantage of the opportunity shall not create an
20 inference that the opportunity should have first been presented
21 to the corporation, or alter the burden of proof otherwise
22 applicable to establish that the director breached a duty to
23 the corporation under the circumstances.
24 3. As used in this section, *"director"* includes a member of
25 a designated body.
26 Sec. 18. Section 504.843, Code 2011, is amended by adding
27 the following new subsection:
28 NEW SUBSECTION. 1A. The duties of an officer include the
29 obligation to inform the specified persons of the following:
30 *a.* The superior officer to whom or the board of directors
31 or the committee of the board to which the officer reports, of
32 information about the affairs of the corporation known to the
33 officer, within the scope of the officer's functions, and known
34 to the officer to be material to the superior officer, board,
35 or committee.

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b. The officer's superior officer, or another appropriate person within the corporation, or the board of directors, or a committee of the board, of any actual or probable material violation of law involving the corporation or any material breach of duty to the corporation by an officer, employee, or agent of the corporation, that the officer believes has occurred or is likely to occur.

Sec. 19. Section 504.1101, subsection 1, Code 2011, is amended to read as follows:

1. Subject to the limitations set forth in section 504.1102, one or more nonprofit corporations may merge with or into any one or more business corporations or nonprofit corporations or ~~limited liability companies~~ unincorporated entities, if the plan of merger is approved as provided in section 504.1103.

Sec. 20. Section 504.1101, subsection 2, paragraphs a, c, and d, Code 2011, are amended to read as follows:

a. The name of each corporation or ~~limited liability company~~ unincorporated entity planning to merge and the name of the surviving corporation into which each plans to merge.

c. The manner and basis, if any, of converting the memberships of each public benefit or religious corporation into memberships of the surviving corporation or ~~limited liability company~~ unincorporated entity.

d. If the merger involves a mutual benefit corporation, the manner and basis, if any, of converting memberships of each merging corporation into memberships, obligations, or securities of the surviving or any other corporation or ~~limited liability company~~ unincorporated entity or into cash or other property in whole or in part.

Sec. 21. Section 504.1101, subsection 3, paragraph a, Code 2011, is amended to read as follows:

a. Any amendments to the articles of incorporation or bylaws of the surviving corporation or ~~limited liability company~~ unincorporated entity to be effected by the planned merger.

Sec. 22. Section 504.1102, subsection 1, paragraphs a and b,

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1 Code 2011, are amended to read as follows:
2 *a.* A public benefit or religious corporation, or a
3 domestic unincorporated entity which, if incorporated, would
4 qualify under this chapter as a public benefit or religious
5 corporation.
6 *b.* A foreign corporation which would qualify under this
7 chapter as a public benefit or religious corporation, or a
8 foreign unincorporated entity which, if incorporated, would
9 qualify under this chapter as a public benefit or religious
10 corporation.
11 Sec. 23. Section 504.1102, subsection 1, paragraph d,
12 unnumbered paragraph 1, Code 2011, is amended to read as
13 follows:
14 A business or mutual benefit corporation, or ~~limited~~
15 ~~liability company~~ an unincorporated entity which, if
16 incorporated, would not qualify as a public benefit or
17 religious corporation, provided that all of the following apply
18 where the public benefit or religious corporation is not the
19 surviving entity in the merger:
20 Sec. 24. Section 504.1102, subsection 1, paragraph d,
21 subparagraphs (2) and (3), Code 2011, are amended to read as
22 follows:
23 (2) The business or mutual benefit corporation or ~~limited~~
24 ~~liability company~~ unincorporated entity which, if incorporated,
25 would not qualify as a public benefit or religious corporation,
26 shall return, transfer, or convey any assets held by it upon
27 condition requiring return, transfer, or conveyance, which
28 condition occurs by reason of the merger, in accordance with
29 such condition.
30 (3) The merger is approved by a majority of directors of
31 the public benefit or religious corporation or managers of
32 an unincorporated entity which, if incorporated, would not
33 qualify as a public benefit or religious corporation, who are
34 not and will not become members or shareholders in or officers,
35 employees, agents, or consultants of the surviving entity.

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1 Sec. 25. Section 504.1106, subsection 1, Code 2011, is
2 amended to read as follows:
3 1. Except as provided in section 504.1102, one or more
4 foreign business or nonprofit corporations or foreign
5 unincorporated entities may merge with one or more domestic
6 nonprofit corporations if all of the following conditions are
7 met:
8 *a.* The merger is permitted by the law of the state or
9 country under whose law each foreign corporation or foreign
10 unincorporated entity is incorporated and each foreign
11 corporation or foreign unincorporated entity complies with that
12 law in effecting the merger.
13 *b.* The foreign corporation or foreign unincorporated
14 entity complies with section 504.1104 if it is the surviving
15 corporation of the merger.
16 *c.* Each domestic nonprofit corporation complies with the
17 applicable provisions of sections 504.1101 through 504.1103
18 and, if it is the surviving corporation of the merger, with
19 section 504.1104.
20 Sec. 26. Section 504.1106, subsection 2, Code 2011, is
21 amended to read as follows:
22 2. Upon the merger taking effect, the surviving foreign
23 business or nonprofit corporation, or foreign unincorporated
24 entity, is deemed to have irrevocably appointed the secretary
25 of state as its agent for service of process in any proceeding
26 brought against it.
27 EXPLANATION
28 This bill makes various revisions to the Iowa nonprofit
29 corporation Act.
30 Code section 504.141 is amended to add a definition of a
31 "designated body" which is a person or group other than a
32 committee of the board of directors that is vested by the
33 articles of incorporation or bylaws of a nonprofit corporation
34 with powers otherwise required to be exercised by the corporate
35 board of directors or the members. Other definitions are

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1 modified to include a designated body within the meaning of the
2 "board of directors" or as a "member" of the corporation and to
3 exclude individuals who are members of a designated body from
4 the definition of a "director".
5 Code section 504.141 is also amended to provide that an
6 "entity" includes an "unincorporated entity" and to include
7 a definition of an "unincorporated entity" which is an
8 organization or other legal entity that is not a corporation
9 and that either has a separate legal existence or has the
10 power to acquire an estate in real property in the entity's
11 own name. An "unincorporated entity" includes specified
12 types of legal entities that are not corporations. An
13 "unincorporated entity" also does not include an estate, a
14 trust, a governmental subdivision, a state, the United States,
15 or a foreign government. There are also definitions for a
16 "domestic unincorporated entity" whose affairs are governed
17 by Iowa law and for a "foreign unincorporated entity" whose
18 affairs are governed by the law of another jurisdiction.
19 Code section 504.622 is amended to provide that membership
20 in a public benefit or mutual benefit corporation may be
21 terminated or suspended as provided in the articles of
22 incorporation or bylaws and to the extent that those items do
23 not address such a termination or suspension, the procedure
24 must be carried out in good faith in a manner which is fair and
25 reasonable.
26 Code sections 504.701 and 504.702 are amended to allow a
27 nonprofit corporation with members to hold an annual or regular
28 meeting or a special meeting by means of the internet or other
29 electronic communications technology so long as members have
30 the opportunity to read or hear the proceedings substantially
31 concurrent with the occurrence of the proceedings and can vote,
32 pose questions, and make comments.
33 New Code section 504.709 requires that an individual preside
34 as chair at each meeting of corporate members as provided in
35 the articles of incorporation or bylaws, as appointed by the

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1 board, or as appointed by members at the meeting. Unless
2 otherwise provided by the articles or bylaws, the chair shall
3 determine the order of business and establish rules for the
4 conduct of the meeting.
5 New Code section 504.719 allows a nonprofit corporation with
6 members to appoint one or more inspectors to assist with voting
7 at the meeting and make a report of their determinations and
8 the results of the vote.
9 Code section 504.801 is amended to provide that, with the
10 exception of corporate powers that are vested in a designated
11 body, all such powers shall be exercised by or under the
12 authority of, and the affairs of the corporation shall be
13 managed under the direction and subject to the oversight of,
14 the board of directors.
15 New Code section 504.813 allows some, but not all, of the
16 powers, authority, or functions of the board of directors,
17 or of the rights or obligations of members, of a nonprofit
18 corporation to be vested by the articles of incorporation or
19 bylaws in a designated body. If such a designated body is
20 created, provisions of law applicable to the powers, authority,
21 functions, rights, or obligations of the board of directors,
22 the directors individually, or the members apply to the
23 designated body and its members individually and the directors
24 or members are relieved of their duties and liabilities with
25 respect to those matters vested in the designated body.
26 Code section 504.826 is amended to provide that a nonprofit
27 corporation can create or authorize the creation of one or
28 more advisory committees whose members are not required to be
29 directors of the corporation. Such an advisory committee is
30 not a committee of the board and cannot exercise any powers of
31 the board.
32 Code section 504.831 is amended to provide that in
33 discharging board or committee duties a corporate director
34 must disclose information to the other board or committee
35 members that is not known to them but known by the director to

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1 be material to their decision-making or oversight functions,
2 except when such disclosure would violate a legal duty,
3 a legally enforceable obligation of confidentiality, or a
4 professional ethics rule.
5 Code section 504.831 is also amended to allow a director to
6 rely on a committee of the board or an advisory committee of
7 which the director is not a member as to matters within the
8 committee or advisory committee's jurisdiction, if the director
9 reasonably believes the committee or advisory committee merits
10 confidence.
11 Code section 504.834 is amended to provide that the
12 prohibition of that Code section against lending money to or
13 guaranteeing the obligation of a director or officer of the
14 corporation does not apply to certain specified advances and
15 loans.
16 New Code section 504.836 provides that a director's taking
17 advantage, directly or indirectly, of a business opportunity
18 cannot be the subject of equitable relief or give rise to an
19 award of damages or other sanctions against the director, in
20 a proceeding by or in the right of a nonprofit corporation on
21 the ground that the business opportunity should have first
22 been offered to the corporation if before becoming legally
23 obligated on the business opportunity, the director brings the
24 opportunity to the attention of the corporation and action
25 is taken by the directors, a committee of the directors, or
26 the members disclaiming the corporation's interest in the
27 opportunity. This disclaimer must be made in compliance with
28 procedures set forth in Code section 504.833 for conflict of
29 interest transactions by directors. However, in an action
30 seeking equitable relief or other remedy based upon an alleged
31 improper taking advantage of such a business opportunity by a
32 director, the fact that the above procedure was not complied
33 with does not create an inference that the opportunity should
34 have been presented to the corporation or alter the burden
35 of proof necessary to establish a breach of duty to the

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1 corporation by the director.
2 Code section 504.843 is amended to provide that a corporate
3 officer has the duty to provide information to specified
4 persons within the corporation about the affairs of the
5 corporation known to the officer to be material and about any
6 actual or probable material violation of law involving the
7 corporation or any material breach of duty to the corporation
8 by an officer, employee, or agent of the corporation.
9 Code section 504.1101 which applies to mergers of nonprofit
10 corporations with other entities, is amended to substitute
11 the newly defined term "unincorporated entity" for "limited
12 liability company". A limited liability company is now
13 encompassed within the definition of an "unincorporated
14 entity", which includes other types of entities as well.
15 Code section 504.1102, which allows certain mergers by
16 public benefit or religious corporations without prior
17 approval of the district court, is amended to also apply to a
18 newly defined "domestic unincorporated entity" and "foreign
19 unincorporated entity" which, if incorporated, would qualify
20 as a public benefit or religious corporation, and to an
21 "unincorporated entity", which if incorporated, would not
22 qualify as a public benefit or religious corporation, but meets
23 other specifications.
24 Code section 504.1102 is also amended to provide that when
25 a merger of a public benefit or religious corporation with
26 a business or mutual benefit corporation or unincorporated
27 entity, which if incorporated would not qualify as a public
28 benefit or religious corporation, will result in the public
29 benefit or religious corporation not surviving, certain
30 conditions must be met.
31 Code section 504.1106 is amended to allow mergers between a
32 newly defined "foreign unincorporated entity" and a domestic
33 nonprofit corporation under specified conditions.

House File 2291 - Introduced

HOUSE FILE 2291
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 515)

A BILL FOR

1 An Act relating to informal dispute resolution, by eliminating
2 a program for the establishment and support of locally
3 organized informal dispute resolution centers in the
4 office of prosecuting attorneys training coordinator of the
5 department of justice.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5220HV (1) 84
rh/nh

H.F. 2291

Section 1. Section 679A.18, Code 2011, is amended to read as follows:

679A.18 Chapter not retroactive.

This chapter applies only to arbitration agreements made on or after July 1, 1981. ~~Sections 679.1 to 679.18, Code 1981, do not apply to agreements to arbitrate entered into after July 1, 1981.~~

Sec. 2. REPEAL. Chapter 679, Code 2011, is repealed.

EXPLANATION

This bill eliminates a program for the establishment and support of locally organized informal dispute resolution centers in the office of prosecuting attorneys training coordinator of the department of justice contained in Code chapter 679.

The bill makes a conforming change in Code section 679A.18 relating to the applicability of Code chapters 679 and 679A to arbitration agreements entered into before and on or after July 1, 1981.

House File 2292 - Introduced

HOUSE FILE 2292
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 2051)

A BILL FOR

1 An Act relating to confinement feeding operations confining
2 fish, and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5134HV (1) 84
da/nh

H.F. 2292

Section 1. Section 459.102, subsection 3, Code 2011, is amended to read as follows:

3. *"Animal"* means ~~a species classified as~~ cattle, swine, horses, sheep, chickens, ~~or~~ turkeys, or fish.

Sec. 2. Section 459.102, subsection 6, Code 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. *1.* Fish.....0.001

Sec. 3. NEW SECTION. **459.320 Exception from regulation — election for confinement feeding operations confining fish.**

A person who exclusively confines fish as part of a confinement feeding operation may elect to comply with the permitting requirements of section 455B.183 in lieu of the permitting requirements of this subchapter.

EXPLANATION

This bill amends the law which provides for the regulation of animal feeding operations, including confinement feeding operations, by the department of natural resources (Code chapter 459), by changing the definition of "animal" to include fish. Generally, the law provides a number of restrictions upon owners of animal feeding operations including those impacting the construction and expansion of structures and the application of manure. The law also provides a number of exceptions from those regulations, including for small animal feeding operations. The bill also adds a new exception, by providing that a person who exclusively confines fish as part of a confinement feeding operation may elect to comply with the state's general permitting requirements pertaining to water quality (Code section 455B.183) in lieu of the permitting requirements applicable to animal feeding operations.

A person who violates the bill is subject to civil penalties (Code sections 455B.109, 459.602, and 459.603) amounting to up to $10,000 for a single violation.

House File 2293 - Introduced

HOUSE FILE 2293
BY BERRY

A BILL FOR

1 An Act requiring the division of community action agencies to
2 implement a financial literacy education program for clients
3 of community action agencies and making appropriations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5934HH (3) 84
jp/nh

H.F. 2293

1 Section 1. Section 216A.92, subsection 2, Code 2011, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. *e.* Subject to the availability of
4 appropriations or other funding, implement a financial literacy
5 education program through grants to community action agencies
6 for the clients of the agencies. For the purposes of this
7 paragraph, *"financial literacy"* means being knowledgable
8 regarding the development of a spending plan, working with
9 checking and savings accounts, the use of credit and credit
10 reports, the process for securing a loan, and other financial
11 responsibility matters and financial management skills.
12 Sec. 2. FINANCIAL LITERACY EDUCATION — COMMUNITY ACTION
13 PROGRAMS. There is appropriated from the general fund of the
14 state to the department of human rights for the fiscal year
15 beginning July 1, 2012, and ending June 30, 2013, the following
16 amount, or so much thereof as is necessary, to be used for the
17 purposes designated:
18 For the division of community action agencies to implement
19 a financial literacy education program through grants to
20 community action agencies for agency clients in accordance with
21 section 216A.92:
22 ..... $ 1,000,000
23 1. The division shall distribute the appropriation made
24 in this section through grants to recognized community action
25 agencies.
26 2. Notwithstanding section 8.33, moneys appropriated in
27 this section that remain unencumbered or unobligated at the
28 close of the fiscal year shall not revert but shall remain
29 available for expenditure for the purposes designated until the
30 close of the succeeding fiscal year.
31 EXPLANATION
32 This bill requires the division of community action agencies
33 of the department of human rights to implement a financial
34 literacy education program for clients of community action
35 agencies.

H.F. 2293

1 Code section 216A.92, relating to the duties of the
2 division, is amended to require the division to implement the
3 program through the agencies for the clients of the agencies.
4 The bill includes an FY 2012-2013 appropriation for purposes
5 of the program. The appropriation has a nonreversion clause
6 allowing unused funds to carry forward to be used for purposes
7 of the program in the succeeding fiscal year.

House File 2294 - Introduced

HOUSE FILE 2294
BY BERRY and KAJTAZOVIC

A BILL FOR

1 An Act creating a student veteran services coordinator grant
2 program and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5803HH (11) 84
aw/nh

H.F. 2294

1 Section 1. NEW SECTION. **35E.1 Definitions.**
2 For the purposes of this chapter, unless the context
3 otherwise requires:
4 1. *"Department"* means the Iowa department of veterans
5 affairs.
6 2. *"Eligible college or university"* means any of the
7 following:
8 *a.* An institution as defined in section 262A.2.
9 *b.* A community college as defined in section 260C.2.
10 *c.* A school as defined in section 261B.2.
11 3. *"Student veteran services coordinator"* means an employee
12 of any private or state of Iowa college or university in this
13 state designated by an eligible college or university to
14 provide outreach and support services to veterans as provided
15 in section 35E.2.
16 4. *"Veteran"* means a veteran, as defined in section 35.1,
17 who is enrolled, is seeking to enroll, or was enrolled at any
18 eligible college or university in this state in the previous
19 two years, except that the requirement that the person be a
20 resident of this state shall not apply.
21 Sec. 2. NEW SECTION. **35E.2 Student veteran services**
22 **coordinator.**
23 1. An eligible college or university in this state
24 may designate one employee as a student veteran services
25 coordinator.
26 2. The student veteran services coordinator shall:
27 *a.* Assist veterans seeking to apply for admission to the
28 college or university.
29 *b.* Assist veterans in enrolling for courses.
30 *c.* Assist veterans in applying for and receiving
31 service-connected education benefits.
32 *d.* Assist veterans in securing employment.
33 *e.* Assist the college or university in establishing a
34 supportive community for veterans.
35 3. The department shall adopt rules establishing

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1 requirements for employment as a student veteran services
2 coordinator designated pursuant to this section.
3 Sec. 3. NEW SECTION. **35E.3 Student veteran services**
4 **coordinator grant program.**
5 1. A student veteran services coordinator grant program is
6 created under the control of the department for the purpose of
7 providing grants to eligible colleges and universities in this
8 state.
9 2. *a.* An eligible college or university employing a student
10 veteran services coordinator designated pursuant to section
11 35E.2 may apply to the department to receive a student veteran
12 services coordinator grant pursuant to this section.
13 *b.* An eligible college or university awarded a grant under
14 this section shall receive a grant equal to a percentage of the
15 first forty thousand dollars of actual salary of the student
16 veteran services coordinator, determined as follows:
17 (1) For the first and second years, seventy-five percent.
18 (2) For the third and fourth years, fifty percent.
19 (3) For the fifth and sixth years, twenty-five percent.
20 *c.* An eligible college or university shall only receive
21 a grant for the portion of a student veteran services
22 coordinator's salary dedicated to the performance of duties
23 under section 35E.2, subsection 2.
24 3. An eligible college or university shall not be awarded
25 more than six grants pursuant to this section.
26 4. There is appropriated from the general fund of the state
27 to the department the amount necessary to pay each eligible
28 college or university entitled to a grant under this section.
29 5. The department shall adopt rules governing the
30 application, awarding, and distribution of grants under this
31 section.
32 EXPLANATION
33 This bill creates a student veteran services coordinator
34 grant program to be administered by the department of veterans
35 affairs.

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1 The bill provides that certain private and public colleges
2 and universities may apply for a student veteran services
3 coordinator grant to pay for a portion of the salary of a
4 student veteran services coordinator. The bill provides that
5 the grant shall be 75 percent of the first $40,000 in salary
6 paid to the coordinator for the first and second year of
7 employing such a coordinator, 50 percent of such salary in the
8 third and fourth years, and 25 percent of such salary in the
9 fifth and sixth years of employing such a coordinator. The
10 bill provides that an eligible college or university shall not
11 receive more than six grants as a part of the program. The
12 bill provides for a standing unlimited appropriation from the
13 general fund of the state to the department to provide such
14 grants, and requires that the department of veterans affairs
15 adopt rules to govern the application for, awarding, and
16 distribution of grants.
17 The bill provides that a student veteran services
18 coordinator shall assist veterans seeking to apply for
19 admission to the college or university, enroll in courses,
20 apply for and receive service-connected education benefits, or
21 secure employment. The student veteran services coordinator
22 shall also assist the college or university in establishing
23 a supportive community for veterans. The bill provides that
24 the department shall adopt rules establishing requirements for
25 employment as a student veteran services coordinator.

House File 2295 - Introduced

HOUSE FILE 2295
BY BERRY and ABDUL-SAMAD

A BILL FOR

1 An Act relating to consideration for early parole or work
2 release.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5723YH (4) 84
jm/nh

H.F. 2295

1 Section 1. NEW SECTION. **906.15A Early parole —**
2 **cooperation.**
3 In a case involving the use of a dangerous weapon by a person
4 who was a juvenile when the offense was committed, the board
5 of parole shall consider the person for early parole or work
6 release if the person cooperated in the prosecution of the
7 supplier of the dangerous weapon.
8 EXPLANATION
9 This bill relates to consideration for early parole or work
10 release.
11 Under the bill, in a case involving the use of a dangerous
12 weapon by a person who was a juvenile when the offense was
13 committed, the board of parole shall consider the person for
14 early parole or work release if the person cooperated in the
15 prosecution of the supplier of the dangerous weapon.
16 "Dangerous weapon" is defined in Code section 702.7.

House File 2296 - Introduced

HOUSE FILE 2296
BY KELLEY

A BILL FOR

1 An Act providing for civil rights enforcement concerning
2 employment rights of persons exercising their rights under
3 the federal Family and Medical Leave Act.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5957YH (3) 84
ec/nh

H.F. 2296

1 Section 1. Section 216.6, subsection 1, Code 2011, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. *e.* Person to refuse to hire, accept,
4 register, classify, or refer for employment, to discharge any
5 employee, or to otherwise discriminate in employment against
6 any applicant for employment or any employee because the
7 applicant or employee has exercised or has previously exercised
8 the applicant's or employee's rights under the federal Family
9 and Medical Leave Act.
10 EXPLANATION
11 This bill provides that it is an unfair employment practice
12 under the Iowa civil rights Act to discriminate against any
13 employee or applicant for employment because that person has
14 exercised the person's rights under the federal Family and
15 Medical Leave Act.

House Resolution 111 - Introduced

HOUSE RESOLUTION NO. 111
BY PAULSEN, UPMEYER, and McCARTHY

1 A Resolution welcoming His Excellency Xi Jinping, Vice
2 President of the People's Republic of China on his
3 visit to the State of Iowa.
4 WHEREAS, in 1983, Iowa Governor Terry E. Branstad
5 signed the Hebei Province, People's Republic of China
6 and State of Iowa Iowa Sister State agreement resulting
7 in the exchange of visitors; and
8 WHEREAS, in 1985, Iowa Sister States, State of Iowa
9 officials, and citizens of Iowa welcomed and hosted an
10 agricultural delegation from Hebei Province, People's
11 Republic of China, led by His Excellency Vice President
12 Xi Jinping, then Party Secretary; and
13 WHEREAS, the resulting goodwill, cooperation,
14 and understanding on the part of Iowans and the
15 Hebei Province have helped to expand economic
16 cooperation; and
17 WHEREAS, the relationship enjoyed by His Excellency
18 Xi Jinping, Vice President of the People's Republic
19 of China and the citizens of the State of Iowa has
20 encouraged China to become Iowa's fourth largest export
21 market and to become Iowa's partner in agriculture; and
22 WHEREAS, the relationship enjoyed by His Excellency
23 Xi Jinping, Vice President of the People's Republic
24 of China and the citizens of the State of Iowa will
25 encourage opportunities to further strengthen and
26 enhance the lives of citizens in both the United States
27 of America and the People's Republic of China; NOW
28 THEREFORE,

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1 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
2 That on behalf of the citizens of Iowa, the House of
3 Representatives welcomes His Excellency Xi Jinping,
4 Vice President of the People's Republic of China to our
5 state.

House Study Bill 630 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED MENTAL HEALTH AND DISABILITY SERVICES STUDY COMMITTEE BILL)

A BILL FOR

1 An Act relating to redesign of publicly funded mental
2 health and disability services by requiring certain core
3 services and addressing other services and providing for
4 establishment of regions and including effective date and
5 applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5488IC (38) 84
jp/rj

S.F. _____ H.F. _____

1 DIVISION I
2 CORE SERVICES
3 Section 1. Section 331.439, Code Supplement 2011, is
4 amended by adding the following new subsection:
5 NEW SUBSECTION. 9A. *a.* Beginning July 1, 2012, the county
6 management plan for mental health services shall provide that
7 an individual's eligibility for individualized services shall
8 be determined by the level of care utilization system for
9 psychiatric and addiction services, developed by the American
10 association of community psychiatrists, or other standardized
11 functional assessment methodology approved for this purpose by
12 the state commission.
13 *b.* Beginning July 1, 2012, the county management plan
14 for intellectual disability services shall provide that an
15 individual's eligibility for individualized services shall
16 be determined by the supports intensity scale, developed by
17 the American association on intellectual and developmental
18 disabilities, or other standardized functional assessment
19 methodology approved for this purpose by the state commission.
20 *c.* Beginning July 1, 2012, the county management plan
21 for brain injury services shall provide that an individual's
22 eligibility for individualized services shall be determined
23 in accordance with a standardized functional assessment
24 methodology approved for this purpose by the state commission.
25 Sec. 2. NEW SECTION. **331.439A Regional service system**
26 **management plan.**
27 1. The mental health and disability services provided
28 by counties operating as a region shall be delivered in
29 accordance with a regional service system management plan
30 approved by the region's governing board and implemented by
31 the regional administrator in accordance with this section.
32 The requirements for a regional service system management plan
33 shall be specified in rule adopted by the state commission.
34 A regional service system management plan is subject to
35 the approval of the regional governing board and the state

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1 commission.
2 2. The provisions of a regional service system management
3 plan shall include but are not limited to all of the following:
4 *a.* An approved policies and procedures manual for the use of
5 county, state, and other funding administered by the region. A
6 service system management plan for each county in the region
7 shall be defined in the manual. Once the regional manual
8 is approved, an amendment to the manual shall be submitted
9 to the department of human services at least forty-five
10 days prior to the date of implementation of the amendment.
11 Prior to implementation of an amendment to the manual, the
12 amendment must be approved by the director of human services in
13 consultation with the state commission.
14 *b.* For informational purposes, a regional service system
15 management plan review submitted by the regional administrator
16 to the department of human services by December 1 of each year.
17 The annual review shall incorporate an analysis of the data
18 associated with the regional service systems managed during
19 the preceding fiscal year by the region. The annual review
20 shall also identify measurable outcomes and results showing the
21 region's progress in fulfilling the purposes listed in section
22 225C.1 and in achieving the disability services outcomes and
23 indicators identified by the state commission pursuant to
24 section 225C.6.
25 *c.* For informational purposes, a three-year strategic plan
26 submitted every three years by the regional administrator to
27 the department of human services. The strategic plan shall
28 describe how the region will proceed to attain the plan's
29 goals and objectives, and the measurable outcomes and results
30 necessary for moving the regional services system toward an
31 individualized, community-based focus in accordance with
32 section 225C.1. The initial three-year strategic plan shall be
33 submitted by April 1, 2015, and by April 1 of every third year
34 thereafter.
35 *d.* The regional administrator's plans to implement the

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1 regional service system management plan and other service
2 management functions in a manner that seeks to achieve all of
3 the following purposes identified in section 225C.1 for persons
4 who are covered by the regional plan or are otherwise subject
5 to the regional service system's management functions. The
6 regional plan shall describe how the regional service system
7 will accomplish all of the following purposes:
8 (1) The regional service system seeks to empower persons
9 to exercise their own choices about the amounts and types of
10 services and other support to receive.
11 (2) The regional service system seeks to empower the persons
12 to accept responsibility, exercise choices, and take risks.
13 (3) The regional service system seeks to provide services
14 and other support that are individualized, provided to produce
15 results, flexible, and cost-effective.
16 (4) The regional service system seeks to provide services
17 and other support in a manner which enhances the ability of the
18 persons to live, learn, work, and recreate in communities of
19 their choice.
20 *e.* Measures to address the needs of individuals who have two
21 or more co-occurring mental health, intellectual disability,
22 brain injury, or substance-related disorders and individuals
23 with specialized needs.
24 3. The region may either directly implement a system
25 of service management and contract with service providers,
26 or contract with a private entity to manage the regional
27 service system, provided all requirements of this section
28 are met by the private entity. The regional service system
29 shall incorporate service management and clinical assessment
30 processes developed in accordance with applicable requirements.
31 4. The regional service system management plan for a region
32 shall include but is not limited to all of the following
33 elements, which shall be specified in administrative rules
34 adopted by the state commission:
35 *a.* The enrollment and eligibility process.

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1 *b.* The scope of services included in addition to the core
2 services required by this part of this chapter.
3 *c.* The method of plan administration.
4 *d.* The process for managing utilization and access to
5 services and other assistance.
6 *e.* The quality management and improvement processes.
7 *f.* The risk management provisions and fiscal viability of
8 the plan, if the region contracts with a private entity.
9 *g.* The access points for services.
10 *h.* The requirements for designation of targeted case
11 management providers which shall be designed to provide
12 consumer choice, prohibit a provider from referring consumers
13 to services administered by the provider, and include other
14 provisions to ensure compliance with federal requirements for
15 conflict-free case management.
16 *i.* A plan for a systems of care approach in which multiple
17 public and private agencies partner with families and
18 communities to address the multiple needs of the individuals
19 and their families involved with the regional service system.
20 *j.* A plan to assure effective crisis prevention, response,
21 and resolution.
22 *k.* A plan for provider network formation and management.
23 *l.* A plan for provider reimbursement approaches that
24 includes approaches other than fee-for-service and to
25 compensate the providers engaged in a systems of care approach
26 and other nontraditional providers.
27 *m.* If the region applies any provider licensing,
28 certification, or accreditation requirements in addition to
29 those required by the state, the procedures for implementing
30 the requirements.
31 *n.* Service provider payment provisions.
32 *o.* Financial forecasting measures.
33 *p.* A process for resolving grievances.
34 *q.* Measures for implementing interagency and multisystem
35 collaboration and care coordination.

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1 5. A region may provide assistance to service populations
2 with disabilities to which the counties comprising the region
3 have historically provided assistance but who are not included
4 in the service management provisions required under subsection
5 2, subject to the availability of funding.
6 6. If a region determines that the region cannot provide
7 services for the fiscal year in accordance with the regional
8 plan and remain in compliance with applicable budgeting
9 requirements, the region may implement a waiting list for
10 the services. The procedures for establishing and applying
11 a waiting list shall be specified in the regional plan. If
12 a region implements a waiting list for services, the region
13 shall notify the department of human services. The department
14 shall maintain on the department's internet site an up-to-date
15 listing of the regions that have implemented a waiting list and
16 the services affected by each waiting list.
17 7. The director's approval of a regional plan shall not be
18 construed to constitute certification of the respective county
19 budgets or of the region's budget.
20 Sec. 3. NEW SECTION. **331.439B Financial eligibility**
21 **requirements.**
22 A person must comply with all of the following financial
23 eligibility requirements to be eligible for services under the
24 regional service system:
25 1. The person must have an income equal to or less than
26 one hundred fifty percent of the federal poverty level, as
27 defined by the most recently revised poverty income guidelines
28 published by the United States department of health and human
29 services, is eligible for disability services public funding.
30 It is the intent of the general assembly to consider increasing
31 this income eligibility provision to two hundred percent of the
32 federal poverty level, contingent upon implementation of the
33 federal Patient Protection and Affordable Care Act beginning in
34 January 2014.
35 2. *a.* A region or a service provider contracting with

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1 the region may apply a copayment requirement for a particular
2 service to a person with an income equal to or less than one
3 hundred fifty percent of the federal poverty level, provided
4 the disability service, uniform copayment standards, and the
5 copayment amounts comply with rules adopted by the state
6 commission.
7 *b.* A person with an income above one hundred fifty percent
8 of the federal poverty level may be eligible subject to a
9 copayment or other cost-sharing arrangement, in accordance with
10 limitations adopted in rule by the state commission.
11 *c.* A provider under the regional service system of a service
12 that is not funded by the medical assistance program under
13 chapter 249A may waive the copayment or other cost-sharing
14 arrangement if the provider is fully able to absorb the cost.
15 3. A person who is eligible for federally funded services
16 and other support must apply for such services and support.
17 4. The person is in compliance with resource limitations
18 identified in rule adopted by the state commission. The
19 limitation shall be derived from the federal supplemental
20 security income program resource limitations. A person with
21 resources above the federal supplemental security income
22 program resource limitations may be eligible subject to
23 limitations adopted in rule by the state commission. If a
24 person does not qualify for federally funded services and other
25 support but meets income, resource, and functional eligibility
26 requirements for regional services, the following types of
27 resources shall be disregarded:
28 *a.* A retirement account that is in the accumulation stage.
29 *b.* A burial, medical savings, or assistive technology
30 account.
31 Sec. 4. NEW SECTION. **331.439C Diagnosis — functional**
32 **assessment.**
33 1. A person must comply with all of the following
34 requirements to be eligible for mental health services under
35 the regional service system:

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1 *a.* The person complies with financial eligibility
2 requirements under section 331.439B.
3 *b.* The person is at least eighteen years of age and is a
4 resident of this state.
5 *c.* The person has had at any time during the preceding
6 twelve-month period a diagnosable mental health, behavioral, or
7 emotional disorder. The diagnosis shall be made in accordance
8 with the criteria provided in the diagnostic and statistical
9 manual of mental disorders, fourth edition text revised,
10 published by the American psychiatric association, and shall
11 not include the manual's "V" codes identifying conditions other
12 than a disease or injury. The diagnosis shall also not include
13 substance-related disorders, dementia, antisocial personality,
14 or developmental disabilities, unless co-occurring with another
15 diagnosable mental illness.
16 *d.* The person's eligibility for individualized services
17 shall be determined by the level of care utilization system for
18 psychiatric and addiction services, developed by the American
19 association of community psychiatrists, or other standardized
20 functional assessment methodology approved for this purpose by
21 the state commission.
22 2. A person must comply with all of the following
23 requirements to be eligible for intellectual disability or
24 other developmental disability services under the regional
25 service system:
26 *a.* The person complies with financial eligibility
27 requirements under section 331.439B.
28 *b.* The person is at least eighteen years of age and is a
29 resident of this state.
30 *c.* The person has a diagnosis of intellectual disability or
31 an intelligence quotient of seventy or less or has a diagnosis
32 of developmental disability other than intellectual disability.
33 *d.* The person's eligibility for individualized services
34 shall be determined by the supports intensity scale, developed
35 by the American association on intellectual and developmental

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1 disabilities, or other standardized functional assessment
2 methodology approved for this purpose by the state commission.
3 3. A person must comply with all of the following
4 requirements to be eligible for brain injury services under the
5 regional service system:
6 *a.* The person complies with financial eligibility
7 requirements under section 331.439B.
8 *b.* The person is at least eighteen years of age and is a
9 resident of this state.
10 *c.* The person has a diagnosis of brain injury.
11 *d.* The person's eligibility for individualized services
12 shall be determined in accordance with a standardized
13 functional assessment methodology approved for this purpose by
14 the state commission.
15 Sec. 5. NEW SECTION. **331.439D Mental health core services.**
16 1. For the purposes of this section, unless the context
17 otherwise requires:
18 *a.* *"Crisis stabilization facility"* means an institution,
19 place, building, or agency with restricted means of egress
20 designed to provide accommodation, board, and the services
21 of a mental health professional on a short-term basis of no
22 more than five days to three or more individuals who present
23 in the facility with acute psychiatric needs. The goal of a
24 crisis stabilization facility is to decrease the severity of an
25 individual's condition to allow transition of the individual
26 to a less restrictive facility.
27 *b.* *"Domain"* means a range of services that can be provided
28 depending upon an individual's service needs.
29 2. Each of the providers of the core services and services
30 provided under a required service domain shall be capable of
31 working with individuals who have co-occurring disabilities or
32 specialized needs. It is the intent of the general assembly
33 that services have adequate reimbursement to ensure the
34 financial viability necessary to achieve desired outcomes and
35 fidelity to accepted service models.

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1 3. A regional service system shall provide the following
2 core mental health service domains, subject to the availability
3 of funding:
4 *a.* Acute care and crisis intervention services.
5 *b.* Mental health treatment.
6 *c.* Mental health disorder prevention.
7 *d.* Community living.
8 *e.* Employment.
9 *f.* Recovery supports.
10 *g.* Family supports.
11 *h.* Physical health and primary care services.
12 *i.* Justice system-involved services.
13 4. A regional service system shall provide the following
14 specific core mental health services, subject to the
15 availability of funding:
16 *a.* Peer-run self-help centers.
17 *b.* Psychiatric emergency services to provide a range of
18 crisis intervention and diversion services. The services shall
19 include but are not limited to providing a crisis stabilization
20 facility.
21 *c.* Subacute residential services.
22 *d.* Jail diversion.
23 *e.* Assertive community treatment.
24 *f.* Community support services, supportive community living,
25 and case management.
26 *g.* Health homes.
27 *h.* Supported employment and education.
28 *i.* Family support services.
29 *j.* Transportation.
30 5. A regional service system may provide funding for other
31 appropriate services or other support. In considering whether
32 to provide such funding, a region may consider the following
33 criteria:
34 *a.* Applying a person-centered planning process to identify
35 the need for the services or other support.

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1 *b.* The efficacy of the services or other support is
2 substantiated by an evidence base.
3 *c.* A determination that the services or other support
4 provides an effective alternative to existing services that
5 have been shown by the evidence base to be ineffective, to not
6 yield the desired outcome, or to not support the principles
7 outlined in Olmstead v. L.C., 527 U.S. 581 (1999).
8 Sec. 6. NEW SECTION. **331.439E Intellectual disability and**
9 **other developmental disability core services.**
10 1. A regional service system shall provide funding of
11 intellectual disability services that are not funded by the
12 medical assistance program. In addition, to the extent funding
13 is available, a regional service system shall also provide
14 funding of developmental disability services for persons with a
15 developmental disability other than an intellectual disability.
16 In selecting the services eligible for the funding, a region
17 shall consider the following criteria:
18 *a.* Applying a person-centered planning process to identify
19 the need for the services or other support.
20 *b.* The efficacy of the services or other support is
21 substantiated by an evidence base.
22 *c.* A determination that the services or other support
23 provides an effective alternative to existing services that
24 have been shown by the evidence base to be ineffective, to not
25 yield the desired outcome, or to not support the principles
26 outlined in Olmstead v. L.C., 527 U.S. 581 (1999).
27 2. The core services provided by a region shall include all
28 of the services for adults with an intellectual disability or a
29 developmental disability that were mandated by law and covered
30 in the service management plans of the counties comprising the
31 region under section 331.439, Code 2011, as of June 30, 2012,
32 other than those services funded by the medical assistance
33 program under chapter 249A. The provision of the core services
34 is subject to availability of funding. The core services shall
35 include all of the following, unless covered by the medical

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1 assistance program:
2 *a.* Case management.
3 *b.* Homemaker-home health aide services.
4 *c.* Respite care.
5 *d.* Home and vehicle modification.
6 *e.* Supported community living.
7 *f.* Outpatient mental health services.
8 *g.* Evaluation.
9 *h.* Sheltered workshop services.
10 *i.* Work activity services.
11 *j.* Adult day care.
12 *k.* Residential care facility services.
13 *l.* Residential care facility for persons with an
14 intellectual disability services.
15 *m.* Intermediate care facility for persons with an
16 intellectual disability services.
17 *n.* Supported community living.
18 *o.* Inpatient care at a state mental health institute.
19 *p.* Inpatient care at a state resource center.
20 *q.* Inpatient care at a community hospital.
21 *r.* Diagnostic evaluation related to a civil commitment
22 proceeding.
23 *s.* Transportation related to a civil commitment.
24 *t.* Legal representation for commitment.
25 *u.* Mental health advocate.
26 3. A region shall transition from and replace the services
27 under subsection 2 with services that expand and support
28 the community support and integration principles outlined
29 in Olmstead v. L.C., 527 U.S. 581 (1999) and the purposes
30 identified in section 225C.1.
31 4. The core services for persons with an intellectual
32 disability or a developmental disability shall include all of
33 the following:
34 *a.* Efforts to support the availability of best practice
35 health and primary care services in local communities.

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1 *b.* Efforts to provide best practice family support services
2 to help families to maintain a family member with a disability
3 at home.
4 Sec. 7. NEW SECTION. **331.440B Regional service system**
5 **financing.**
6 1. *a.* The financing of a regional mental health and
7 disability service system is limited to a fixed budget amount.
8 The fixed budget amount shall be the amount identified in a
9 regional service system management plan and budget for the
10 fiscal year. The region shall be authorized an allowed growth
11 factor adjustment as established by statute for services
12 addressed by the regional plan. The statute establishing
13 the allowed growth factor adjustment shall establish the
14 adjustment for the fiscal year which commences two years from
15 the beginning date of the fiscal year in progress at the time
16 the statute is enacted.
17 *b.* Based upon information contained in regional plans and
18 budgets and proposals made by representatives of the regions,
19 the state commission shall recommend an allowed growth factor
20 adjustment to the governor by November 15 for the fiscal year
21 which commences two years from the beginning date of the fiscal
22 year in progress at the time the recommendation is made. The
23 allowed growth factor adjustment may address various costs
24 including but not limited to the costs associated with new
25 consumers of services, service cost inflation, and investments
26 for economy and efficiency. In developing the service
27 cost inflation recommendation, the state commission shall
28 consider the cost trends indicated by the regional financial
29 reports. The governor shall consider the state commission's
30 recommendation in developing the governor's recommendation for
31 an allowed growth factor adjustment for such fiscal year. The
32 governor's recommendation shall be submitted to the general
33 assembly at the time the governor's proposed budget for the
34 succeeding fiscal year is submitted in accordance with chapter
35 8.

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1 2. A region shall implement its regional service system
2 management plan in a manner so as to provide adequate funding
3 of services for the entire fiscal year by budgeting for
4 ninety-nine percent of the funding anticipated to be available
5 for the regional plan for the fiscal year. A region may expend
6 all of the funding anticipated to be available for the regional
7 plan.
8 Sec. 8. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3,
9 shall not apply to this division of this Act.
10 Sec. 9. CODE EDITOR. The Code editor may codify the Code
11 provisions enacted by this division of this Act as a new part
12 of chapter 331, division III.
13 Sec. 10. APPLICABILITY. The provisions of this division of
14 this Act enacting new Code sections 331.439A through 331.439E,
15 and section 331.440B apply beginning on July 1, 2013.
16 DIVISION II
17 WORKFORCE DEVELOPMENT AND REGULATION
18 Sec. 11. NEW SECTION. **225C.6C Mental health and disability**
19 **services workforce development workgroup.**
20 1. The department of human services shall convene and
21 provide support to a mental health and disability services
22 workforce development workgroup to address issues connected
23 with assuring that an adequate workforce is available in the
24 state to provide mental health and disability services. The
25 workgroup shall report at least annually to the governor
26 and general assembly providing findings, recommendations,
27 and financing information concerning the findings and
28 recommendations.
29 2. The membership of the workgroup shall include all of the
30 following:
31 *a.* The director of the department of aging or the director's
32 designee.
33 *b.* The director of the department of corrections or the
34 director's designee.
35 *c.* The director of the department of education or the

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1 director's designee.
2 *d.* The director of human services or the director's
3 designee.
4 *e.* The director of the department of public health or the
5 director's designee.
6 *f.* The director of the department of workforce development
7 or the director's designee.
8 *g.* At least three staff of regional administrators
9 appointed by the community services affiliate of the Iowa state
10 association of counties.
11 *h.* At least three individuals receiving mental health and
12 disability services or involved relatives of such individuals.
13 *i.* At least three providers of mental health and disability
14 services.
15 *j.* A representative of the entity under contract with
16 the department to provide mental health managed care for the
17 medical assistance program.
18 *k.* One or more representatives of the institutions under
19 the control of the state board of regents who are knowledgeable
20 concerning the mental health and disability services workforce.
21 *l.* Other persons identified by the workgroup.
22 3. In addition to the members identified in subsection
23 2, the membership of the workgroup shall include four
24 members of the general assembly serving in a nonvoting, ex
25 officio capacity. One member shall be designated by each
26 of the following: the majority leader of the senate, the
27 minority leader of the senate, the speaker of the house of
28 representatives, and the minority leader of the house of
29 representatives. A legislative member serves for a term as
30 provided in section 69.16B.
31 4. Except as provided in subsection 3 for legislative
32 appointments, the workgroup shall determine its own rules of
33 procedure, membership terms, and operating provisions.
34 5. The workforce development measures considered for
35 recommendation by the workgroup shall include but are not

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1 limited to all of the following:
2 *a.* Provide for the college of direct support or comparable
3 internet-based training to be available at no charge to all
4 service providers.
5 *b.* Require every direct support professional to demonstrate
6 a level of competency in core curricula.
7 *c.* Provide financial incentives for those providers who
8 support direct care staff in securing a voluntary certification
9 from the national alliance for direct support professionals or
10 a comparable certification or accreditation body.
11 *d.* Change the rate reimbursement methodologies to allow
12 providers to bill direct care staff development costs as a
13 direct expense rather than as an indirect cost.
14 *e.* Implement regional service system staffing capability
15 to provide positive behavior supports training and to mount a
16 crisis intervention and prevention response that is based on a
17 model successfully tested in this state.
18 *f.* Make technical assistance available to service providers
19 for issues such as crisis intervention, sheltered workshop
20 conversion, and other approaches to modernize services.
21 *g.* Implement co-occurring disability cross training for
22 mental health professionals as well as training for primary
23 care practitioners on intellectual disability and developmental
24 disability behavioral issues.
25 Sec. 12. NEW SECTION. **225C.6D Regional service system —**
26 **outcomes and performance measures committee.**
27 1. The department shall establish an outcomes and
28 performance measures committee to recommend to the department
29 and the commission's specific outcomes and performance measures
30 to be utilized by the regional mental health and disability
31 services system. The membership of the committee shall include
32 regional administrator and departmental staff, individuals
33 receiving mental health and disability services or involved
34 relatives of such individuals, providers of mental health and
35 disability services, a representative of the person under

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1 contract with the department to provide mental health managed
2 care for the medical assistance program, a representative
3 of the institutions under the control of the state board of
4 regents who is knowledgeable concerning mental health and
5 disability services, a representative of the department's task
6 force to address the decision in Olmstead v. L.C., 527 U.S. 581
7 (1999), and other stakeholders.
8 2. To the extent possible, the committee shall seek to
9 provide outcome and performance measures recommendations
10 that are consistent across the mental health and disability
11 services populations addressed. The committee shall also
12 evaluate data collection requirements utilized in the regional
13 service system to identify the requirements that could be
14 eliminated or revised due to the administrative burden involved
15 or the low degree of relevance to outcomes or other reporting
16 requirements.
17 Sec. 13. NEW SECTION. **225C.6E Regional service system —**
18 **regulatory requirements.**
19 1. The departments of inspections and appeals, human
20 services, and public health shall comply with the requirements
21 of this section in their efforts to improve the regulatory
22 requirements applied to the regional service system
23 administration and service providers.
24 2. The three departments shall work together to establish
25 a process to streamline accreditation, certification, and
26 licensing standards applied to the regional service system
27 administration and service providers.
28 3. The departments of human services and inspections and
29 appeals shall jointly review the standards and inspection
30 process applicable to residential care facilities.
31 4. The three departments shall do all of the following in
32 developing regulatory requirements applicable to the regional
33 service system administration and service providers:
34 *a.* Consider the costs to administrators and providers in the
35 development of quality monitoring efforts.

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1 *b.* Develop uniform, streamlined, and statewide cost
2 reporting standards and tools.
3 *c.* Make quality monitoring information, including services,
4 quality, and location information, easily available and
5 understandable to all citizens.
6 *d.* Establish standards that are clearly understood and are
7 accompanied by interpretive guidelines to support understanding
8 by those responsible for applying the standards.
9 *e.* Develop a partnership with providers in order to
10 improve the quality of services and develop mechanisms for the
11 provision of technical assistance.
12 *f.* Develop consistent data collection efforts based on
13 statewide standards and make information available to all
14 providers.
15 *g.* Evaluate existing provider qualification and monitoring
16 efforts to identify duplication and gaps, and align the efforts
17 with valued outcomes.
18 *h.* Streamline and enhance existing standards.
19 *i.* Consider how accreditations can be used for the
20 certification of provider qualifications.
21 5. The three departments shall seek to increase the number
22 of staff dedicated to oversight of service providers.
23 DIVISION III
24 COMMUNITY MENTAL HEALTH CENTER AMENDMENTS
25 Sec. 14. Section 230A.106, subsection 2, paragraph c, as
26 enacted by 2011 Iowa Acts, chapter 121, section 16, is amended
27 to read as follows:
28 *c. Day treatment, partial hospitalization, or psychosocial*
29 *rehabilitation services.* Such services shall be provided as
30 structured day programs in segments of less than twenty-four
31 hours using a multidisciplinary team approach to develop
32 treatment plans that vary in intensity of services and the
33 frequency and duration of services based on the needs of the
34 patient. These services may be provided directly by the center
35 or in collaboration or affiliation with other appropriately

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1 accredited providers. In lieu of day treatment, partial
2 hospitalization, or psychosocial rehabilitation services, the
3 center may provide an assertive community treatment program.
4 Sec. 15. Section 230A.110, subsection 1, as enacted by
5 2011 Iowa Acts, chapter 121, section 20, is amended to read as
6 follows:
7 1. The division shall recommend and the commission shall
8 adopt standards for designated community mental health
9 centers and comprehensive community mental health programs,
10 with the overall objective of ensuring that each center
11 and each affiliate providing services under contract with a
12 center furnishes high-quality mental health services within
13 a framework of accountability to the community it serves.
14 The standards adopted shall conform with federal standards
15 applicable to community mental health centers and shall be
16 in substantial conformity with the applicable behavioral
17 health standards adopted by the joint commission, formerly
18 known as the joint commission on accreditation of health care
19 organizations, ~~and~~ or other recognized national standards for
20 evaluation of psychiatric facilities unless in the judgment of
21 the division, with approval of the commission, there are sound
22 reasons for departing from the standards.
23 DIVISION IV
24 REGIONAL SERVICE SYSTEM
25 Sec. 16. NEW SECTION. **331.438A Definitions.**
26 As used in this part, unless the context otherwise requires:
27 1. *"Department"* means the department of human services.
28 2. *"Disability services"* means the same as defined in
29 section 225C.2.
30 3. *"Population"* means the population shown by the latest
31 preceding certified federal census or the latest applicable
32 population estimate issued by the United States census bureau,
33 whichever is most recent.
34 4. *"Regional administrator"* means the administrative entity
35 formed by agreement of the counties participating in a region

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1 to function on behalf of those counties in accordance with this
2 part.
3 5. *"State commission"* means the mental health and disability
4 services commission created in section 225C.5.
5 Sec. 17. NEW SECTION. **331.438B Mental health and disability**
6 **services regions — criteria.**
7 1. Local access to mental health and disability services for
8 children and adults shall be provided by counties organized in
9 a regional service system. The regional service system shall
10 be implemented in stages in accordance with this section.
11 2. Formation of a mental health and disability services
12 region is subject to approval of the director of human services
13 and the mental health and disability services commission.
14 3. Each county in the state shall participate in an approved
15 mental health and disability services region. A mental health
16 and disability services region shall comply with all of the
17 following requirements:
18 *a.* The counties comprising the region are contiguous.
19 *b.* The region has at least three counties.
20 *c.* The combined general population of the counties
21 comprising a region shall be at least two hundred thousand
22 persons and not more than seven hundred thousand persons.
23 However, the director of human services, with the approval
24 of the commission, may grant a waiver from this requirement
25 if there is convincing evidence that compliance with the
26 requirement is not workable.
27 *d.* The region has the capacity to provide required core
28 services and perform required functions.
29 *e.* At least one community mental health center or a
30 federally qualified health center with providers qualified
31 to provide psychiatric services, either directly or with
32 assistance from psychiatric consultants, is located within the
33 region, has the capacity to provide outpatient services for the
34 region, and is either under contract with the region or has
35 provided documentation of intent to contract with the region

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1 to provide the services.
2 *f.* A hospital with an inpatient psychiatric unit or a state
3 mental health institute is located in or within reasonably
4 close proximity to the region, has the capacity to provide
5 inpatient services for the region, and is either under contract
6 with the region or has provided documentation of intent to
7 contract with the region to provide the services.
8 *g.* The regional administrator structure proposed for or
9 utilized by the region has clear lines of accountability and
10 the regional administrator functions as a lead agency utilizing
11 shared county staff or other means of limiting administrative
12 costs.
13 4. County formation of a mental health and disability
14 services region is subject to all of the following:
15 *a.* On or before November 1, 2012, counties voluntarily
16 participating in a region have complied with all of the
17 following formation criteria:
18 (1) The counties forming the region have been identified
19 and the board of supervisors of the counties have approved a
20 written letter of intent to join together to form the region.
21 (2) The proposed region complies with the requirements in
22 subsection 3.
23 (3) The department provides written notice to the boards
24 of supervisors of the counties identified for the region in
25 the letter of intent that the counties have complied with the
26 requirements in subsection 3.
27 *b.* Upon compliance with the provisions of paragraph *"a"*, the
28 participating counties are eligible for technical assistance
29 provided by the department.
30 *c.* During the period of November 2, 2012, through January
31 1, 2013, a county that has not agreed to be part of a region
32 in accordance with paragraph *"a"* shall be assigned by the
33 department to a region.
34 *d.* On or before June 30, 2013, all counties shall be part of
35 a region that is in compliance with the provisions of paragraph

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1 *"a"* other than meeting the November 1, 2012, date.
2 *e.* On or before June 30, 2014, all counties shall be
3 in compliance with all of the following mental health and
4 disability services region implementation criteria:
5 (1) The board of supervisors of each county participating in
6 the region has voted to approve a chapter 28E agreement.
7 (2) The duly authorized representatives of all the counties
8 participating in the region have signed the chapter 28E
9 agreement that is in compliance with section 331.438C.
10 (3) The county board of supervisors' or supervisors'
11 designee members and other members of the region's governing
12 board have been appointed in accordance with section 331.438C.
13 (4) Executive staff for the region's regional administrator
14 have been identified or engaged.
15 (5) An initial draft of a regional service management
16 transition plan has been developed which identifies the steps
17 to be taken by the region to do all of the following:
18 (a) Designate access points for the disability services
19 administered by the region.
20 (b) Designate the region's targeted case manager provider
21 funded by the medical assistance program.
22 (c) Identify the service provider network for the region.
23 (d) Define the service access and service authorization
24 process to be utilized for the region.
25 (e) Identify the information technology and data management
26 capacity to be employed to support regional functions.
27 (f) Establish business functions, funds accounting
28 procedures, and other administrative processes.
29 (g) Comply with data reporting and other information
30 technology requirements adopted by the state commission.
31 (6) The department and the state commission have approved
32 the region's chapter 28E agreement and the initial draft of the
33 regional management transition plan.
34 *f.* If the department, with the concurrence of the state
35 commission, determines that a region is in substantial

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1 compliance with the implementation criteria in paragraph *"e"*
2 and has sufficient operating capacity to begin operations, the
3 region may commence partial or full operations prior to July
4 2014.
5 Sec. 18. NEW SECTION. **331.438C Regional governance**
6 **structure.**
7 1. The counties comprising a mental health and disability
8 services region shall enter into an agreement under chapter
9 28E to form a regional administrator under the control of a
10 governing board to function on behalf of those counties.
11 2. The governing board shall comply with all of the
12 following requirements:
13 *a.* The membership of the governing board shall consist
14 of one or more board of supervisor members from each county
15 comprising the region or their designees. The decisions
16 involving the local public funding administered by the
17 governing board and the regional administrator shall be made
18 by these members.
19 *b.* The membership of the governing board shall also consist
20 of at least three individuals who utilize mental health and
21 disability services or actively involved relatives of such
22 individuals. These members shall be designated in a manner
23 so as to represent the geographic areas of the region and to
24 provide balanced representation for the various disability
25 groups utilizing the services provided through the region.
26 *c.* The membership of the governing board shall not include
27 representatives of service providers or the department.
28 *d.* The governing board shall have a regional advisory
29 committee consisting of individuals who utilize services or
30 actively involved relatives of such individuals, service
31 providers, and regional governing board members.
32 3. The regional administrator shall be under the control of
33 the governing board. The regional administrator shall enter
34 into performance-based contracts with the department for the
35 regional administrator to manage, on behalf of the counties

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1 comprising the region, the mental health and disability
2 services that are not funded by the medical assistance program
3 under chapter 249A and for coordinating with the department the
4 provision of mental health and disability services that are
5 funded under the medical assistance program.
6 Sec. 19. NEW SECTION. **331.438D Regional finances.**
7 1. The funding under the control of the governing board
8 shall be maintained in a combined account, in separate county
9 accounts that are under the control of the governing board, or
10 pursuant to other arrangements authorized by law that limit the
11 administrative burden of such control while facilitating public
12 scrutiny of financial processes.
13 2. The administrative costs of the regional administrator
14 shall be limited to five percent of expenditures. Expenditures
15 considered to be administrative costs shall be determined in
16 accordance with law.
17 3. The funding provided pursuant to performance-based
18 contracts with the department shall be credited to the account
19 or accounts under the control of the governing board.
20 Sec. 20. NEW SECTION. **331.438E Regional governance**
21 **agreements.**
22 1. In addition to compliance with the applicable provisions
23 of chapter 28E, the chapter 28E agreement entered into by the
24 counties comprising a mental health and disability services
25 region in forming the regional administrator to function on
26 behalf of the counties shall comply with the requirements of
27 this section.
28 2. The organizational provisions of the agreement shall
29 include all of the following:
30 *a.* A statement of purpose, goals, and objectives of entering
31 into the agreement.
32 *b.* Identification of the governing board membership and the
33 terms, methods of appointment, voting procedures, and other
34 provisions applicable to the operation of the governing board.
35 *c.* The identification of the executive staff of the regional

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1 administrator serving as the single point of accountability for
2 the region.
3 *d.* The counties participating in the agreement.
4 *e.* The time period of the agreement and terms for
5 termination or renewal of the agreement.
6 *f.* The circumstances under which additional counties may
7 join the region.
8 *g.* Methods for dispute resolution and mediation.
9 *h.* Methods for termination of a county's participation in
10 the region.
11 *i.* Provisions for formation and assigned responsibilities
12 for one or more advisory committees consisting of individuals
13 who utilize services or actively involved relatives of such
14 individuals, service providers, governing board members, and
15 other interests identified in the agreement.
16 3. The administrative provisions of the agreement shall
17 include all of the following:
18 *a.* Responsibility of the governing board in appointing and
19 evaluating the performance of the chief executive officer of
20 the regional administrator.
21 *b.* A specific list of the functions and responsibilities of
22 the regional administrator's chief executive officer and other
23 administrative staff.
24 *c.* Specification of the functions to be carried out by each
25 party to the agreement and by any subcontractor of a party to
26 the agreement. A contract with a provider network shall be
27 separately addressed.
28 4. The financial provisions of the agreement shall include
29 all of the following:
30 *a.* Methods for pooling, management, and expenditure of the
31 funding under the control of the regional administrator. If
32 the agreement does not provide for pooling of the participating
33 county moneys in a single fund, the agreement shall specify how
34 the participating county moneys will be subject to the control
35 of the regional administrator.

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1 *b.* Methods for allocating administrative funding and
2 resources.
3 *c.* Contributions and uses of initial funding or related
4 contributions made by the counties participating in the
5 region for purposes of commencing operations by the regional
6 administrator.
7 *d.* Methods for acquiring or disposing of real property.
8 *e.* A process for determining the use of savings for
9 reinvestment.
10 *f.* A process for performance of an annual independent audit
11 of the regional administrator.
12 Sec. 21. NEW SECTION. **331.438F County of residence —**
13 **services to residents — service authorization appeals —**
14 **disputes between counties or regions and the department.**
15 1. For the purposes of this section, unless the context
16 otherwise requires:
17 *a.* *"County of residence"* means the county in this state in
18 which, at the time a person applies for or receives services,
19 the person is living in the county and has established an
20 ongoing presence with the declared, good faith intention of
21 living in the county for a permanent or indefinite period of
22 time. The county of residence of a person who is a homeless
23 person is the county where the homeless person usually sleeps.
24 *"County of residence"* does not mean the county where a person is
25 present for the purpose of receiving services in a hospital,
26 a correctional facility, a halfway house for community-based
27 corrections or substance-related treatment, a nursing facility,
28 an intermediate care facility for persons with an intellectual
29 disability, or a residential care facility, or for the purpose
30 of attending a college or university.
31 *b.* *"Homeless person"* means the same as defined in section
32 48A.2.
33 *c.* *"Person"* means a person who is a United States citizen or
34 a qualified alien as defined in 8 U.S.C. § 1641.
35 2. If a person appeals a service authorization or

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1 other services-related determination made by a regional
2 administrator, the appeal shall be heard in a contested
3 case proceeding by a state administrative law judge. The
4 administrative law judge's decision shall be considered a final
5 agency decision under chapter 17A.
6 3. If a county of residence is part of a mental health and
7 disability services region that has agreed to pool funding and
8 liability for services, the responsibilities of the county
9 under law regarding such services shall be performed on behalf
10 of the county by the regional administrator. The county of
11 residence or the county's mental health and disability services
12 region, as applicable, is responsible for paying the public
13 costs of the mental health and disability services that are
14 not covered by the medical assistance program under chapter
15 249A and are provided in accordance with the region's approved
16 service management plan to persons who are residents of the
17 county or region.
18 4. *a.* The dispute resolution process implemented in
19 accordance with this subsection applies to residency disputes.
20 The dispute resolution process is not applicable to disputes
21 involving persons committed to a state facility pursuant to
22 chapter 812 or rule of criminal procedure 2.22, Iowa court
23 rules, or to disputes involving service authorization decisions
24 made by a region.
25 *b.* If a county, region, or the department, as applicable,
26 receives a billing for services provided to a resident
27 in another county or region, or objects to a residency
28 determination certified by the department or another county's
29 or region's regional administrator and asserts either that the
30 person has residency in another county or region or the person
31 is not a resident of this state or the person's residency
32 is unknown so that the person is deemed a state case, the
33 person's residency status shall be determined as provided in
34 this section. The county or region shall notify the department
35 of the county's or region's assertion within one hundred

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1 twenty days of receiving the billing. If the county or region
2 asserts that the person has residency in another county or
3 region, that county or region shall be notified at the same
4 time as the department. If the department disputes a residency
5 determination certification made by a regional administrator,
6 the department shall notify the affected counties or regions
7 of the department's assertion.
8 *c.* The department, county, or region that received the
9 notification, as applicable, shall respond to the party that
10 provided the notification within forty-five days of receiving
11 the notification. If the parties cannot agree to a settlement
12 as to the person's residency status within ninety days of the
13 date of notification, on motion of any of the parties, the
14 matter shall be referred to the department of inspections and
15 appeals for a contested case hearing under chapter 17A before
16 an administrative law judge assigned in accordance with section
17 10A.801 to determine the person's residency status.
18 *d.* (1) The administrative law judge's determination
19 of the person's residency status is a final agency action,
20 notwithstanding contrary provisions of section 17A.15.
21 The party that does not prevail in the determination or
22 subsequent judicial review is liable for costs associated with
23 the proceeding, including reimbursement of the department
24 of inspections and appeals' actual costs associated with
25 the administrative proceeding. Judicial review of the
26 determination may be sought in accordance with section 17A.19.
27 (2) If following the determination of a person's residency
28 status in accordance with this section, additional evidence
29 becomes available that merits a change in that determination,
30 the parties affected may change the determination by mutual
31 agreement. Otherwise, a party may move that the matter be
32 reconsidered by the department, county, or region, or by the
33 administrative law judge.
34 *e.* (1) Unless a petition is filed for judicial review,
35 the administrative law judge's determination of the person's

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1 residency status shall result in one of the following:
2 (a) If a county or region is determined to be the person's
3 residence, the county or region shall pay the amounts due and
4 shall reimburse any other amounts paid for services provided by
5 the other county or region or the department on the person's
6 behalf prior to the determination.
7 (b) If it is determined that the person is not a resident
8 of this state or the person's residency is unknown so that the
9 person is deemed to be a state case, the department shall pay
10 the amounts due and shall reimburse the county or region, as
11 applicable, for any payment made on behalf of the person prior
12 to the determination.
13 (2) The payment or reimbursement shall be remitted within
14 forty-five days of the date the decision was issued. After
15 the forty-five-day period, a penalty of not greater than one
16 percent per month may be added to the amount due.
17 Sec. 22. CODE EDITOR. The Code editor shall codify the
18 provisions of this division of this Act enacting new sections
19 in chapter 331, as a new part of division IV, tentatively
20 numbered part 2A.
21 Sec. 23. APPLICABILITY. The provisions of this division
22 of this Act enacting new sections in chapter 331, except
23 as specifically provided by the provisions, are applicable
24 beginning July 1, 2013.
25 DIVISION V
26 SUBACUTE CARE FACILITIES FOR PERSONS WITH SERIOUS AND
27 PERSISTENT MENTAL ILLNESS
28 Sec. 24. NEW SECTION. **135P.1 Definitions.**
29 As used in this chapter, unless the context otherwise
30 requires:
31 1. *"Department"* means the department of inspections and
32 appeals.
33 2. *"Direction"* means authoritative policy or procedural
34 guidance for the accomplishment of a function or an activity.
35 3. *"Licensee"* means the holder of a license issued to

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1 operate a subacute care facility for persons with serious and
2 persistent mental illness.
3 4. *"Mental health professional"* means the same as defined
4 in section 228.1.
5 5. *"Physician"* means a person licensed under chapter 148.
6 6. *"Psychiatric services"* means services provided under
7 the direction of a physician which address mental, emotional,
8 medical, or behavioral problems.
9 7. *"Rehabilitative services"* means services to encourage and
10 assist restoration of a resident's optimum mental and physical
11 capabilities.
12 8. *"Resident"* means a person who is eighteen years of age
13 or older and has been admitted by a physician to a subacute
14 care facility for persons with serious and persistent mental
15 illness.
16 9. *"Treatment care plan"* means a plan of care and services
17 designed to eliminate the need for acute care by improving
18 the condition of a person with serious and persistent mental
19 illness. Services must be based upon a diagnostic evaluation,
20 which includes an examination of the medical, psychological,
21 social, behavioral, and developmental aspects of the person's
22 situation, reflecting the need for inpatient care.
23 10. *"Subacute care facility for persons with serious and*
24 *persistent mental illness"* or *"subacute care facility"* means an
25 institution, place, building, or agency with restricted means
26 of egress designed to provide accommodation, board, and the
27 services of a licensed psychiatrist for a period exceeding
28 twenty-four consecutive hours to three or more individuals who
29 primarily have serious and persistent mental illness, diagnosis
30 of a co-occurring disorder, and are not related to the owner
31 within the third degree of consanguinity.
32 11. *"Supervision"* means direct oversight and inspection of
33 the act of accomplishing a function or activity.
34 Sec. 25. NEW SECTION. **135P.2 Purpose.**
35 The purpose of this chapter is to provide for the

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1 development, establishment, and enforcement of basic standards
2 for the operation, construction, and maintenance of a
3 subacute care facility which will ensure the safe and adequate
4 diagnosis, evaluation, and treatment of the residents.
5 Sec. 26. NEW SECTION. **135P.3 Nature of care — seclusion**
6 **room — admissions.**
7 1. A subacute care facility shall utilize a team of
8 professionals to direct an organized program of diagnostic
9 services, psychiatric services, and rehabilitative services
10 to meet the needs of residents in accordance with a treatment
11 care plan developed for each resident under the supervision of
12 a licensed psychiatrist. The goal of a treatment care plan
13 is to transition residents to a less restrictive environment,
14 including a home-based community setting. Social and
15 rehabilitative services shall be provided under the direction
16 of a mental health professional.
17 2. The licensed psychiatrist providing supervision of
18 the subacute care facility shall evaluate the condition of
19 each resident no less than two times each month and shall be
20 available to residents of the facility on an on-call basis
21 at all other times. The subacute care facility may employ a
22 seclusion room meeting the conditions described in 42 C.F.R. §
23 483.364(b) with approval of the licensed psychiatrist of the
24 facility or by order of the resident's physician.
25 3. An admission to the subacute care facility is subject
26 to a physician's written order certifying that the individual
27 being admitted requires regular oversight by a licensed
28 psychiatrist and requires no greater degree of care than that
29 which the facility to which the admission is made is licensed
30 to provide and is capable of providing.
31 4. A subacute care facility does not constitute an
32 *"institution for mental diseases"* within the meaning of 42
33 U.S.C. § 1396d(i).
34 Sec. 27. NEW SECTION. **135P.4 Licensure.**
35 1. A person shall not establish, operate, or maintain a

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1 subacute care facility unless the person obtains a license for
2 the subacute care facility under this chapter.
3 2. An intermediate care facility for persons with mental
4 illness licensed under chapter 135C may convert to a subacute
5 care facility by providing written notice to the department
6 that the facility has employed a full-time psychiatrist and
7 desires to make the conversion.
8 Sec. 28. NEW SECTION. **135P.5 Application for license.**
9 An application for a license under this chapter shall be
10 submitted on a form requesting information required by the
11 department, which may include affirmative evidence of the
12 applicant's ability to comply with the rules for standards
13 adopted pursuant to this chapter. An application for a license
14 shall be accompanied by the required license fee which shall
15 be credited to the general fund of the state. The initial and
16 annual license fee is twenty-five dollars.
17 Sec. 29. NEW SECTION. **135P.6 Inspection — conditions for**
18 **issuance.**
19 The department shall issue a license to an applicant under
20 this chapter if the department has ascertained that the
21 applicant's facilities and staff are adequate to provide the
22 care and services required of a subacute care facility and if
23 the applicant has been awarded a certificate of need pursuant
24 to chapter 135.
25 Sec. 30. NEW SECTION. **135P.7 Denial, suspension, or**
26 **revocation of license.**
27 The department may deny an application or suspend or revoke
28 a license if the department finds that an applicant or licensee
29 has failed or is unable to comply with this chapter or the
30 rules establishing minimum standards pursuant to this chapter
31 or if any of the following conditions apply:
32 1. It is shown that a resident is a victim of cruelty or
33 neglect due to the acts or omissions of the licensee.
34 2. The licensee has permitted, aided, or abetted in the
35 commission of an illegal act in the subacute care facility.

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1 3. An applicant or licensee acted to obtain or to retain a
2 license by fraudulent means, misrepresentation, or submitting
3 false information.
4 4. The licensee has willfully failed or neglected to
5 maintain a continuing in-service education and training program
6 for persons employed by the subacute care facility.
7 5. The application involves a person who has failed to
8 operate a subacute care facility in compliance with the
9 provisions of this chapter.
10 Sec. 31. NEW SECTION. **135P.8 Provisional license.**
11 The department may issue a provisional license, effective
12 for not more than one year, to a licensee whose subacute care
13 facility does not meet the requirements of this chapter if,
14 prior to issuance of the license, the applicant submits written
15 plans to achieve compliance with the applicable requirements
16 and the plans are approved by the department. The plans shall
17 specify the deadline for achieving compliance.
18 Sec. 32. NEW SECTION. **135P.9 Notice and hearings.**
19 The procedure governing notice and hearing to deny an
20 application or suspend or revoke a license shall be in
21 accordance with rules adopted by the department pursuant to
22 chapter 17A. A full and complete record shall be kept of the
23 proceedings and of any testimony. The record need not be
24 transcribed unless judicial review is sought. A copy or copies
25 of a transcript may be obtained by an interested party upon
26 payment of the cost of preparing the transcript or copies.
27 Sec. 33. NEW SECTION. **135P.10 Rules.**
28 The department of inspections and appeals, in consultation
29 with the department of human services and affected professional
30 groups, shall adopt and enforce rules setting out the standards
31 for a subacute care facility and the rights of the residents
32 admitted to a subacute care facility. The department of
33 inspections and appeals and the department of human services
34 shall coordinate the adoption of rules and the enforcement of
35 the rules in order to prevent duplication of effort by the

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1 departments and of requirements of the licensee.
2 Sec. 34. NEW SECTION. **135P.11 Complaints alleging**
3 **violations — confidentiality.**
4 1. A person may request an inspection of a subacute care
5 facility by filing with the department a complaint of an
6 alleged violation of an applicable requirement of this chapter
7 or a rule adopted pursuant to this chapter. The complaint
8 shall state in a reasonably specific manner the basis of the
9 complaint. A statement of the nature of the complaint shall be
10 delivered to the subacute care facility involved at the time of
11 or prior to the inspection. The name of the person who files a
12 complaint with the department shall be kept confidential and
13 shall not be subject to discovery, subpoena, or other means
14 of legal compulsion for its release to a person other than
15 department employees involved in the investigation of the
16 complaint.
17 2. Upon receipt of a complaint made in accordance with
18 subsection 1, the department shall make a preliminary review
19 of the complaint. Unless the department concludes that the
20 complaint is intended to harass a subacute care facility or a
21 licensee or is without reasonable basis, it shall within twenty
22 working days of receipt of the complaint make or cause to be
23 made an on-site inspection of the subacute care facility which
24 is the subject of the complaint. The department of inspections
25 and appeals may refer to the department of human services
26 any complaint received by the department of inspections and
27 appeals if the complaint applies to rules adopted by the
28 department of human services. The complainant shall also
29 be notified of the name, address, and telephone number of
30 the designated protection and advocacy agency if the alleged
31 violation involves a facility with one or more residents with a
32 developmental disability or mental illness. In any case, the
33 complainant shall be promptly informed of the result of any
34 action taken by the department in the matter.
35 3. An inspection made pursuant to a complaint filed under

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1 subsection 1 need not be limited to the matter or matters
2 referred to in the complaint; however, the inspection shall
3 not be a general inspection unless the complaint inspection
4 coincides with a scheduled general inspection. Upon arrival
5 at the subacute care facility to be inspected, the inspector
6 shall show identification to the person in charge of the
7 subacute care facility and state that an inspection is to
8 be made, before beginning the inspection. Upon request of
9 either the complainant or the department, the complainant or
10 the complainant's representative or both may be allowed the
11 privilege of accompanying the inspector during any on-site
12 inspection made pursuant to this section. The inspector may
13 cancel the privilege at any time if the inspector determines
14 that the privacy of a resident of the subacute care facility to
15 be inspected would be violated. The dignity of the resident
16 shall be given first priority by the inspector and others.
17 Sec. 35. NEW SECTION. **135P.12 Information confidential.**
18 1. The department's final findings regarding licensure
19 shall be made available to the public in a readily available
20 form and place. Other information relating to the subacute
21 care facility is confidential and shall not be made available
22 to the public except in proceedings involving licensure, a
23 civil suit involving a resident, or an administrative action
24 involving a resident.
25 2. The name of a person who files a complaint with the
26 department shall remain confidential and is not subject to
27 discovery, subpoena, or any other means of legal compulsion for
28 release to a person other than an employee of the department or
29 an agent involved in the investigation of the complaint.
30 3. Information regarding a resident who has received or is
31 receiving care shall not be disclosed directly or indirectly
32 except as authorized under section 217.30.
33 Sec. 36. NEW SECTION. **135P.13 Judicial review.**
34 Judicial review of the action of the department may be sought
35 pursuant to the Iowa administrative procedure Act, chapter 17A.

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1 Notwithstanding chapter 17A, a petition for judicial review of
2 the department's actions under this chapter may be filed in the
3 district court of the county in which the related subacute care
4 facility is located or is proposed to be located. The status
5 of the petitioner or the licensee shall be preserved pending
6 final disposition of the judicial review.
7 Sec. 37. NEW SECTION. **135P.14 Penalty.**
8 A person who establishes, operates, or manages a subacute
9 care facility without obtaining a license under this chapter
10 commits a serious misdemeanor. Each day of continuing
11 violation following conviction shall be considered a separate
12 offense.
13 Sec. 38. NEW SECTION. **135P.15 Injunction.**
14 Notwithstanding the existence or pursuit of another remedy,
15 the department may maintain an action for injunction or other
16 process to restrain or prevent the establishment, operation, or
17 management of a subacute care facility without a license.
18 Sec. 39. Section 249A.26, subsection 2, Code 2011, is
19 amended by adding the following new paragraph:
20 NEW PARAGRAPH. *d.* Notwithstanding any provision of
21 this chapter to the contrary, for services provided to
22 eligible persons in a subacute care facility for persons
23 with serious and persistent mental illness licensed under
24 chapter 135P, the daily rate shall be equal to the sum of
25 the direct care Medicare-certified hospital-based nursing
26 facility patient-day-weighted median and the nondirect
27 care Medicare-certified hospital-based nursing facility
28 patient-day-weighted median.
29 Sec. 40. IMPLEMENTATION OF ACT. Section 25B.2, subsection
30 3, shall not apply to this division of this Act.
31 DIVISION VI
32 CONFORMING AMENDMENTS — CENTRAL POINT OF COORDINATION,
33 LEGAL SETTLEMENT, COUNTY MENTAL HEALTH, MENTAL RETARDATION,
34 AND DEVELOPMENTAL DISABILITIES SERVICES FUNDS, AND DISPUTE
35 RESOLUTION PROCESSES

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1 Sec. 41. Section 123.38, subsection 2, Code 2011, is amended
2 to read as follows:
3 2. Any licensee or permittee, or the licensee's or
4 permittee's executor or administrator, or any person duly
5 appointed by the court to take charge of and administer the
6 property or assets of the licensee or permittee for the benefit
7 of the licensee's or permittee's creditors, may voluntarily
8 surrender a license or permit to the division. When a license
9 or permit is surrendered the division shall notify the local
10 authority, and the division or the local authority shall
11 refund to the person surrendering the license or permit, a
12 proportionate amount of the fee received by the division or
13 the local authority for the license or permit as follows: if
14 a license or permit is surrendered during the first three
15 months of the period for which it was issued, the refund shall
16 be three-fourths of the amount of the fee; if surrendered
17 more than three months but not more than six months after
18 issuance, the refund shall be one-half of the amount of the
19 fee; if surrendered more than six months but not more than
20 nine months after issuance, the refund shall be one-fourth of
21 the amount of the fee. No refund shall be made, however, for
22 any special liquor permit, nor for a liquor control license,
23 wine permit, or beer permit surrendered more than nine months
24 after issuance. For purposes of this subsection, any portion
25 of license or permit fees used for the purposes authorized in
26 section 331.424, subsection 1, paragraph "a", subparagraphs
27 (1) and (2), and in ~~section 331.424A~~ chapter 331, division IV,
28 part 2A, shall not be deemed received either by the division or
29 by a local authority. No refund shall be made to any licensee
30 or permittee, upon the surrender of the license or permit, if
31 there is at the time of surrender, a complaint filed with the
32 division or local authority, charging the licensee or permittee
33 with a violation of this chapter. If upon a hearing on a
34 complaint the license or permit is not revoked or suspended,
35 then the licensee or permittee is eligible, upon surrender of

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the license or permit, to receive a refund as provided in this section; but if the license or permit is revoked or suspended upon hearing the licensee or permittee is not eligible for the refund of any portion of the license or permit fee.

Sec. 42. Section 218.99, Code 2011, is amended to read as follows:

218.99 Counties to be notified of patients' personal accounts.

The administrator in control of a state institution shall direct the business manager of each institution under the administrator's jurisdiction which is mentioned in section 331.424, subsection 1, paragraph *"a"*, subparagraphs (1) and (2), and for which services are paid under ~~section 331.424A~~ chapter 331, division IV, part 2A, to quarterly inform the regional administrator of the county of ~~legal settlement's entity designated to perform the county's central point of coordination process~~ residence of any patient or resident who has an amount in excess of two hundred dollars on account in the patients' personal deposit fund and the amount on deposit. The administrators shall direct the business manager to further notify the ~~entity designated to perform the county's central point of coordination process~~ regional administrator of the county of residence at least fifteen days before the release of funds in excess of two hundred dollars or upon the death of the patient or resident. ~~If the patient or resident has no county of legal settlement, notice shall be made to the director of human services and the administrator in control of the institution involved.~~

Sec. 43. Section 222.2, subsection 3, Code 2011, is amended by striking the subsection.

Sec. 44. Section 222.2, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. *"Regional administrator"* means the same as defined in section 331.438A.

Sec. 45. Section 222.10, Code 2011, is amended to read as

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1 follows:
2 **222.10 Duty of peace officer.**
3 When any person with mental retardation departs without
4 proper authority from an institution in another state and
5 is found in this state, any peace officer in any county in
6 which such patient is found may take and detain the patient
7 without warrant or order and shall report such detention to the
8 administrator. The administrator shall provide for the return
9 of the patient to the authorities in the state from which the
10 unauthorized departure was made. Pending return, such patient
11 may be detained temporarily at one of the institutions of this
12 state governed by the administrator or by the administrator of
13 the division of child and family services of the department
14 of human services. The provisions of this section relating
15 to the administrator shall also apply to the return of other
16 nonresident persons with mental retardation having legal
17 ~~settlement~~ residency outside the state of Iowa.
18 Sec. 46. Section 222.13, Code 2011, is amended to read as
19 follows:
20 **222.13 Voluntary admissions.**
21 1. If an adult person is believed to be a person with mental
22 retardation, the adult person or the adult person's guardian
23 may ~~submit a~~ request ~~through the central point of coordination~~
24 ~~process for~~ the ~~county board of supervisors~~ regional
25 administrator of the adult person's county of residence in
26 writing to apply to the superintendent of any state resource
27 center for the voluntary admission of the adult person either
28 as an inpatient or an outpatient of the resource center.
29 ~~After determining the legal settlement of the adult person as~~
30 ~~provided by this chapter, the board of supervisors~~ The regional
31 administrator, on behalf of the board of supervisors shall, on
32 forms prescribed by the department's administrator, apply to
33 the superintendent of the resource center in the district for
34 the admission of the adult person to the resource center. An
35 application for admission to a special unit of any adult person

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1 believed to be in need of any of the services provided by the
2 special unit under section 222.88 may be made in the same
3 manner, upon request of the adult person or the adult person's
4 guardian. The superintendent shall accept the application
5 ~~providing~~ if a preadmission diagnostic evaluation, performed
6 ~~through the central point of coordination process~~ through the
7 regional administrator, confirms or establishes the need for
8 admission, except that an application ~~may~~ shall not be accepted
9 if the institution does not have adequate facilities available
10 or if the acceptance will result in an overcrowded condition.
11 2. If the resource center ~~has no~~ does not have an
12 appropriate program for the treatment of an adult or minor
13 person with mental retardation applying under this section
14 or section 222.13A, the ~~board of supervisors~~ regional
15 administrator on behalf of the board of supervisors shall
16 arrange for the placement of the person in any public or
17 private facility within or without the state, approved by the
18 director ~~of the department~~ of human services, which offers
19 appropriate services for the person, as determined ~~through~~
20 ~~the central point of coordination process~~ by the regional
21 administrator.
22 3. Upon applying for admission of an adult or minor person
23 to a resource center, or a special unit, or upon arranging for
24 the placement of the person in a public or private facility,
25 if the county would be liable to pay the expenses in full
26 or in part, the regional administrator, on behalf of the
27 board of supervisors shall make a full investigation into
28 the financial circumstances of that person and those liable
29 for that person's support under section 222.78 to determine
30 whether or not any of them are able to pay the expenses arising
31 out of the admission of the person to a resource center,
32 special treatment unit, or public or private facility. If
33 the ~~board~~ regional administrator finds that the person or
34 those legally responsible for the person are presently unable
35 to pay the expenses, the ~~board~~ regional administrator shall

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1 direct that the expenses be paid by the county. The ~~board~~
2 regional administrator may review its finding at any subsequent
3 time while the person remains at the resource center, or
4 is otherwise receiving care or treatment for which this
5 chapter obligates the county to pay. If the ~~board~~ regional
6 administrator finds upon review that the person or those
7 legally responsible for the person are presently able to pay
8 the expenses, the finding shall apply only to the charges
9 incurred during the period beginning on the date of the
10 review and continuing thereafter, unless and until the ~~board~~
11 regional administrator again changes its finding. If the ~~board~~
12 regional administrator finds that the person or those legally
13 responsible for the person are able to pay the expenses, the
14 ~~board~~ regional administrator shall direct that the charges
15 be so paid to the extent required by section 222.78, and the
16 county auditor shall be responsible for the collection of the
17 charges.
18 Sec. 47. Section 222.13A, subsections 1, 2, and 4, Code
19 2011, are amended to read as follows:
20 1. If a minor is believed to be a person with mental
21 retardation, the minor's parent, guardian, or custodian
22 may request the county board of supervisors in writing to
23 apply for admission of the minor as a voluntary patient in
24 a state resource center. If the resource center does not
25 have appropriate services for the minor's treatment, the
26 board of supervisors may arrange for the admission of the
27 minor in a public or private facility within or without the
28 state, approved by the director of human services, which
29 offers appropriate services for the minor's treatment. If
30 half or more of the nonfederal share of the costs of services
31 provided to a minor in accordance with this section is the
32 responsibility of the state, the costs of the preadmission
33 diagnostic evaluation, court appointed attorney, and court
34 costs, relating to the services shall be paid by the state.
35 If more than half of the nonfederal share of the costs of

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1 such services is the responsibility of the minor's county of
2 residence, the costs of the preadmission diagnostic evaluation,
3 court appointed attorney, and court costs, relating to the
4 services shall be paid by the county of residence.
5 2. Upon receipt of an application for voluntary admission
6 of a minor, the board of supervisors shall provide for a
7 preadmission diagnostic evaluation of the minor to confirm
8 or establish the need for the admission. The preadmission
9 diagnostic evaluation shall be performed by a person who
10 meets the qualifications of a qualified mental retardation
11 professional who is designated through the ~~central point of~~
12 ~~coordination process~~ regional administrator. Any portion of
13 the cost of the evaluation not paid by the minor or those
14 liable for the minor's support under section 222.78 is the
15 responsibility of the state.
16 4. As soon as practicable after the filing of a petition for
17 approval of the voluntary admission, the court shall determine
18 whether the minor has an attorney to represent the minor in the
19 proceeding. If the minor does not have an attorney, the court
20 shall assign to the minor an attorney. If the minor is unable
21 to pay for an attorney, the attorney shall be compensated by
22 the county or state, as applicable, at an hourly rate to be
23 established ~~by the county board of supervisors~~ in substantially
24 the same manner as provided in section 815.7.
25 Sec. 48. Section 222.22, Code 2011, is amended to read as
26 follows:
27 **222.22 Time of appearance.**
28 The time of appearance shall not be less than five days
29 after completed service unless the court orders otherwise.
30 Appearance on behalf of the person who is alleged to have
31 mental retardation may be made by any citizen of the county
32 or by any relative. The district court shall assign counsel
33 for the person who is alleged to have mental retardation.
34 Counsel shall prior to proceedings personally consult with the
35 person who is alleged to have mental retardation unless the

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1 judge appointing counsel certifies that in the judge's opinion,
2 consultation shall serve no useful purpose. The certification
3 shall be made a part of the record. An attorney assigned by
4 the court shall be compensated by the ~~county~~ state at an hourly
5 rate to be established ~~by the county board of supervisors~~ in
6 substantially the same manner as provided in section 815.7.
7 Sec. 49. Section 222.28, Code 2011, is amended to read as
8 follows:
9 **222.28 Commission to examine.**
10 The court may, at or prior to the final hearing, appoint
11 a commission of one qualified physician and one qualified
12 psychologist, designated through the ~~central point of~~
13 ~~coordination process,~~ regional administrator who shall make
14 a personal examination of the person alleged to be mentally
15 retarded for the purpose of determining the mental condition
16 of the person.
17 Sec. 50. Section 222.31, subsection 1, paragraph b, Code
18 2011, is amended to read as follows:
19 *b.* (1) Commit the person to the state resource center
20 designated by the administrator to serve the county in which
21 the hearing is being held, or to a special unit. The court
22 shall, prior to issuing an order of commitment, request
23 that a diagnostic evaluation of the person be made by ~~the~~
24 ~~superintendent of the resource center or the special unit, or~~
25 ~~the superintendent's qualified designee~~ a person qualified
26 to perform the diagnostic evaluation. ~~The evaluation shall~~
27 ~~be conducted at a place as the superintendent may direct.~~
28 ~~The cost of the evaluation shall be defrayed by the county~~
29 ~~of legal settlement unless otherwise ordered by the court.~~
30 The cost of the evaluation to be charged may be equal to but
31 shall not exceed the actual cost of the evaluation. ~~Persons~~
32 ~~referred by a court to a resource center or the special unit~~
33 ~~for diagnostic evaluation shall be considered as outpatients of~~
34 ~~the institution. No order of commitment shall be issued unless~~
35 ~~the superintendent of the institution recommends that the order~~

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1 ~~be issued, and advises the court that adequate facilities for~~
2 ~~the care of the person are available.~~
3 (2) The court shall examine the report of the county
4 attorney filed pursuant to section 222.13, and if the report
5 shows that neither the person nor those liable for the person's
6 support under section 222.78 are presently able to pay the
7 charges rising out of the person's care in a resource center,
8 or special treatment unit, shall enter an order stating that
9 finding and directing that the charges be paid by the person's
10 county of residence or the state, as determined in accordance
11 with section 222.60. The court ~~may~~, upon request of the ~~board~~
12 ~~of supervisors~~ payer of the charges, may review its finding at
13 any subsequent time while the person remains at the resource
14 center, or is otherwise receiving care or treatment for which
15 this chapter obligates the ~~county~~ payer to pay. If the court
16 finds upon review that the person or those legally responsible
17 for the person are presently able to pay the expenses, that
18 finding shall apply only to the charges incurred during the
19 period beginning on the date of the ~~board's~~ payer's request
20 for the review and continuing ~~thereafter~~ after that date,
21 unless and until the court again changes its finding. If the
22 court finds that the person, or those liable for the person's
23 support, are able to pay the charges, the court shall enter
24 an order directing that the charges be so paid to the extent
25 required by section 222.78.
26 Sec. 51. Section 222.49, Code 2011, is amended to read as
27 follows:
28 **222.49 Costs paid.**
29 The costs of proceedings shall be ~~defrayed from the county~~
30 ~~treasury~~ paid by the county or the state, as determined in
31 accordance with section 222.60, unless otherwise ordered by
32 the court. When the person alleged to be mentally retarded
33 is found not to be mentally retarded, the court shall render
34 judgment for such costs against the person filing the petition
35 except when the petition is filed by order of court.

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1 Sec. 52. Section 222.50, Code 2011, is amended to read as
2 follows:
3 **222.50 County of ~~legal settlement~~ residence or state to pay.**
4 When the proceedings are instituted in a county in which
5 the person who is alleged to have mental retardation was found
6 but which is not the county of ~~legal settlement~~ residence of
7 the person, and the costs are not taxed to the petitioner, the
8 person's county ~~which is the legal settlement of the person~~
9 of residence or the state, as determined in accordance with
10 section 222.60, shall, on presentation of a properly itemized
11 bill for such costs, repay the costs to the former county.
12 ~~When the person's legal settlement is outside the state or is~~
13 ~~unknown, the costs shall be paid out of money in the state~~
14 ~~treasury not otherwise appropriated, itemized on vouchers~~
15 ~~executed by the auditor of the county which paid the costs, and~~
16 ~~approved by the administrator.~~
17 Sec. 53. Section 222.59, subsection 1, unnumbered paragraph
18 1, Code 2011, is amended to read as follows:
19 Upon receiving a request from an authorized requester, the
20 superintendent of a state resource center shall coordinate
21 with the ~~central point of coordination process~~ regional
22 administrator in assisting the requester in identifying
23 available community-based services as an alternative to
24 continued placement of a patient in the state resource center.
25 For the purposes of this section, *"authorized requester"* means
26 the parent, guardian, or custodian of a minor patient, the
27 guardian of an adult patient, or an adult patient who does not
28 have a guardian. The assistance shall identify alternatives
29 to continued placement which are appropriate to the patient's
30 needs and shall include but are not limited to any of the
31 following:
32 Sec. 54. Section 222.60, subsection 1, Code 2011, is amended
33 to read as follows:
34 1. All necessary and legal expenses for the cost of
35 admission or commitment or for the treatment, training,

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1 instruction, care, habilitation, support and transportation of
2 persons with mental retardation, as provided for in the ~~county~~
3 regional mental health and disability services management plan
4 provisions implemented pursuant to ~~section 331.439, subsection~~
5 ~~1~~ chapter 331, in a state resource center, or in a special
6 unit, or any public or private facility within or without the
7 state, approved by the director ~~of the department~~ of human
8 services, shall be paid by either:
9 *a.* The person's county ~~in which such person has legal~~
10 ~~settlement as defined in section 252.16~~ of residence unless the
11 expenses are covered by the medical assistance program under
12 chapter 249A.
13 *b.* The state when ~~such~~ the person ~~has no legal settlement~~
14 ~~or when such settlement is unknown~~ is a resident in another
15 state or in a foreign country, the residence is unknown, or the
16 expenses are covered by the medical assistance program under
17 chapter 249A. The payment responsibility shall be deemed to be
18 a state case.
19 Sec. 55. Section 222.60, subsection 2, Code 2011, is amended
20 to read as follows:
21 2. *a.* Prior to a county of ~~legal settlement~~ residence
22 approving the payment of expenses for a person under this
23 section, the county may require that the person be diagnosed
24 to determine if the person has mental retardation or that
25 the person be evaluated to determine the appropriate level
26 of services required to meet the person's needs relating to
27 mental retardation. The diagnosis and the evaluation may be
28 performed concurrently and shall be performed by an individual
29 or individuals approved by the county who are qualified
30 to perform the diagnosis or the evaluation. Following the
31 initial approval for payment of expenses, the county ~~of legal~~
32 ~~settlement~~ may require that an evaluation be performed at
33 reasonable time periods.
34 *b.* The cost of a county-required diagnosis and an evaluation
35 is at the county's expense. In the case of a ~~person without~~

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1 ~~legal settlement or whose legal settlement is unknown~~ service
2 covered under the medical assistance program, the state
3 may apply the diagnosis and evaluation provisions of this
4 subsection at the state's expense.
5 *c.* A diagnosis or an evaluation under this section may be
6 part of a ~~county's central point of coordination process under~~
7 ~~section 331.440,~~ regional service management plan provided that
8 a diagnosis is performed only by an individual qualified as
9 provided in this section.
10 Sec. 56. Section 222.61, Code 2011, is amended to read as
11 follows:
12 **222.61 ~~Legal settlement~~ Residency determined.**
13 When a county receives an application on behalf of any
14 person for admission to a resource center or a special unit
15 or when a court issues an order committing any person to a
16 resource center or a special unit, the board of supervisors
17 shall ~~utilize~~ refer the determination of residency to the
18 ~~central point of coordination process~~ regional administrator to
19 determine and certify that the ~~legal settlement~~ residence of
20 the person is in one of the following:
21 1. In the county in which the application is received or in
22 which the court is located.
23 2. In some other county of the state.
24 3. In another state or in a foreign country.
25 4. Unknown.
26 Sec. 57. Section 222.62, Code 2011, is amended to read as
27 follows:
28 **222.62 ~~Settlement~~ Residency in another county.**
29 When the ~~board of supervisors determines through the central~~
30 ~~point of coordination process~~ regional administrator determines
31 that the ~~legal settlement~~ residency of the person is other
32 than in the county in which the application is received, the
33 determination shall be certified to the superintendent of the
34 resource center or the special unit where the person is a
35 patient. The certification shall be accompanied by a copy of

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the evidence supporting the determination. The superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of the patient, to the county certified to be the county of ~~legal settlement~~ residency.

Sec. 58. Section 222.63, Code 2011, is amended to read as follows:

222.63 Finding of ~~settlement~~ residency — objection.

A ~~board of supervisors'~~ certification ~~utilizing~~ of the ~~central point of coordination process~~ county's regional administrator that a person's ~~legal settlement~~ residency is in another county shall be sent ~~by the board of supervisors~~ to the auditor of the county of ~~legal settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The auditor of the county of ~~legal settlement~~ residence shall submit the certification to the ~~board of supervisors~~ regional administrator of the auditor's county and it shall be conclusively presumed that the patient has ~~a legal settlement~~ residency in that county unless that county disputes the determination of ~~legal settlement~~ residency as provided in section ~~225C.8~~ 331.438F.

Sec. 59. Section 222.64, Code 2011, is amended to read as follows:

222.64 Foreign state or country or unknown ~~legal settlement~~ residency.

If the ~~legal settlement~~ residency of the person is determined by ~~the board of supervisors through the central point of coordination process~~ a county or the state to be in a foreign state or country or is determined to be unknown, the ~~board of supervisors~~ county or the state shall certify the determination to the administrator. The certification shall be accompanied by a copy of the evidence supporting the determination. The care of the person shall be as arranged by the ~~board of supervisors~~ county or the state or by an order as the court may enter. Application for admission or order of commitment may be made pending investigation by the

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1 administrator.
2 Sec. 60. Section 222.65, Code 2011, is amended to read as
3 follows:
4 **222.65 Investigation.**
5 If an application is made for placement of a person in
6 a state resource center or special unit, the department's
7 administrator shall immediately investigate the ~~legal~~
8 ~~settlement~~ residency of the person and proceed as follows:
9 1. If the administrator concurs with a certified
10 determination as to ~~legal settlement~~ residency of the person
11 so that the person is deemed a state case under section
12 222.60, the administrator shall cause the person either to be
13 transferred to a resource center or a special unit or to be
14 transferred to the place of foreign ~~settlement~~ residency.
15 2. If the administrator disputes a certified determination
16 of ~~legal settlement~~ residency, the administrator shall order
17 the person transferred to a state resource center or a special
18 unit until the dispute is resolved.
19 3. If the administrator disputes a certified determination
20 of ~~legal settlement~~ residency, the administrator shall utilize
21 the procedure provided in section ~~225C.8~~ 331.438F to resolve
22 the dispute. A determination of the person's ~~legal settlement~~
23 residency status made pursuant to section ~~225C.8~~ 331.438F is
24 conclusive.
25 Sec. 61. Section 222.66, Code 2011, is amended to read as
26 follows:
27 **222.66 Transfers — state cases — expenses.**
28 1. The transfer to a resource center or a special unit or
29 to the place of ~~legal settlement~~ residency of a person with
30 mental retardation who has no ~~legal settlement~~ residence in
31 this state or whose ~~legal settlement~~ residency is unknown,
32 shall be made in accordance with such directions as shall
33 be prescribed by the administrator and when practicable by
34 employees of the state resource center or the special unit.
35 The actual and necessary expenses of such transfers shall be

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paid by the department on itemized vouchers sworn to by the claimants and approved by the administrator and the approved amount is appropriated to the department from any funds in the state treasury not otherwise appropriated.

2. The case of a person with mental retardation who is determined to have no residence in this state or whose residence is unknown shall be considered a state case.

Sec. 62. Section 222.67, Code 2011, is amended to read as follows:

222.67 Charge on finding of ~~settlement~~ residency.

If a person has been received into a resource center or a special unit as a patient whose ~~legal settlement is supposedly outside the state or~~ residency is unknown and the administrator determines that the ~~legal settlement~~ residency of the patient was at the time of admission or commitment in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the patient to the county of ~~legal settlement~~ residence. The certification shall be sent to the county of ~~legal settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. If the person's ~~legal settlement~~ residency status has been determined in accordance with section ~~225C.8~~ 331.438F, the legal costs and expenses shall be charged to the county or as a state case in accordance with that determination. The costs and expenses shall be collected as provided by law in other cases.

Sec. 63. Section 222.68, Code 2011, is amended to read as follows:

222.68 Costs paid in first instance.

All necessary and legal expenses for the cost of admission or commitment of a person to a resource center or a special unit when the person's ~~legal settlement~~ residency is found to be in another county of this state shall in the first instance be paid by the county from which the person was admitted or

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1 committed. The county of ~~legal settlement~~ residence shall
2 reimburse the county which pays for all such expenses. ~~Where~~
3 ~~any~~ If a county fails to make such reimbursement within
4 forty-five days following submission of a properly itemized
5 bill to the county of ~~legal settlement~~ residence, a penalty of
6 not greater than one percent per month on and after forty-five
7 days from submission of the bill may be added to the amount
8 due.
9 Sec. 64. Section 222.69, Code 2011, is amended to read as
10 follows:
11 **222.69 Payment by state.**
12 ~~All~~ The amount necessary to pay the necessary and legal
13 expenses ~~for the cost~~ of admission or commitment of a person
14 to a resource center or a special unit when the person's ~~legal~~
15 ~~settlement~~ residence is outside this state or is unknown ~~shall~~
16 ~~be paid out of~~ is appropriated to the department from any
17 money in the state treasury not otherwise appropriated. Such
18 payments shall be made by the department on itemized vouchers
19 executed by the auditor of the county from which the expenses
20 have been paid and approved by the administrator.
21 Sec. 65. Section 222.70, Code 2011, is amended to read as
22 follows:
23 **222.70 ~~Legal settlement~~ Residency disputes.**
24 If a dispute arises between counties or between the
25 department and a county as to the ~~legal settlement~~ residency
26 of a person admitted or committed to a resource center, a
27 special unit, or a community-based service, the dispute shall
28 be resolved as provided in section ~~225C.8~~ 331.438F.
29 Sec. 66. Section 222.77, Code 2011, is amended to read as
30 follows:
31 **222.77 Patients on leave.**
32 The cost of support of patients placed on convalescent leave
33 or removed as a habilitation measure from a resource center,
34 or a special unit, except when living in the home of a person
35 legally bound for the support of the patient, shall be paid

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1 by the county of ~~legal settlement~~ residence or the state as
2 provided in section 222.60. ~~If the patient has no county of~~
3 ~~legal settlement, the cost shall be paid from the support fund~~
4 ~~of the resource center or special unit and charged on abstract~~
5 ~~in the same manner as other state inpatients until the patient~~
6 ~~becomes self-supporting or qualifies for support under other~~
7 ~~statutes.~~
8 Sec. 67. Section 222.78, Code 2011, is amended to read as
9 follows:
10 **222.78 Parents and others liable for support.**
11 1. The father and mother of any patient admitted or
12 committed to a resource center or to a special unit, as
13 either an inpatient or an outpatient, and any person, firm, or
14 corporation bound by contract made for support of the patient
15 are liable for the support of the patient. The patient and
16 those legally bound for the support of the patient shall be
17 liable to the county or state, as applicable, for all sums
18 advanced ~~by the county to the state under~~ in accordance with
19 the provisions of sections 222.60 and 222.77.
20 2. The liability of any person, other than the patient,
21 who is legally bound for the support of a patient who is under
22 eighteen years of age in a resource center or a special unit
23 shall not exceed the average minimum cost of the care of a
24 normally intelligent minor without a disability of the same
25 age and sex as the minor patient. The administrator shall
26 establish the scale for this purpose but the scale shall not
27 exceed the standards for personal allowances established by
28 the state division under the family investment program. The
29 father or mother shall incur liability only during any period
30 when the father or mother either individually or jointly
31 receive a net income from whatever source, commensurate with
32 that upon which they would be liable to make an income tax
33 payment to this state. The father or mother of a patient shall
34 not be liable for the support of the patient upon the patient
35 attaining eighteen years of age. Nothing in this section

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shall be construed to prevent a relative or other person from voluntarily paying the full actual cost as established by the administrator for caring for the patient with mental retardation.

Sec. 68. Section 222.79, Code 2011, is amended to read as follows:

222.79 Certification statement presumed correct.

In actions to enforce the liability imposed by section 222.78, ~~the certification statement sent from~~ the superintendent ~~to the county auditor pursuant to section 222.74~~ or the county of residence, as applicable, shall submit a certification statement stating the sums charged ~~in such cases~~ and the certification statement shall be considered presumptively correct.

Sec. 69. Section 222.80, Code 2011, is amended to read as follows:

222.80 Liability to county or state.

A person admitted or committed to a county institution or home or admitted or committed at county or state expense to a private hospital, sanitarium, or other facility for treatment, training, instruction, care, habilitation, and support as a patient with mental retardation shall be liable to the county or state, as applicable, for the reasonable cost of the support as provided in section 222.78.

Sec. 70. Section 222.82, Code 2011, is amended to read as follows:

222.82 Collection of liabilities and claims.

~~The~~ If liabilities and claims exist as provided in section 222.78 or other provision of this chapter, the county of residence or the state, as applicable, may proceed as provided in this section. If the liabilities and claims are owed to a county of residence, the county's board of supervisors ~~of each county~~ may direct the county attorney to proceed with the collection of ~~said~~ the liabilities and claims as a part of the duties of the county attorney's office when the board of

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1 supervisors deems such action advisable. If the liabilities
2 and claims are owed to the state, the state shall proceed
3 with the collection. The board of supervisors or the state,
4 as applicable, may ~~and is hereby empowered to~~ compromise any
5 and all liabilities to the county or state arising under this
6 chapter when such compromise is deemed to be in the best
7 interests of the county or state. Any collections and liens
8 shall be limited in conformance to section 614.1, subsection 4.
9 Sec. 71. Section 222.86, Code 2011, is amended to read as
10 follows:
11 **222.86 Payment for care from fund.**
12 If a patient is not receiving medical assistance under
13 chapter 249A and the amount in the account of any patient
14 in the patients' personal deposit fund exceeds two hundred
15 dollars, the business manager of the resource center or special
16 unit may apply any amount of the excess to reimburse the
17 county of ~~legal settlement or the state in a case where no~~
18 ~~legal settlement exists~~ residence for liability incurred by
19 the county or the state for the payment of care, support, and
20 maintenance of the patient, when billed by the county ~~of legal~~
21 ~~settlement or by the administrator for a patient having no~~
22 ~~legal settlement~~ or state, as applicable.
23 Sec. 72. Section 222.92, subsection 3, paragraph a, Code
24 2011, is amended to read as follows:
25 *a.* Moneys received by the state from billings to counties
26 ~~under section 222.73~~.
27 Sec. 73. Section 225.11, Code 2011, is amended to read as
28 follows:
29 **225.11 Initiating commitment procedures.**
30 When a court finds upon completion of a hearing held pursuant
31 to section 229.12 that the contention that a respondent is
32 seriously mentally impaired has been sustained by clear and
33 convincing evidence, and the application filed under section
34 229.6 also contends or the court otherwise concludes that it
35 would be appropriate to refer the respondent to the state

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psychiatric hospital for a complete psychiatric evaluation and appropriate treatment pursuant to section 229.13, the judge may order that a financial investigation be made in the manner prescribed by section 225.13. If the costs of a respondent's evaluation or treatment are payable in whole or in part by a county, an order under this section shall be for referral of the respondent through the ~~central point of coordination process~~ regional administrator for an evaluation and referral of the respondent to an appropriate placement or service, which may include the state psychiatric hospital for additional evaluation or treatment. For purposes of this chapter, ~~"*central point of coordination process*"~~ "*regional administrator*" means the same as defined in section ~~331.440~~ 331.438A.

Sec. 74. Section 225.15, Code 2011, is amended to read as follows:

225.15 Examination and treatment.

1. When a respondent arrives at the state psychiatric hospital, the admitting physician shall examine the respondent and determine whether or not, in the physician's judgment, the respondent is a fit subject for observation, treatment, and hospital care. If, upon examination, the physician decides that the respondent should be admitted to the hospital, the respondent shall be provided a proper bed in the hospital; and the physician who has charge of the respondent shall proceed with observation, medical treatment, and hospital care as in the physician's judgment are proper and necessary, in compliance with sections 229.13 to 229.16.

2. A proper and competent nurse shall also be assigned to look after and care for the respondent during observation, treatment, and care. Observation, treatment, and hospital care under this section which are payable in whole or in part by a county shall only be provided as determined through the ~~central point of coordination process~~ county's regional administrator.

Sec. 75. Section 225.17, subsection 2, Code 2011, is amended to read as follows:

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2. When the respondent arrives at the hospital, the respondent shall receive the same treatment as is provided for committed public patients in section 225.15, in compliance with sections 229.13 to 229.16. However, observation, treatment, and hospital care under this section of a respondent whose expenses are payable in whole or in part by a county shall only be provided as determined through the ~~central point of coordination process~~ county's regional administrator.

Sec. 76. Section 225.23, Code 2011, is amended to read as follows:

225.23 Collection for treatment.

If the bills for a committed or voluntary private patient are paid by the state, the state psychiatric hospital shall file a certified copy of the claim for the bills with the ~~auditor of the patient's county of residence~~ department of administrative services. The ~~county of residence~~ department shall proceed to collect the claim in the name of the state psychiatric hospital ~~and, when collected, pay the amount collected to the director of the department of administrative services~~. ~~The hospital shall also, at the same time, forward a duplicate of the claim to the director of the department of administrative services.~~

Sec. 77. Section 225C.2, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 78. Section 225C.2, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 9. *"Regional administrator"* means the same as defined in section 331.438A.

Sec. 79. Section 225C.4, subsection 1, paragraph h, Code 2011, is amended by striking the paragraph.

Sec. 80. Section 225C.5, subsection 1, paragraph f, Code Supplement 2011, is amended to read as follows:

f. Two members shall be ~~administrators of the central point of coordination process established in accordance with section 331.440~~ regional administrator staff selected from nominees submitted by the community services affiliate of the Iowa state

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1 association of counties.
2 Sec. 81. Section 225C.6, subsection 1, paragraph b, Code
3 Supplement 2011, is amended to read as follows:
4 *b.* Adopt necessary rules pursuant to chapter 17A which
5 relate to disability programs, core disability services, and
6 other services, including but not limited to definitions of
7 each disability included within the term *"disability services"*
8 as necessary for purposes of state, county, and regional
9 planning, programs, and services.
10 Sec. 82. Section 225C.6, subsection 1, paragraph l, Code
11 Supplement 2011, is amended by striking the paragraph and
12 inserting in lieu thereof the following:
13 *l.* Identify basic financial eligibility standards for the
14 disability services provided by a mental health and disability
15 services region. The initial standards shall be as specified
16 in chapter 331.
17 Sec. 83. Section 225C.6A, Code 2011, is amended to read as
18 follows:
19 **225C.6A Disability services data system ~~redesign~~.**
20 The commission shall do the following relating to ~~redesign~~
21 ~~of the~~ data concerning the disability services system in the
22 state:
23 ~~1. Identify sources of revenue to support statewide~~
24 ~~delivery of core disability services to eligible disability~~
25 ~~populations.~~
26 ~~2. Ensure there is a continuous improvement process for~~
27 ~~development and maintenance of the disability services system~~
28 ~~for adults and children. The process shall include but is not~~
29 ~~limited to data collection and reporting provisions.~~
30 ~~3. *a.*~~ 1. Plan, collect, and analyze data as necessary to
31 issue cost estimates for serving additional populations and
32 providing core disability services statewide. The department
33 shall maintain compliance with applicable federal and state
34 privacy laws to ensure the confidentiality and integrity of
35 individually identifiable disability services data. The

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department shall regularly assess the status of the compliance in order to assure that data security is protected.

~~b.~~ 2. In implementing a system under this ~~subsection~~ section for collecting and analyzing state, county, and private contractor data, the department shall establish a client identifier for the individuals receiving services. The client identifier shall be used in lieu of the individual's name or social security number. The client identifier shall consist of the last four digits of an individual's social security number, the first three letters of the individual's last name, the individual's date of birth, and the individual's gender in an order determined by the department.

~~c.~~ 3. Each ~~county~~ regional administrator shall regularly report to the department ~~annually on or before December 1, for the preceding fiscal year~~ the following information for each individual served: demographic information, expenditure data, and data concerning the services and other support provided to each individual, as specified in administrative rule adopted by the commission.

~~4. Work with county representatives and other qualified persons to develop an implementation plan for replacing the county of legal settlement approach to determining service system funding responsibilities with an approach based upon residency. The plan shall address a statewide standard for proof of residency, outline a plan for establishing a data system for identifying residency of eligible individuals, address residency issues for individuals who began residing in a county due to a court order or criminal sentence or to obtain services in that county, recommend an approach for contesting a residency determination, and address other implementation issues.~~

Sec. 84. Section 225C.12, Code 2011, is amended to read as follows:

225C.12 Partial reimbursement to counties for local inpatient mental health care and treatment.

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1 1. A county which pays, from county funds ~~budgeted~~
2 ~~under section 331.424A~~, the cost of care and treatment of
3 a person with mental illness who is admitted pursuant to a
4 preliminary diagnostic evaluation under sections 225C.14 to
5 225C.17 for treatment as an inpatient of a hospital facility,
6 other than a state mental health institute, which has a
7 designated mental health program and is a hospital accredited
8 by the accreditation program for hospital facilities of the
9 joint commission, formerly known as the joint commission on
10 accreditation of health care organizations, is entitled to
11 reimbursement from the state for a portion of the daily cost
12 so incurred by the county. However, a county is not entitled
13 to reimbursement for a cost incurred in connection with
14 the hospitalization of a person who is eligible for medical
15 assistance under chapter 249A, or who is entitled to have
16 care or treatment paid for by any other third-party payor, or
17 who is admitted for preliminary diagnostic evaluation under
18 sections 225C.14 to 225C.17. The amount of reimbursement for
19 the cost of treatment of a local inpatient to which a county
20 is entitled, on a per-patient-per-day basis, is an amount
21 equal to twenty percent of the average of the state mental
22 health institutes' individual average daily patient costs in
23 the most recent calendar quarter for the program in which the
24 local inpatient would have been served if the patient had been
25 admitted to a state mental health institute.
26 2. A county may claim reimbursement by filing with the
27 administrator a claim in a form prescribed by the administrator
28 by rule. Claims may be filed on a quarterly basis, and when
29 received shall be verified as soon as reasonably possible
30 by the administrator. The administrator shall certify to
31 the director of the department of administrative services
32 the amount to which each county claiming reimbursement is
33 entitled, and the director of the department of administrative
34 services shall issue warrants to the respective counties
35 drawn upon funds appropriated by the general assembly for

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1 the purpose of this section. A county shall place funds
2 received under this section in the ~~county mental health, mental~~
3 ~~retardation, and developmental disabilities services~~ fund
4 ~~created under section 331.424A~~ or account designated by law to
5 hold moneys for expenditure for the county's mental health and
6 disability services. If the appropriation for a fiscal year
7 is insufficient to pay all claims arising under this section,
8 the director of the department of administrative services shall
9 prorate the funds appropriated for that year among the claimant
10 counties so that an equal proportion of each county's claim is
11 paid in each quarter for which proration is necessary.
12 Sec. 85. Section 225C.14, subsection 1, Code 2011, is
13 amended to read as follows:
14 1. Except in cases of medical emergency, a person shall be
15 admitted to a state mental health institute as an inpatient
16 only after a preliminary diagnostic evaluation performed
17 through the ~~central point of coordination process~~ regional
18 administrator of the person's county of residence has confirmed
19 that the admission is appropriate to the person's mental health
20 needs, and that no suitable alternative method of providing the
21 needed services in a less restrictive setting or in or nearer
22 to the person's home community is currently available. If
23 provided for through the ~~central point of coordination process~~
24 regional administrator, the evaluation may be performed by a
25 community mental health center or by an alternative diagnostic
26 facility. The policy established by this section shall be
27 implemented in the manner and to the extent prescribed by
28 sections 225C.15, 225C.16 and 225C.17.
29 Sec. 86. Section 225C.16, subsections 2 through 4, Code
30 2011, are amended to read as follows:
31 2. The clerk of the district court in that county shall
32 refer a person applying for authorization for voluntary
33 admission, or for authorization for voluntary admission of
34 another person, in accordance with section 229.42, to the
35 appropriate entity designated through the ~~central point of~~

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1 ~~coordination process~~ regional administrator of the person's
2 county of residence under section 225C.14 for the preliminary
3 diagnostic evaluation unless the applicant furnishes a written
4 statement from the appropriate entity which indicates that the
5 evaluation has been performed and that the person's admission
6 to a state mental health institute is appropriate. This
7 subsection does not apply when authorization for voluntary
8 admission is sought under circumstances which, in the opinion
9 of the chief medical officer or that officer's physician
10 designee, constitute a medical emergency.
11 3. Judges of the district court in that county or the
12 judicial hospitalization referee appointed for that county
13 shall so far as possible arrange for the entity designated
14 through the ~~central point of coordination process~~ regional
15 administrator under section 225C.14 to perform a prehearing
16 examination of a respondent required under section 229.8,
17 subsection 3, paragraph "b".
18 4. The chief medical officer of a state mental health
19 institute shall promptly submit to the appropriate entity
20 designated through the ~~central point of coordination process~~
21 regional administrator under section 225C.14 a report of the
22 voluntary admission of a patient under the medical emergency
23 clauses of subsections 1 and 2. The report shall explain the
24 nature of the emergency which necessitated the admission of
25 the patient without a preliminary diagnostic evaluation by the
26 designated entity.
27 Sec. 87. Section 225C.19, subsection 3, paragraph c,
28 subparagraph (4), Code 2011, is amended to read as follows:
29 (4) County ~~central point of coordination processes~~ regional
30 administrators.
31 Sec. 88. Section 226.9C, subsection 1, unnumbered paragraph
32 1, Code Supplement 2011, is amended to read as follows:
33 The state mental health institute at Mount Pleasant shall
34 operate the dual diagnosis mental health and ~~substance~~
35 ~~abuse~~ substance-related disorder treatment program on a net

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1 budgeting basis in which fifty percent of the actual per diem
2 and ancillary services costs are chargeable to the patient's
3 county of ~~legal settlement or as a state case, as appropriate~~
4 residence. Subject to the approval of the department, revenues
5 attributable to the dual diagnosis program for each fiscal year
6 shall be deposited in the mental health institute's account
7 and are appropriated to the department for the dual diagnosis
8 program, including but not limited to all of the following
9 revenues:
10 Sec. 89. Section 226.9C, subsection 2, Code Supplement
11 2011, is amended to read as follows:
12 2. The following additional provisions are applicable in
13 regard to the dual diagnosis program:
14 *a.* A county may split the charges between the county's
15 ~~mental health, mental retardation, and developmental~~
16 ~~disabilities services fund created pursuant to section 331.424A~~
17 fund or account designated by law to hold moneys for
18 expenditure for the county's mental health and disability
19 services and the county's budget for ~~substance abuse~~
20 substance-related disorder expenditures.
21 *b.* If an individual is committed to the custody of the
22 department of corrections at the time the individual is
23 referred for dual diagnosis treatment, the department of
24 corrections shall be charged for the costs of treatment.
25 *c.* Prior to an individual's admission for dual diagnosis
26 treatment, the individual shall have been screened through a
27 county's ~~central point of coordination process implemented~~
28 ~~pursuant to section 331.440~~ regional administrator to determine
29 the appropriateness of the treatment.
30 *d.* A county shall not be chargeable for the costs of
31 treatment for an individual enrolled in and authorized by or
32 decertified by a managed behavioral care plan under the medical
33 assistance program.
34 *e.* Notwithstanding section 8.33, state mental health
35 institute revenues related to the dual diagnosis program that

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1 remain unencumbered or unobligated at the close of the fiscal
2 year shall not revert but shall remain available up to the
3 amount which would allow the state mental health institute
4 to meet credit obligations owed to counties as a result of
5 year-end per diem adjustments for the dual diagnosis program.
6 Sec. 90. Section 226.45, Code 2011, is amended to read as
7 follows:
8 **226.45 Reimbursement to county or state.**
9 If a patient is not receiving medical assistance under
10 chapter 249A and the amount to the account of any patient
11 in the patients' personal deposit fund exceeds two hundred
12 dollars, the business manager of the hospital may apply any of
13 the excess to reimburse the county of ~~legal settlement or the~~
14 ~~state in a case where no legal settlement exists~~ residence for
15 liability incurred by the county ~~or the state~~ for the payment
16 of care, support and maintenance of the patient, when billed by
17 the county of ~~legal settlement or by the administrator for a~~
18 ~~patient having no legal settlement~~ residence.
19 Sec. 91. Section 227.10, Code 2011, is amended to read as
20 follows:
21 **227.10 Transfers from county or private institutions.**
22 Patients who have been admitted at public expense to
23 any institution to which this chapter is applicable may be
24 involuntarily transferred to the proper state hospital for
25 persons with mental illness in the manner prescribed by
26 sections 229.6 to 229.13. The application required by section
27 229.6 may be filed by the administrator of the division or
28 the administrator's designee, or by the administrator of the
29 institution where the patient is then being maintained or
30 treated. If the patient was admitted to that institution
31 involuntarily, the administrator of the division may arrange
32 and complete the transfer, and shall report it as required of
33 a chief medical officer under section 229.15, subsection 5.
34 The transfer shall be made at county expense, and the expense
35 recovered, as provided in section 227.7. However, transfer

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1 under this section of a patient whose expenses are payable in
2 whole or in part by a county is subject to an authorization for
3 the transfer through the ~~central point of coordination process~~
4 county's regional administrator as defined in chapter 331.
5 Sec. 92. Section 229.1, subsection 3, Code Supplement 2011,
6 is amended by striking the subsection.
7 Sec. 93. Section 229.1, Code Supplement 2011, is amended by
8 adding the following new subsection:
9 NEW SUBSECTION. 14A. *"Regional administrator"* means the
10 same as defined in section 331.438A.
11 Sec. 94. Section 229.1B, Code 2011, is amended to read as
12 follows:
13 **229.1B ~~Central point of coordination process~~ Regional**
14 **administrator authorization.**
15 Notwithstanding any provision of this chapter to the
16 contrary, any person whose hospitalization expenses are
17 payable in whole or in part by a county shall be subject to
18 all requirements of the ~~central point of coordination process~~
19 county's regional administrator.
20 Sec. 95. Section 229.9A, Code 2011, is amended to read as
21 follows:
22 **229.9A Advocate informed.**
23 The court shall direct the clerk to furnish the advocate
24 of the respondent's county of ~~legal settlement~~ residence
25 with a copy of application and any order issued pursuant to
26 section 229.8, subsection 3. The advocate may attend the
27 hospitalization hearing of any respondent for whom the advocate
28 has received notice of a hospitalization hearing.
29 Sec. 96. Section 229.11, subsection 1, unnumbered paragraph
30 1, Code 2011, is amended to read as follows:
31 If the applicant requests that the respondent be taken into
32 immediate custody and the judge, upon reviewing the application
33 and accompanying documentation, finds probable cause to believe
34 that the respondent has a serious mental impairment and is
35 likely to injure the respondent or other persons if allowed

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to remain at liberty, the judge may enter a written order directing that the respondent be taken into immediate custody by the sheriff or the sheriff's deputy and be detained until the hospitalization hearing. The hospitalization hearing shall be held no more than five days after the date of the order, except that if the fifth day after the date of the order is a Saturday, Sunday, or a holiday, the hearing may be held on the next succeeding business day. If the expenses of a respondent are payable in whole or in part by a county, for a placement in accordance with paragraph *"a"*, the judge shall give notice of the placement to the ~~central point of coordination process~~ county's regional administrator, and for a placement in accordance with paragraph *"b"* or *"c"*, the judge shall order the placement in a hospital or facility designated through the ~~central point of coordination process~~ county's regional administrator. The judge may order the respondent detained for the period of time until the hearing is held, and no longer, in accordance with paragraph *"a"*, if possible, and if not then in accordance with paragraph *"b"*, or, only if neither of these alternatives is available, in accordance with paragraph *"c"*. Detention may be:

Sec. 97. Section 229.12, subsection 2, Code 2011, is amended to read as follows:

2. All persons not necessary for the conduct of the proceeding shall be excluded, except that the court may admit persons having a legitimate interest in the proceeding and shall permit the advocate from the respondent's county of ~~legal settlement~~ residence to attend the hearing. Upon motion of the county attorney, the judge may exclude the respondent from the hearing during the testimony of any particular witness if the judge determines that witness's testimony is likely to cause the respondent severe emotional trauma.

Sec. 98. Section 229.13, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. The court shall order a respondent whose expenses are

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payable in whole or in part by a county placed under the care of an appropriate hospital or facility designated through the ~~central point of coordination process~~ regional administrator of the respondent's county of residence on an inpatient or outpatient basis.

Sec. 99. Section 229.14, subsection 2, paragraph a, Code 2011, is amended to read as follows:

a. For a respondent whose expenses are payable in whole or in part by a county, placement as designated through the ~~central point of coordination process~~ regional administrator of the respondent's county of residence in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or in an appropriate alternative placement.

Sec. 100. Section 229.14A, subsections 7 and 9, Code 2011, are amended to read as follows:

7. If a respondent's expenses are payable in whole or in part by a county through the ~~central point of coordination process~~ regional administrator of the respondent's county of residence, notice of a placement hearing shall be provided to the county attorney and the county's ~~central point of coordination process~~ regional administrator. At the hearing, the county may present evidence regarding appropriate placement.

9. A placement made pursuant to an order entered under section 229.13 or 229.14 or this section shall be considered to be authorized through the ~~central point of coordination process~~ regional administrator.

Sec. 101. Section 229.19, subsection 1, paragraph b, Code 2011, is amended to read as follows:

b. The court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from a patient's county of ~~legal settlement~~ residence to represent the interests of the patient. If a patient has no county of ~~legal settlement~~ residence or the patient's residence

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is unknown, the court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from the county where the hospital or facility is located to represent the interests of the patient.

Sec. 102. Section 229.24, subsection 3, unnumbered paragraph 1, Code 2011, is amended to read as follows:

If all or part of the costs associated with hospitalization of an individual under this chapter are chargeable to a county of ~~legal settlement~~ residence, the clerk of the district court shall provide to the ~~county of legal settlement~~ regional administrator of the respondent's county of residence and to the regional administrator of the county in which the hospitalization order is entered the following information pertaining to the individual which would be confidential under subsection 1:

Sec. 103. Section 229.31, Code 2011, is amended to read as follows:

229.31 Commission of inquiry.

A sworn complaint, alleging that a named person is not seriously mentally impaired and is unjustly deprived of liberty in any hospital in the state, may be filed by any person with the clerk of the district court of the county in which such named person is so confined, or of the county in which such named person ~~has a legal settlement, and thereupon a~~ is a resident. Upon receiving the complaint, a judge of ~~said~~ that court shall appoint a commission of not more than three persons to inquire into the truth of ~~said~~ the allegations. One of ~~said~~ the commissioners shall be a physician and if additional commissioners are appointed, one of ~~such~~ the additional commissioners shall be a lawyer.

Sec. 104. Section 229.42, Code 2011, is amended to read as follows:

229.42 Costs paid by county.

1. If a person wishing to make application for voluntary admission to a mental hospital established by chapter 226 is

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1 unable to pay the costs of hospitalization or those responsible
2 for the person are unable to pay the costs, application for
3 authorization of voluntary admission must be made through a
4 ~~central point of coordination process~~ regional administrator
5 before application for admission is made to the hospital.
6 The person's county of ~~legal settlement~~ residence shall be
7 determined through the ~~central point of coordination process~~
8 county's regional administrator and if the admission is
9 approved through the ~~central point of coordination process~~
10 regional administrator, the person's admission to a mental
11 health hospital shall be authorized as a voluntary case.
12 The authorization shall be issued on forms provided by the
13 administrator. The costs of the hospitalization shall be paid
14 by the county of ~~legal settlement~~ residence to the department
15 of human services and credited to the general fund of the
16 state, provided that the mental health hospital rendering the
17 services has certified to the county auditor of the county
18 of ~~legal settlement~~ residence the amount chargeable to the
19 county and has sent a duplicate statement of the charges to the
20 department of human services. A county shall not be billed
21 for the cost of a patient unless the patient's admission is
22 authorized through the ~~central point of coordination process~~
23 county's regional administrator. The mental health institute
24 and the county shall work together to locate appropriate
25 alternative placements and services, and to educate patients
26 and family members of patients regarding such alternatives.
27 2. All the provisions of chapter 230 shall apply to such
28 voluntary patients so far as is applicable.
29 3. The provisions of this section and of section 229.41
30 shall apply to all voluntary inpatients or outpatients
31 receiving mental health services either away from or at the
32 institution.
33 4. If a county fails to pay the billed charges within
34 forty-five days from the date the county auditor received the
35 certification statement from the superintendent, the department

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of human services shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the county received the certification statement until paid. The penalties received shall be credited to the general fund of the state.

Sec. 105. Section 229.43, Code 2011, is amended to read as follows:

229.43 ~~Nonresidents or no-settlement~~ Nonresident patients.

The administrator may place patients of mental health institutes ~~who have no county of legal settlement,~~ who are nonresidents~~, or whose legal settlement is unknown~~ on convalescent leave to a private sponsor or in a health care facility licensed under chapter 135C, when in the opinion of the administrator the placement is in the best interests of the patient and the state of Iowa. If the patient was involuntarily hospitalized, the district court which ordered hospitalization of the patient must be informed when the patient is placed on convalescent leave, as required by section 229.15, subsection 5.

Sec. 106. Section 230.1, Code 2011, is amended to read as follows:

230.1 Liability of county and state.

1. The necessary and legal costs and expenses attending the taking into custody, care, investigation, admission, commitment, and support of a person with mental illness admitted or committed to a state hospital shall be paid by a county or by the state as follows:

a. ~~By the county in which such person has a legal settlement, if~~ If the person is eighteen years of age or older, by the person's county of residence unless the costs and expenses are covered by the medical assistance program under chapter 249A or the person is described by paragraph "*b*".

b. By the state ~~when~~ if such person has no ~~legal settlement~~ residence in this state, ~~when~~ if the person's ~~legal settlement~~ residence is unknown, ~~or~~ if the costs and expenses are covered

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by the medical assistance program under chapter 249A, or if the person is under eighteen years of age.

2. The ~~legal settlement~~ county of residence of any person ~~found mentally ill~~ with mental illness who is a patient of any state institution shall be ~~that~~ the person's county of residence existing at the time of admission ~~thereto~~ to the institution.

3. A county of ~~legal settlement~~ residence is not liable for costs and expenses associated with a person with mental illness unless the costs and expenses are for services and other support authorized for the person through the ~~central point of coordination process~~ county's regional administrator. For the purposes of this chapter, ~~*"central point of coordination process"*~~ *"regional administrator"* means the same as defined in section ~~331.440~~ 331.438A.

Sec. 107. Section 230.2, Code 2011, is amended to read as follows:

230.2 Finding of ~~legal settlement~~ residence.

If a person's ~~legal settlement~~ residency status is disputed, ~~legal settlement~~ the residency shall be determined in accordance with section ~~225C.8~~ 331.438F. Otherwise, the district court may, when the person is ordered placed in a hospital for psychiatric examination and appropriate treatment, or as soon thereafter as the court obtains the proper information, determine and enter of record whether the ~~legal settlement~~ residence of the person is one of the following:

1. In the county from which the person was placed in the hospital~~;~~.

2. In ~~some other~~ another county of the state~~;~~.

3. In ~~some~~ a foreign state or country~~; or~~.

4. Unknown.

Sec. 108. Section 230.3, Code 2011, is amended to read as follows:

230.3 Certification of settlement.

If a person's ~~legal settlement~~ county of residence

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is determined ~~through~~ by the county's ~~central point of coordination process~~ regional administrator to be in another county of this state, the ~~county making the determination~~ regional administrator shall certify the determination to the superintendent of the hospital to which the person is admitted or committed. The certification shall be accompanied by a copy of the evidence supporting the determination. Upon receiving the certification, the superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of the person, to the county determined to be the county of ~~legal settlement~~ residence.

Sec. 109. Section 230.4, Code 2011, is amended to read as follows:

230.4 Certification to debtor county.

A determination of a person's ~~legal settlement~~ county of residence made in accordance with section 230.2 or 230.3 shall be sent by the court or the county to the county auditor of the county of ~~legal settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The auditor shall provide the certification to the board of supervisors of the auditor's county, and it shall be conclusively presumed that the person has ~~a legal settlement~~ residence in the notified county unless that county disputes the finding of ~~legal settlement~~ residence as provided in section ~~225C.8~~ 331.438F.

Sec. 110. Section 230.5, Code 2011, is amended to read as follows:

230.5 Nonresidents.

If a person's ~~legal settlement~~ residence is determined in accordance with section 230.2 or 230.3 to be in a foreign state or country, or is unknown, the court or the ~~county~~ regional administrator shall immediately certify the determination to the department's administrator. The certification shall be accompanied by a copy of the evidence supporting the determination. A court order issued pursuant to section

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229.13 shall direct that the patient be hospitalized at the appropriate state hospital for persons with mental illness.

Sec. 111. Section 230.8, Code 2011, is amended to read as follows:

230.8 Transfers of persons with mental illness — expenses.

The transfer to any state hospitals or to the places of their ~~legal settlement~~ residence of persons with mental illness who have no ~~legal settlement~~ residence in this state or whose ~~legal settlement~~ residence is unknown, shall be made according to the directions of the administrator, and when practicable by employees of the state hospitals~~, and the~~. The actual and necessary expenses of such transfers shall be paid on itemized vouchers sworn to by the claimants and approved by the administrator, and the amount of the expenses is appropriated to the department from any funds in the state treasury not otherwise appropriated.

Sec. 112. Section 230.9, Code 2011, is amended to read as follows:

230.9 Subsequent discovery of residence.

If, after a person has been received by a state hospital for persons with mental illness as a ~~state case~~ patient whose ~~legal settlement~~ residence is supposed to be outside this state ~~or unknown~~, the administrator determines that the ~~legal settlement~~ residence of the person was, at the time of admission or commitment, in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the person to the county of ~~legal settlement~~ residence. The certification shall be sent to the county of ~~legal settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The costs and expenses shall be collected as provided by law in other cases. If the person's ~~legal settlement~~ residency status has been determined in accordance with section ~~225C.8~~ 331.438F, the legal costs and expenses shall be charged to the county ~~or as a~~

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1 ~~state case~~ of residence in accordance with that determination.
2 Sec. 113. Section 230.10, Code 2011, is amended to read as
3 follows:
4 **230.10 Payment of costs.**
5 All legal costs and expenses attending the taking into
6 custody, care, investigation, and admission or commitment of
7 a person to a state hospital for persons with mental illness
8 under a finding that ~~such~~ the person has ~~a legal settlement~~
9 residency in another county of this state shall be charged
10 against the county of ~~legal settlement~~ residence.
11 Sec. 114. Section 230.11, Code 2011, is amended to read as
12 follows:
13 **230.11 Recovery of costs from state.**
14 Costs and expenses attending the taking into custody,
15 care, and investigation of a person who has been admitted
16 or committed to a state hospital, United States department
17 of veterans affairs hospital, or other agency of the United
18 States government, for persons with mental illness and who
19 has no ~~legal settlement~~ residence in this state or whose
20 ~~legal settlement~~ residence is unknown, including cost of
21 commitment, if any, shall be paid ~~out of~~ as approved by the
22 administrator. The amount of the costs and expenses approved
23 by the administrator is appropriated to the department from
24 any money in the state treasury not otherwise appropriated, on
25 itemized vouchers executed by the auditor of the county which
26 has paid them, and approved by the administrator.
27 Sec. 115. Section 230.12, Code 2011, is amended to read as
28 follows:
29 **230.12 ~~Legal settlement~~ Residency disputes.**
30 If a dispute arises between different counties or between
31 the administrator and a county as to the ~~legal settlement~~
32 residence of a person admitted or committed to a state hospital
33 for persons with mental illness, the dispute shall be resolved
34 as provided in section ~~225C.8~~ 331.438F.
35 Sec. 116. Section 230.20, subsection 2, paragraph b, Code

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1 2011, is amended to read as follows:
2 *b.* The per diem costs billed to each county shall not exceed
3 the per diem costs billed to the county in the fiscal year
4 beginning July 1, 1996. However, the per diem costs billed
5 to a county may be adjusted annually to reflect increased
6 costs to the extent of the percentage increase in the total
7 of county fixed budgets pursuant to the allowed growth factor
8 adjustment authorized by the general assembly for the fiscal
9 year in accordance with section 331.439, Code 2011, and annual
10 percentage increases in state support provided to the regional
11 mental health and disability service system under chapter 331.
12 Sec. 117. Section 230.32, Code 2011, is amended to read as
13 follows:
14 **230.32 Support of nonresident patients on leave.**
15 The cost of support of patients without ~~legal settlement~~
16 residence in this state, who are placed on convalescent
17 leave or removed from a state mental institute to any health
18 care facility licensed under chapter 135C for rehabilitation
19 purposes, shall be paid from the hospital support fund
20 and shall be charged on abstract in the same manner as
21 state inpatients, until such time as the patient becomes
22 self-supporting or qualifies for support under existing
23 statutes.
24 Sec. 118. Section 231.56A, subsection 2, Code 2011, is
25 amended to read as follows:
26 2. The target population of the projects shall be any
27 older individual residing in Iowa who is at risk of or who is
28 experiencing abuse, neglect, or exploitation which may include
29 but is not limited to an older individual who is the subject of
30 a report of suspected dependent adult abuse pursuant to chapter
31 235B. This subsection shall not apply to an older individual
32 who is receiving assistance under a ~~county management plan~~
33 ~~approved pursuant to section 331.439~~ regional mental health and
34 disability services system under chapter 331.
35 Sec. 119. Section 232.2, subsection 4, paragraph f,

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1 subparagraph (3), Code 2011, is amended to read as follows:
2 (3) The transition plan shall be developed and reviewed
3 by the department in collaboration with a child-centered
4 transition team. The transition team shall be comprised of
5 the child's caseworker and persons selected by the child,
6 persons who have knowledge of services available to the child,
7 and any person who may reasonably be expected to be a service
8 provider for the child when the child becomes an adult or to
9 become responsible for the costs of services at that time.
10 If the child is reasonably likely to need or be eligible for
11 adult services, the transition team membership shall include
12 representatives from the adult services system. The adult
13 services system representatives may include but are not
14 limited to the administrator of county general relief under
15 chapter 251 or 252 or ~~of~~ the ~~central point of coordination~~
16 ~~process implemented under section 331.440~~ county's regional
17 administrator under chapter 331. The membership of the
18 transition team and the meeting dates for the team shall be
19 documented in the transition plan.
20 Sec. 120. Section 235.7, subsection 2, Code 2011, is amended
21 to read as follows:
22 2. *Membership.* The department may authorize the governance
23 boards of decategorization of child welfare and juvenile
24 justice funding projects established under section 232.188 to
25 appoint the transition committee membership and may utilize
26 the boundaries of decategorization projects to establish
27 the service areas for transition committees. The committee
28 membership may include but is not limited to department of
29 human services staff involved with foster care, child welfare,
30 and adult services, juvenile court services staff, staff
31 involved with county general relief under chapter 251 or 252,
32 or ~~of~~ the ~~central point of coordination process~~ regional
33 mental health and disability services implemented under
34 ~~section 331.440~~ chapter 331, school district and area education
35 agency staff involved with special education, and a child's

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1 court appointed special advocate, guardian ad litem, service
2 providers, and other persons knowledgeable about the child.
3 Sec. 121. Section 235A.15, subsection 2, paragraph c,
4 subparagraph (9), Code Supplement 2011, is amended to read as
5 follows:
6 (9) To the administrator of an agency providing mental
7 health, mental retardation, or developmental disability
8 services under a ~~county~~ regional mental health and disability
9 services management plan developed pursuant to ~~section 331.439~~
10 chapter 331, if the data concerns a person employed by or being
11 considered by the agency for employment.
12 Sec. 122. Section 235B.6, subsection 2, paragraph c,
13 subparagraph (6), Code Supplement 2011, is amended to read as
14 follows:
15 (6) To the administrator of an agency providing mental
16 health, mental retardation, or developmental disability
17 services under a ~~county~~ regional mental health and disability
18 services management plan developed pursuant to ~~section 331.439~~
19 chapter 331, if the information concerns a person employed by
20 or being considered by the agency for employment.
21 Sec. 123. Section 249A.12, Code 2011, is amended to read as
22 follows:
23 **249A.12 Assistance to persons with mental retardation —**
24 **state cases.**
25 1. Assistance may be furnished under this chapter to an
26 otherwise eligible recipient who is a resident of a health
27 care facility licensed under chapter 135C and certified as an
28 intermediate care facility for persons with mental retardation.
29 ~~2. A county shall reimburse the department on a monthly~~
30 ~~basis for that portion of the cost of assistance provided~~
31 ~~under this section to a recipient with legal settlement in~~
32 ~~the county, which is not paid from federal funds, if the~~
33 ~~recipient's placement has been approved by the appropriate~~
34 ~~review organization as medically necessary and appropriate.~~
35 ~~The department's goal for the maximum time period for~~

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1 ~~submission of a claim to a county is not more than sixty~~
2 ~~days following the submission of the claim by the provider~~
3 ~~of the service to the department. The department's goal for~~
4 ~~completion and crediting of a county for cost settlement for~~
5 ~~the actual costs of a service under a home and community-based~~
6 ~~services waiver is within two hundred seventy days of the close~~
7 ~~of a fiscal year for which cost reports are due from providers.~~
8 ~~The department shall place all reimbursements from counties~~
9 ~~in the appropriation for medical assistance, and may use the~~
10 ~~reimbursed funds in the same manner and for any purpose for~~
11 ~~which the appropriation for medical assistance may be used.~~
12 ~~3.~~ 2. If a county ~~reimburses~~ reimbursed the department for
13 medical assistance provided under this section, Code 2011, and
14 the amount of medical assistance is subsequently repaid through
15 a medical assistance income trust or a medical assistance
16 special needs trust as defined in section 633C.1, the
17 department shall reimburse the county on a proportionate basis.
18 The department shall adopt rules to implement this subsection.
19 ~~4.~~ 3. *a.* Effective July 1, 1995, the state shall be
20 responsible for all of the nonfederal share of the costs of
21 intermediate care facility for persons with mental retardation
22 services provided under medical assistance to minors.
23 Notwithstanding ~~subsection 2 and~~ contrary provisions of section
24 222.73, Code 2011, effective July 1, 1995, a county is not
25 required to reimburse the department and shall not be billed
26 for the nonfederal share of the costs of such services provided
27 to minors.
28 *b.* The state shall be responsible for all of the nonfederal
29 share of medical assistance home and community-based services
30 waivers for persons with intellectual disabilities services
31 provided to minors, and a county is not required to reimburse
32 the department and shall not be billed for the nonfederal share
33 of the costs of the services.
34 *c.* Effective February 1, 2002, the state shall be
35 responsible for all of the nonfederal share of the costs of

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1 intermediate care facility for persons with mental retardation
2 services provided under medical assistance attributable to the
3 assessment fee for intermediate care facilities for individuals
4 with mental retardation imposed pursuant to section 249A.21.
5 ~~Notwithstanding subsection 2, effective~~ Effective February 1,
6 2003, a county is not required to reimburse the department and
7 shall not be billed for the nonfederal share of the costs of
8 such services attributable to the assessment fee.
9 ~~5.~~ 4. *a.* The mental health and disability services
10 commission shall recommend to the department the actions
11 necessary to assist in the transition of individuals being
12 served in an intermediate care facility for persons with
13 mental retardation, who are appropriate for the transition,
14 to services funded under a medical assistance home and
15 community-based services waiver for persons with intellectual
16 disabilities in a manner which maximizes the use of existing
17 public and private facilities. The actions may include but are
18 not limited to submitting any of the following or a combination
19 of any of the following as a request for a revision of the
20 medical assistance home and community-based services waiver for
21 persons with intellectual disabilities:
22 (1) Allow for the transition of intermediate care
23 facilities for persons with mental retardation licensed under
24 chapter 135C, to services funded under the medical assistance
25 home and community-based services waiver for persons with
26 intellectual disabilities. The request shall be for inclusion
27 of additional persons under the waiver associated with the
28 transition.
29 (2) Allow for reimbursement under the waiver for day program
30 or other service costs.
31 (3) Allow for exception provisions in which an intermediate
32 care facility for persons with mental retardation which does
33 not meet size and other facility-related requirements under
34 the waiver in effect on June 30, 1996, may convert to a waiver
35 service for a set period of time such as five years. Following

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the set period of time, the facility would be subject to the waiver requirements applicable to services which were not operating under the exception provisions.

b. In implementing the provisions of this subsection, the mental health and disability services commission shall consult with other states. The waiver revision request or other action necessary to assist in the transition of service provision from intermediate care facilities for persons with mental retardation to alternative programs shall be implemented by the department in a manner that can appropriately meet the needs of individuals at an overall lower cost to counties, the federal government, and the state. In addition, the department shall take into consideration significant federal changes to the medical assistance program in formulating the department's actions under this subsection. The department shall consult with the mental health and disability services commission in adopting rules for oversight of facilities converted pursuant to this subsection. A transition approach described in paragraph *"a"* may be modified as necessary to obtain federal waiver approval.

~~6.~~ 5. *a.* The provisions of the home and community-based services waiver for persons with intellectual disabilities shall include adult day care, prevocational, and transportation services. Transportation shall be included as a separately payable service.

b. The department of human services shall seek federal approval to amend the home and community-based services waiver for persons with intellectual disabilities to include day habilitation services. Inclusion of day habilitation services in the waiver shall take effect upon receipt of federal approval.

~~*c.* The person's county of legal settlement shall pay for the nonfederal share of the cost of services provided under the waiver, and the state shall pay for the nonfederal share of such costs if the person has no legal settlement or the~~

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1 ~~legal settlement is unknown so that the person is deemed to be~~
2 ~~a state case.~~
3 ~~*d.* The county of legal settlement shall pay for one hundred~~
4 ~~percent of the nonfederal share of the costs of care provided~~
5 ~~for adults which is reimbursed under a home and community-based~~
6 ~~services waiver that would otherwise be approved for provision~~
7 ~~in an intermediate care facility for persons with mental~~
8 ~~retardation provided under the medical assistance program.~~
9 ~~7.~~ 6. When paying the necessary and legal expenses for
10 intermediate care facility for persons with mental retardation
11 services, the cost requirements of section 222.60 shall
12 be considered fulfilled when payment is made in accordance
13 with the medical assistance payment rates established by
14 the department for intermediate care facilities for persons
15 with mental retardation, and the state ~~or a county of legal~~
16 ~~settlement~~ shall not be obligated for any amount in excess of
17 the rates.
18 ~~8.~~ 7. If ~~a person with mental retardation has no legal~~
19 ~~settlement or the legal settlement is unknown so that the~~
20 ~~person is deemed to be a state case and~~ services associated
21 with the mental retardation can be covered under a medical
22 assistance home and community-based services waiver or other
23 medical assistance program provision, the nonfederal share of
24 the medical assistance program costs for such coverage shall
25 be paid from the appropriation made for the medical assistance
26 program.
27 Sec. 124. Section 249A.26, subsection 2, Code 2011, is
28 amended to read as follows:
29 2. *a.* Except as provided for disallowed costs in section
30 249A.27, the ~~county of legal settlement shall pay for fifty~~
31 ~~percent of the nonfederal share of the cost and the~~ state shall
32 ~~have responsibility for the remaining fifty~~ pay one hundred
33 percent of the nonfederal share of the cost of case management
34 provided to adults, day treatment, and partial hospitalization
35 provided under the medical assistance program for persons

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1 with mental retardation, a developmental disability, or
2 chronic mental illness. For purposes of this section, persons
3 with mental disorders resulting from Alzheimer's disease
4 or ~~substance abuse~~ a substance-related disorder shall not
5 be considered ~~chronically mentally ill~~ to be persons with
6 chronic mental illness. ~~To the maximum extent allowed under~~
7 ~~federal law and regulations, the department shall consult with~~
8 ~~and inform a county of legal settlement's central point of~~
9 ~~coordination process, as defined in section 331.440, regarding~~
10 ~~the necessity for and the provision of any service for which~~
11 ~~the county is required to provide reimbursement under this~~
12 ~~subsection.~~
13 *b.* The state shall pay for one hundred percent of the
14 nonfederal share of the costs of case management provided for
15 adults, day treatment, partial hospitalization, and the home
16 and community-based services waiver services for persons who
17 have no ~~legal settlement~~ residence in this state or ~~the legal~~
18 ~~settlement~~ whose residence is unknown so that the persons are
19 deemed to be state cases.
20 *c.* The case management services specified in this subsection
21 shall be paid for by a county only if the services are provided
22 outside of a managed care contract.
23 Sec. 125. Section 249A.26, subsections 3, 4, 7, and 8, Code
24 2011, are amended to read as follows:
25 ~~3. To the maximum extent allowed under federal law and~~
26 ~~regulations, a person with mental illness or mental retardation~~
27 ~~shall not be eligible for any service which is funded in~~
28 ~~whole or in part by a county share of the nonfederal portion~~
29 ~~of medical assistance funds unless the person is referred~~
30 ~~through the central point of coordination process, as defined~~
31 ~~in section 331.440. However, to the extent federal law allows~~
32 ~~referral of a medical assistance recipient to a service without~~
33 ~~approval of the central point of coordination process, the~~
34 ~~county of legal settlement shall be billed for the nonfederal~~
35 ~~share of costs for any adult person for whom the county would~~

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1 ~~otherwise be responsible.~~
2 4. The ~~county of legal settlement~~ state shall pay ~~for~~ one
3 hundred percent of the nonfederal share of the cost of services
4 provided to adult persons with chronic mental illness who
5 qualify for habilitation services in accordance with the rules
6 adopted for the services. ~~The state shall pay for one hundred~~
7 ~~percent of the nonfederal share of the cost of such services~~
8 ~~provided to such persons who have no legal settlement or the~~
9 ~~legal settlement is unknown so that the persons are deemed to~~
10 ~~be state cases.~~
11 ~~7. Unless a county has paid or is paying for the nonfederal~~
12 ~~share of the costs of a person's home and community-based~~
13 ~~waiver services or placement in an intermediate care facility~~
14 ~~for persons with mental retardation under the county's mental~~
15 ~~health, mental retardation, and developmental disabilities~~
16 ~~services fund, or unless a county of legal settlement would~~
17 ~~become liable for the costs of services for a person at the~~
18 ~~level of care provided in an intermediate care facility for~~
19 ~~persons with mental retardation due to the person reaching the~~
20 ~~age of majority, the~~ The state shall pay ~~for~~ the nonfederal
21 share of the costs of an eligible person's services under the
22 home and community-based services waiver for persons with brain
23 injury.
24 8. If a dispute arises between different counties or between
25 the department and a county as to the legal settlement of a
26 person who ~~receives~~ received medical assistance for which the
27 nonfederal share ~~is~~ was payable in whole or in part by a county
28 of legal settlement in accordance with Code 2011, and cannot
29 be resolved by the parties, the dispute shall be resolved as
30 provided in section 225C.8, Code 2011.
31 Sec. 126. Section 252.6, Code 2011, is amended to read as
32 follows:
33 **252.6 Enforcement of liability.**
34 1. Upon the failure of such relatives to assist or maintain
35 a poor person who has made application for assistance, the

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county board of supervisors, service area advisory board created under section 217.43, or state division of child and family services of the department of human services may apply to the district court of the county where the poor person resides or may be found for an order to compel the assistance or maintenance.

2. If the assistance or maintenance needed is provided by a county through the regional mental health and disability services system implemented under chapter 331, application for the assistance and maintenance shall be made through the regional administrator of the person's county of residence. For the purposes of this subsection, *"regional administrator"* means the same as defined in section 331.438A.

Sec. 127. Section 252.23, Code 2011, is amended to read as follows:

252.23 Legal settlement disputes.

If the alleged settlement is disputed, then, within thirty days after notice as provided in section 252.22, a copy of the notices sent and received shall be filed in the office of the clerk of the district court of the county against which claim is made, and a cause docketed without other pleadings, and tried as an ordinary action, in which the county granting the assistance shall be plaintiff, and the other defendant, and the burden of proof shall be upon the county granting the assistance. However, a ~~legal settlement~~ dispute concerning the liability of a person's county of residence for assistance provided through the regional mental health and disability services system implemented under chapter 331 in connection with services initiated under chapter 222, 230, or 249A shall be resolved as provided in section ~~225C.8~~ 331.438F.

Sec. 128. Section 252.24, Code 2011, is amended to read as follows:

252.24 County of settlement liable.

1. The county where the settlement is shall be liable to the county granting assistance for all reasonable charges and

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1 expenses incurred in the assistance and care of a poor person.
2 2. When assistance is furnished by any governmental agency
3 of the county, township, or city, the assistance shall be
4 deemed to have been furnished by the county in which the
5 agency is located and the agency furnishing the assistance
6 shall certify the correctness of the costs of the assistance
7 to the board of supervisors of that county and that county
8 shall collect from the county of the person's settlement. The
9 amounts collected by the county where the agency is located
10 shall be paid to the agency furnishing the assistance. This
11 statute applies to services and supplies furnished as provided
12 in section 139A.18.
13 3. Notwithstanding subsection 2, if assistance or
14 maintenance is provided by a county through the regional mental
15 health and disability services system implemented under chapter
16 331, liability for the assistance and maintenance is the
17 responsibility of the person's county of residence.
18 Sec. 129. Section 331.432, subsection 3, Code Supplement
19 2011, is amended to read as follows:
20 3. Except as authorized in section 331.477, transfers of
21 moneys between the county ~~mental health, mental retardation,~~
22 ~~and developmental disabilities~~ services fund for mental health
23 and disability services and any other fund are prohibited.
24 Sec. 130. Section 331.502, subsection 11, Code 2011, is
25 amended to read as follows:
26 11. Carry out duties relating to ~~the determination of legal~~
27 ~~settlement,~~ collection of funds due the county~~,~~ and support
28 of persons with mental retardation as provided in sections
29 222.13, 222.50, ~~222.61 to 222.66,~~ 222.63, 222.64, and 222.69~~,~~
30 ~~and 222.74~~.
31 Sec. 131. Section 347.16, subsection 3, Code 2011, is
32 amended to read as follows:
33 3. Care and treatment may be furnished in a county public
34 hospital to any sick or injured person who has legal settlement
35 outside the county which maintains the hospital, subject to

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1 such policies and rules as the board of hospital trustees may
2 adopt. If care and treatment is provided under this subsection
3 to a person who is indigent, the county in which that person
4 has legal settlement shall pay to the board of hospital
5 trustees the fair and reasonable cost of the care and treatment
6 provided by the county public hospital unless the cost of the
7 indigent person's care and treatment is otherwise provided for.
8 If care and treatment is provided to an indigent person under
9 this subsection, the county public hospital furnishing the
10 care and treatment shall immediately notify, by regular mail,
11 the auditor of the county of legal settlement of the indigent
12 person of the provision of care and treatment to the indigent
13 person. However, if the care and treatment is provided by
14 a county through the regional mental health and disability
15 services system implemented under chapter 331, liability for
16 the assistance and maintenance is the responsibility of the
17 person's county of residence.
18 Sec. 132. Section 437A.8, subsection 4, paragraph d, Code
19 2011, is amended to read as follows:
20 *d.* (1) Notwithstanding paragraph *"a"*, a taxpayer who owns
21 or leases a new electric power generating plant and who has
22 no other operating property in the state of Iowa except for
23 operating property directly serving the new electric power
24 generating plant as described in section 437A.16 shall pay
25 the replacement generation tax associated with the allocation
26 of the local amount to the county treasurer of the county in
27 which the local amount is located and shall remit the remaining
28 replacement generation tax, if any, to the director according
29 to paragraph *"a"* for remittance of the tax to county treasurers.
30 The director shall notify each taxpayer on or before August 31
31 following a tax year of its remaining replacement generation
32 tax to be remitted to the director. All remaining replacement
33 generation tax revenues received by the director shall be
34 deposited in the ~~property tax relief~~ general fund ~~created in~~
35 ~~section 426B.1, and shall be distributed as provided in section~~

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1 ~~426B.2~~ of the state.
2 (2) If a taxpayer has paid an amount of replacement tax,
3 penalty, or interest which was deposited into the ~~property tax~~
4 ~~relief~~ general fund of the state and which was not due, all of
5 the provisions of section 437A.14, subsection 1, paragraph *"b"*,
6 shall apply with regard to any claim for refund or credit filed
7 by the taxpayer. The director shall have sole discretion as to
8 whether the erroneous payment will be refunded to the taxpayer
9 or credited against any replacement tax due, or to become due,
10 from the taxpayer that would be subject to deposit in the
11 ~~property tax relief~~ general fund of the state.
12 Sec. 133. Section 437A.15, subsection 3, paragraph f, Code
13 Supplement 2011, is amended to read as follows:
14 *f.* Notwithstanding the provisions of this section, if
15 a taxpayer is a municipal utility or a municipal owner of
16 an electric power facility financed under the provisions
17 of chapter 28F or 476A, the assessed value, other than the
18 local amount, of a new electric power generating plant shall
19 be allocated to each taxing district in which the municipal
20 utility or municipal owner is serving customers and has
21 electric meters in operation in the ratio that the number of
22 operating electric meters of the municipal utility or municipal
23 owner located in the taxing district bears to the total number
24 of operating electric meters of the municipal utility or
25 municipal owner in the state as of January 1 of the tax year.
26 If the municipal utility or municipal owner of an electric
27 power facility financed under the provisions of chapter 28F
28 or 476A has a new electric power generating plant but the
29 municipal utility or municipal owner has no operating electric
30 meters in this state, the municipal utility or municipal owner
31 shall pay the replacement generation tax associated with the
32 new electric power generating plant allocation of the local
33 amount to the county treasurer of the county in which the local
34 amount is located and shall remit the remaining replacement
35 generation tax, if any, to the director at the times contained

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in section 437A.8, subsection 4, for remittance of the tax to the county treasurers. All remaining replacement generation tax revenues received by the director shall be deposited in the ~~property tax relief~~ general fund ~~created in section 426B.1, and shall be distributed as provided in section 426B.2~~ of the state.

Sec. 134. Section 445.5, subsection 1, paragraph h, Code Supplement 2011, is amended by striking the paragraph.

Sec. 135. REPEAL. Sections 222.73, 222.74, 222.75, 225C.7, and 225C.8, Code 2011, are repealed.

Sec. 136. EFFECTIVE DATE. This division of this Act takes effect July 1, 2013.

EXPLANATION

This bill relates to redesign of publicly funded mental health and disability services by requiring certain core services and addressing other services and providing for establishment of regions. The bill is organized into divisions.

CORE SERVICES. This division specifies core services and service management requirements applicable to the regional service system required by the bill.

Code section 331.439, relating to the requirements under existing law for a county to receive state payments for mental health and disability services and specifying inclusion of various provisions in service system management plans, is amended to require the use of certain functional assessments or other standardized functional assessment methodologies approved by the mental health and disability services commission. For mental health services, the level of care utilization system (LOCUS) is specified; for intellectual disabilities services, the supports intensity scale (SIS) is specified; and for brain injury services, the commission is required to approve a methodology. The use of the methodologies is required to begin July 1, 2012. This Code section is repealed on July 1, 2013.

New Code section 331.439A requires MH/DS provided by

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1 counties to be delivered in accordance with a regional service
2 system management plan approved by the region's governing board
3 and implemented by the regional administrator. The plans are
4 required to include a policies and procedures manual for the
5 funding administered by the region, submission of an annual
6 management plan review, submission of three-year strategic
7 plans addressing the effort to achieve various purposes
8 identified in Code section 225C.1, and authorizing a region to
9 either directly implement a system of service management or to
10 contract with a private entity for service management. The
11 plan is required to include various elements and the commission
12 is directed to specify the elements in administrative rules.
13 New Code section 331.439A also authorizes a region to
14 provide assistance to other disability service populations
15 subject to availability of funding and to implement waiting
16 lists for services as a financial management tool.
17 New Code section 331.439B provides financial eligibility
18 requirements to be used in the regional system. Income
19 eligibility is set at 150 percent of the federal poverty
20 level and a region or service provider may apply a copayment
21 requirement to persons who meet this requirement. Persons with
22 higher incomes may also be eligible subject to a copayment or
23 other cost-sharing arrangement; however, a service provider may
24 waive copayments or cost-sharing if able to fully absorb the
25 cost. A person who is eligible for federally funded services
26 must apply for the services. The commission is required to
27 adopt rules for resource limitations eligibility derived from
28 the federal supplemental security income program resource
29 limitations. If a person does not qualify for federally funded
30 support, but meets income, resource, and functional eligibility
31 requirements, retirement accounts in the accumulation stage and
32 burial, medical savings, or assistive technology accounts are
33 to be disregarded.
34 New Code section 331.439C specifies requirements for
35 diagnoses, functional assessments, and other requirements for

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1 eligibility in the regional system. Other requirements include
2 an age of at least 18 years and compliance with financial
3 eligibility provisions and determination of eligibility for
4 individualized services to be made by the functional assessment
5 provisions specified in the bill's amendment to Code section
6 331.439. For mental health services, a person must have had a
7 diagnosable mental health, behavioral, or emotional disorder
8 during the preceding 12-month period. For intellectual
9 disability services, an intellectual disability diagnosis or
10 an intelligence quotient of 70 or less is required. For brain
11 injury services, a diagnosis of brain injury is required.
12 New Code section 331.439D addresses mental health core
13 services and core service domains to be provided in the
14 regional system, subject to the availability of funding. The
15 domains are defined to mean a range of services that can be
16 provided depending upon an individual's service needs. A
17 region may also provide funding for other services or support
18 not listed based on optional criteria that may be considered.
19 New Code section 331.439E addresses core services for
20 persons with an intellectual disability or other developmental
21 disability, provides a list of core services, and requires
22 inclusion of all services covered by all of the service system
23 management plans of the counties comprising a region as of June
24 30, 2012, other than services funded by the Medicaid program.
25 The provision of core services is subject to availability of
26 funding. The region is required to transition from and replace
27 the current services with services that expand and support the
28 community support and integration principles outlined in the
29 federal Olmstead v. L.C. ruling and the purposes identified in
30 Code section 225C.1. Certain best practice efforts must also
31 be included.
32 New Code section 331.440B addresses regional service system
33 financing. The financing of each regional service system is
34 limited to a fixed budget amount subject to an allowed growth
35 adjustment to be recommended by the commission and the governor

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1 two years prior to application. The region is required to
2 implement the region's service system management plan by
3 budgeting for 99 percent of the funding anticipated to be
4 available for the plan for a fiscal year.
5 The bill may include a state mandate as defined in Code
6 section 25B.3. The bill makes inapplicable Code section 25B.2,
7 subsection 3, which would relieve a political subdivision from
8 complying with a state mandate if funding for the cost of
9 the state mandate is not provided or specified. Therefore,
10 political subdivisions are required to comply with any state
11 mandate included in the bill.
12 The Code editor is authorized to codify the division as a new
13 part of Code chapter 331, division III.
14 The new Code provisions of the Code chapter are applicable
15 beginning July 1, 2013.
16 WORKFORCE DEVELOPMENT AND REGULATION. This division relates
17 to workforce development and regulation applicable to the
18 administration and service providers for the regional service
19 system.
20 New Code section 225C.6C establishes a mental health and
21 disability services workforce development workgroup to be
22 convened and staffed by the department of human services to
23 address issues connected with assuring there is an adequate
24 workforce to provide mental health and disability services in
25 the state. Various stakeholders and legislator members are
26 specified.
27 New Code section 225C.6D requires the department of
28 human services to establish an outcomes and performance
29 measures committee for the regional service system. Various
30 stakeholders are specified for the committee membership.
31 New Code section 225C.6E requires the departments of
32 human services, inspections and appeals, and public health
33 to comply with various provisions in efforts to improve the
34 regulatory requirements applied to the regional service system
35 administration and service providers.

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1 COMMUNITY MENTAL HEALTH CENTER AMENDMENTS. This division
2 amends Acts provisions relating to community mental health
3 centers that were enacted in 2011 Iowa Acts, chapter 121 (SF
4 525) that have a delayed effective date of July 1, 2012.
5 Provisionally numbered Code section 230A.106, specifying the
6 core service required to be offered by a center, is amended
7 to allow a center to provide an assertive community treatment
8 program in lieu of day treatment, partial hospitalization, or
9 psychosocial rehabilitation services.
10 Provisionally numbered Code section 230A.110, relating to
11 the standards adopted for centers by the commission, is amended
12 to allow the standards to be in substantial conformity with
13 either applicable behavioral health standards adopted by the
14 joint commission or other recognized national standards for
15 evaluation of psychiatric facilities rather than requiring
16 conformity with both sets of standards.
17 REGIONAL SERVICE SYSTEM. This division provides the
18 requirements for counties to form mental health and disability
19 services (MH/DS) regions.
20 New Code section 331.438A defines terms utilized, including
21 "department" for the department of human services, "disability
22 services" as defined in Code section 225C.2 (services and
23 other support available to a person with mental illness,
24 mental retardation or other developmental disability, or brain
25 injury), "population" to mean the latest federal census or the
26 latest applicable population estimate issued by the U.S. census
27 bureau, "regional administrator" as provided by the bill, and
28 "state commission" as the mental health and disability services
29 commission.
30 New Code section 331.438B requires counties to form regions
31 to provide local access to MH/DS for children and adults.
32 Minimum criteria for formation of a group of counties are
33 included along with a schedule for voluntary formation until
34 the period of November 2, 2012, through January 1, 2013,
35 during which the department is required to assign unaffiliated

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1 counties to a region.
2 New Code section 331.438C requires the counties comprising
3 a region to enter into a Code chapter 28E agreement for the
4 joint exercise of governmental powers to form a regional
5 administrator entity to function on behalf of the counties.
6 The regional administrator is required to enter into
7 performance-based contracts with the department to manage for
8 the counties the MH/DS not funded by the medical assistance
9 (Medicaid) program and for coordinating with the department
10 such services that are funded by the Medicaid program. The
11 regional administrator is under the control of a governing
12 board. Elected county supervisors of the participating
13 counties and at least three individuals who utilize MH/DS or
14 actively involved relatives of such individuals are required
15 slots for each governing board. The membership cannot include
16 representatives of the department or service providers. A
17 regional advisory committee for each board is required to
18 include individuals who utilize services or actively involved
19 relatives, service providers, governing board members, and
20 others.
21 New Code section 331.438D addresses regional finances.
22 The funding administered under the authority of a governing
23 board is required to be in a combined account, separate
24 county accounts that are administered under the authority of
25 the governing board, or pursuant to other arrangement. The
26 regional administrator´s administrative costs, as this term
27 is determined in accordance with law, is limited to 5 percent
28 of expenditures. The funding received from performance-based
29 contracts with the department is required to be credited to the
30 account or accounts administered by the regional administrator.
31 New Code section 331.438E requires the counties comprising
32 a MH/DS region to enter into a Code chapter 28E agreement.
33 The agreement is required to address various specific
34 organizational provisions, administrative provisions, and
35 financial provisions.

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1 New Code section 331.438F requires a county to pay for the
2 public costs of the MH/DS for the county's residents that
3 are not covered by the Medicaid program and are provided
4 in accordance with the county's approved regional services
5 management plan. If the county is part of a region that has
6 agreed to pool funding and liability for services, the regional
7 administrator performs the county's responsibilities on behalf
8 of the county. A dispute resolution process is provided to
9 address disputes between counties or regions or the department,
10 as applicable.
11 The provisions of this division enacting new Code sections
12 in Code chapter 331, except as specifically provided by the
13 provisions, are applicable beginning July 1, 2013.
14 SUBACUTE CARE FACILITIES FOR PERSONS WITH SERIOUS AND
15 PERSISTENT MENTAL ILLNESS. This division creates a new health
16 care facility licensure chapter in Code chapter 135P to be
17 regulated by the department of inspections and appeals. The
18 new type of facility is called a "subacute care facility
19 for persons with serious and persistent mental illness"
20 and provides physical facilities with restricted egress to
21 provide accommodation, board, and the services of a licensed
22 psychiatrist for periods exceeding 24 consecutive hours to
23 three or more individuals with serious and persistent mental
24 illness and who may have a diagnosis of another disorder. The
25 facility cannot be used by individuals related to the owner
26 within the third degree of consanguinity.
27 New Code sections 135P.1 and 135P.2 define the terms
28 utilized and state the purpose of the new Code chapter.
29 New Code section 135P.3 describes the nature of care
30 to be utilized and the duties of the facility's licensed
31 psychiatrist, authorizes the use of a seclusion room that meets
32 the conditions specified under federal regulations for the use
33 of seclusion in psychiatric residential treatment facilities
34 providing inpatient psychiatric services for individuals under
35 age 21, and specifies requirements for admission.

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1 New Code section 135P.4 prohibits establishing, operating,
2 or maintaining a subacute care facility without a license and
3 allows a licensed intermediate care facility for persons with
4 mental illness to convert to a licensed subacute care facility.
5 New Code section 135P.5 requires an application for a
6 license and sets the annual licensure fee at $25.
7 New Code section 135P.6 requires the department of
8 inspections and appeals to ascertain the adequacy of the
9 facility before issuing a license and requires the applicant
10 to have been awarded a certificate of need for the facility
11 through the department of public health under Code chapter 135.
12 New Code section 135P.7 authorizes the department to deny
13 an application or suspend or revoke a license for failure or
14 inability to comply with requirements under the Code chapter
15 and provides a list of specific infractions.
16 New Code section 135P.8 authorizes the department to issue a
17 provisional license and addresses compliance plans.
18 New Code section 135P.9 requires the notice and hearing
19 process for licensure issues to be performed in compliance with
20 the Iowa administrative procedure Act, Code chapter 17A.
21 New Code section 135P.10 requires the department of
22 inspections and appeals to adopt rules for the facilities in
23 consultation with the department of human services and for the
24 department to coordinate its rules adoption and enforcement
25 efforts.
26 New Code section 135P.11 addresses complaints alleging
27 violations. Any person may file a complaint and the person's
28 name is required to be kept confidential. The department is
29 required to make a preliminary review of the complaint and
30 under most circumstances an on-site inspection is required
31 within 20 working days. The complainant may accompany the
32 inspector upon request of the complainant or the department.
33 New Code section 135P.12 requires the department's
34 findings regarding licensure to be made public but other
35 information relating to a facility is to be kept confidential.

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1 Disclosure of information regarding residents is prohibited
2 except as provided in Code section 217.30, relating to the
3 confidentiality of records pertaining to individuals receiving
4 services or assistance from the department of human services.
5 New Code section 135P.13 provides for judicial review of
6 departmental action in accordance with Code chapter 17A and for
7 a petition for the review to be filed in the court of the county
8 in which the subacute care facility is located or proposed to
9 be located.
10 New Code section 135P.14 provides that establishing,
11 operating, or managing a subacute care facility without a
12 license is a serious misdemeanor offense.
13 New Code section 135P.15 authorizes the department to
14 maintain an action for an injunction to prevent establishing,
15 operating, or managing a subacute care facility without a
16 license.
17 Code section 249A.26, relating to state and county
18 participation in funding for services to persons with
19 disabilities in the medical assistance (Medicaid) program
20 chapter, is amended to provide that the daily reimbursement
21 rate for subacute care facilities is the sum of the
22 direct care Medicare-certified hospital-based nursing
23 facility patient-day-weighted median and the nondirect
24 care Medicare-certified hospital-based nursing facility
25 patient-day-weighted median.
26 The division may include a state mandate as defined in
27 Code section 25B.3. The division makes inapplicable Code
28 section 25B.2, subsection 3, which would relieve a political
29 subdivision from complying with a state mandate if funding for
30 the cost of the state mandate is not provided or specified.
31 Therefore, political subdivisions are required to comply with
32 any state mandate included in the division.
33 CONFORMING AMENDMENTS —— CENTRAL POINT OF COORDINATION,
34 LEGAL SETTLEMENT, AND COUNTY MENTAL HEALTH, MENTAL RETARDATION,
35 AND DEVELOPMENTAL DISABILITIES SERVICES FUNDS. This division

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1 provides conforming amendments to change references to county
2 central point of coordination administrators to regional
3 administrators, county of legal settlement to county of
4 residence, and county mental health, mental retardation, and
5 developmental disabilities services funds under Code section
6 331.424A to generally apply to the provisions for MH/DS
7 regions. The Code provisions for the affected Code sections
8 are repealed on July 1, 2013, pursuant to 2011 Iowa Acts,
9 chapter 123 (SF 209).
10 References to county mental health, mental retardation, and
11 developmental disabilities services funds under Code section
12 331.424A are amended in the following Code sections: section
13 123.38, relating to alcoholic beverage permits and licenses;
14 section 218.99, requiring counties to be notified of patient
15 personal accounts in DHS state institutions; section 225C.12,
16 relating to partial reimbursement to counties for local
17 inpatient mental health care and treatment; and section 226.9C,
18 authorizing a net general fund appropriation for the dual
19 diagnosis program located at the state mental health institute
20 at Mount Pleasant.
21 References to the "central point of coordination process"
22 (CPC process) are amended to instead refer to the "regional
23 administrator" of the county of residence in the following Code
24 sections: section 218.99, requiring counties to be notified of
25 patient personal accounts in DHS state institutions; section
26 222.2, providing a definition of CPC process; section 222.13,
27 relating to voluntary admissions to a state resource center;
28 section 222.13A, relating to voluntary admission of a minor
29 to a state resource center; section 222.28, authorizing the
30 court to appoint a commission of inquiry to examine a person
31 to determine the person's mental condition; section 222.59,
32 requiring the superintendent of a state resource center
33 to coordinate in assisting location of a community-based
34 placement instead of a state resource center; section 222.60,
35 relating to the costs paid by county and state and requiring a

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1 diagnosis; section 222.61, relating to determination of legal
2 settlement; section 222.62, relating to legal settlement in
3 another county; section 222.63, relating to an objection to
4 a finding of legal settlement; section 222.64, relating to
5 state financial responsibility when a person is in a foreign
6 state or is unknown; section 225.11, relating to initiation
7 of commitment proceedings for the state psychiatric hospital
8 connected to the state university of Iowa; section 225.15,
9 relating to examination and treatment of a respondent at
10 the state psychiatric hospital; section 225.17, relating to
11 payment for the cost of treatment at the state psychiatric
12 hospital; section 225C.2, relating to definitions, is amended
13 to strike the CPC definition; section 225C.5, relating to
14 the MH-DS commission membership; section 225C.6A, relating
15 to data requirements addressed in the disability services
16 system redesign enacted in 2004; section 225C.14, providing
17 requirements for a preliminary diagnostic evaluation for
18 admission to a state mental health institute; section 225C.16,
19 providing for referrals for evaluations for persons applying
20 for voluntary admission to a state mental health institute;
21 section 225C.19, relating to an emergency mental health
22 crisis system; section 226.9C, authorizing a net general
23 fund appropriation for the dual diagnosis program at the
24 Mount Pleasant state mental health institute; section 227.10,
25 relating to transfers from a county or private institution
26 to a state hospital for persons with mental illness; section
27 229.1, relating to definitions; section 229.1B, specifying that
28 a person is subject to the CPC process, notwithstanding any
29 provision of Code chapter 229 to the contrary; section 229.11,
30 authorizing a judge to order immediate custody of a person
31 alleged to have a serious mental impairment; section 229.13,
32 relating to evaluation orders for psychiatric treatment;
33 section 229.14, relating to the report of a psychiatric
34 evaluation; section 229.14A, relating to the notice and hearing
35 for a placement order; section 229.42, relating to costs

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1 paid by a county for a voluntary admission to a state mental
2 health institute; section 230.1, relating to the liability of
3 counties and the state for costs associated with admission of a
4 person with mental illness to a state hospital; section 230.3,
5 providing for certification of legal settlement of a person
6 with mental illness admitted to a hospital; section 232.2,
7 relating to involvement of the CPC process in the transition
8 team of a specific child aging to adulthood while in foster
9 care; section 235.7, relating to appointment of transition
10 committees for children in an area who are aging to adulthood
11 while in child welfare services; and section 249A.26, relating
12 to state and county participation in funding for services to
13 persons with disabilities.
14 Code chapter 252 provisions regarding determinations of
15 county of legal settlement (Code sections 252.6, 252.23, and
16 252.24) are amended to provide that in provisions involving the
17 MH/DS administered through the regional system, the county of
18 residence is responsible and any disputes are to be settled in
19 accordance with new Code section 331.438F.
20 References to "county of legal settlement" are amended to
21 be "county of residence" or the state in the following Code
22 sections: section 218.99, requiring counties to be notified of
23 patient personal accounts in DHS state institutions; section
24 222.10, relating to the duty of a peace officer to detain a
25 person with mental retardation who departs from an institution
26 in another state without proper authority; section 222.13,
27 relating to voluntary admissions to a state resource center;
28 section 222.13A, relating to voluntary admission of a minor to
29 a state resource center; section 222.31, relating to liability
30 for charges at a state resource center; section 222.49,
31 relating to payment for costs of proceedings; section 222.50,
32 requiring the county of legal settlement to pay charges;
33 section 222.60, relating to the costs paid by county and
34 state and requiring a diagnosis; section 222.61, relating to
35 determination of legal settlement; section 222.62, relating to

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1 legal settlement in another county; section 222.63, relating to
2 an objection to a finding of legal settlement; section 222.64,
3 providing for state financial responsibility when a person is
4 in a foreign state or is unknown; section 222.65, requiring the
5 state administrator to investigate a person's residency when
6 placed in a state resource center; section 222.66, providing
7 a standing appropriation for the transfer expenses of state
8 cases to a state resource center; section 222.67, relating to
9 charges when legal settlement was initially unknown; section
10 222.68, requiring the county of legal settlement to reimburse
11 the county that initially paid the charges; section 222.69,
12 providing a standing appropriation for the admission or
13 commitment expenses of state cases; section 222.70, requiring
14 a dispute resolution process to be used for legal settlement
15 disputes; section 222.77, providing for the county of legal
16 settlement to pay the costs of support of patients placed on
17 leave from a state resources center; section 222.78, relating
18 to parents and other persons liable for the support of a
19 patient in a state resource center; section 222.79, relating
20 to the certification of statements of charges for purposes of
21 Code section 222.78; section 222.80, providing for liability
22 for the costs of persons admitted or committed to a private
23 facility; section 222.82, relating to collection of claims
24 under Code section 222.78 or other provisions of Code chapter
25 222; section 222.86, relating to payment of excess amounts from
26 resource center patient personal deposit funds to the county
27 of legal settlement; section 222.92, relating to operation of
28 the state resource center on the basis of a net general fund
29 appropriation; section 226.9C, relating to the net general
30 fund appropriations provisions for the dual diagnosis program
31 at the Mount Pleasant state mental health institute; section
32 226.45, relating to payment of excess amounts from state mental
33 health institute patient personal deposit funds to the county
34 of legal settlement; section 229.9A, relating to the mental
35 health advocate of the county of legal settlement; section

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1 229.12, relating to the presence of the mental health advocate
2 at civil commitment hearings; section 229.19, relating to the
3 duties of the patient advocate; section 229.24, relating to
4 the provision of civil commitment court records to the county
5 of legal settlement; section 229.31, relating to a commission
6 of inquiry; section 229.42, relating to hospitalization costs
7 paid on voluntary cases by the county of legal settlement;
8 section 229.43, relating to nonresidents on convalescent leave;
9 section 230.1, relating to the liability of counties and the
10 state for costs associated with admission of a person with
11 mental illness to a state hospital; section 230.2, relating to
12 finding of legal settlement for persons with mental illness;
13 section 230.3, providing for certification of legal settlement
14 of a person with mental illness admitted to a hospital; section
15 230.4, providing for evidence to accompany the certification
16 of legal settlement for a person with mental illness; section
17 230.5, relating to legal settlement of nonresidents; section
18 230.8, relating to transfer expenses of persons with mental
19 illness with no legal settlement; section 230.9, relating to
20 charges when legal settlement was initially unknown; section
21 230.10, requiring all costs attending the taking into custody,
22 care, investigation, and admission or commitment of a person
23 to a state hospital for persons with mental illness to be paid
24 by the county of legal settlement; section 230.11, relating
25 to recovery of costs from the state for state cases; section
26 230.12, relating to settlement of legal settlement disputes
27 for support of persons with mental illness; section 230.32,
28 relating to support of persons who are nonresidents of this
29 state; section 249A.12, relating to assistance to persons with
30 mental retardation paid under the Medicaid program; section
31 249A.26, addressing state and county participation in funding
32 for services to persons with disabilities, including case
33 management; section 331.502, relating to the duties of the
34 county auditor; and section 347.16, relating to the cost of
35 care provided in county hospitals.

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1 Miscellaneous provisions are also amended. Code section
2 222.22, relating to representation for a person with mental
3 retardation in commitment proceedings, is amended to shift
4 the responsibility to pay for counsel from the county to the
5 state. Code section 225.23, requiring counties to collect
6 claims paid by the state on behalf of committed or voluntary
7 private patients at the state psychiatric hospital, is
8 amended to shift this responsibility to the department of
9 administrative services. Code section 225C.6, relating to the
10 duties of the mental health and disability services commission,
11 is amended to include a requirement to adopt rules for core
12 disability services. Code section 230.20, relating to the
13 billing to counties for patient charges at the state mental
14 health institutes, is amended to change the cap on inflation
15 increases from current law's percentage increase in the allowed
16 growth factor adjustment to the annual percentage increase
17 in the state support provided to the regional service system
18 under Code chapter 331. Code section 231.56A, relating to
19 the elder abuse initiative, emergency shelter, and support
20 services projects involving the department on aging, is amended
21 to eliminate a reference to county MH/MR/DD management plans.
22 Code sections 235A.15 and 235B.6, relating to the child abuse
23 and elder abuse registries and allowing employment record
24 checks for the administrator of an MH/MR/DD agency providing
25 services under a county management plan is amended to refer
26 instead to regional management plans. Code section 331.432,
27 restricting county authority to transfer between funds, is
28 amended to replace a reference to the county mental health,
29 mental retardation, and developmental disabilities services
30 fund with a general reference to county funds for mental health
31 and disability services. Code section 445.5, requiring the
32 county treasurer to notify each land titleholder of the amount
33 of property tax reduction on each parcel as a result of the
34 moneys received from the state property tax relief fund, is
35 amended to eliminate the requirement.

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1 Current law provides for certain electrical power
2 replacement generation tax revenues to be credited to the
3 property tax relief fund for distribution to counties to
4 reduce mental health, mental retardation, and developmental
5 disabilities levies. The property tax relief fund and the
6 county levy provisions are repealed effective July 1, 2013,
7 pursuant to 2011 Iowa Acts, chapter 123 (SF 209). The bill
8 provides for the revenues to instead be deposited in the
9 general fund of the state. The bill amends these Code sections
10 to reflect the change: section 437A.8, relating to return
11 and payment requirements for taxes on electricity and natural
12 gas providers; and section 437A.15, relating to allocation of
13 replacement tax revenues.
14 Code section 222.49, relating to the costs of proceedings
15 for involuntary commitment of persons with mental retardation,
16 is amended to provide that the responsibility to pay costs is
17 with either the county or the state.
18 The bill repeals these Code sections: section 222.73,
19 relating to billing of charges to counties for services
20 provided at the state resource centers; section 222.74,
21 relating to sending of duplicate statements to counties of the
22 billing statements under Code section 222.73; section 222.75,
23 relating to penalties for failure to pay the charges billed
24 under Code section 222.73; section 225C.7, establishing the
25 mental health and developmental disabilities community services
26 fund and a reference to the fund in Code section 225C.4 is
27 stricken; and section 225C.8, relating to the legal settlement
28 dispute resolution process replaced by the bill.

House Study Bill 631 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON SODERBERG)

A BILL FOR

1 An Act relating to security interests in farm products,
2 providing for fees and their expenditure, and including
3 contingent applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5583YC (5) 84
da/rj

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1 Section 1. Section 554.9102, subsection 4, Code 2011, is
2 amended by striking the subsection.
3 Sec. 2. Section 554.9302, Code 2011, is amended to read as
4 follows:
5 **554.9302 Law governing perfection and priority of**
6 **agricultural liens.**
7 1. While farm products are located in a jurisdiction,
8 the local law of that jurisdiction governs perfection, the
9 effect of perfection or nonperfection, and the priority of an
10 agricultural lien on the farm products.
11 2. Subsection 1 does not apply to buyers of farm products as
12 provided in chapter 554E.
13 Sec. 3. NEW SECTION. **554E.1 Definitions.**
14 As used in this chapter, unless the context otherwise
15 requires:
16 1. *"Buyer"* means a person who, in the ordinary course of
17 business, buys farm products from a person engaged in farming
18 operations who is in the business of selling farm products. A
19 buyer includes a commission merchant and selling agent.
20 2. *"Central filing system"* means a system for filing
21 effective financing statements, and statements amending,
22 continuing, or terminating effective financing statements as
23 provided in section 554E.4.
24 3. *"Commission merchant"* means a person engaged in the
25 business of receiving any farm product for sale, on commission,
26 or for or on behalf of another person.
27 4. *"Crop year"* means the calendar year in which a crop is or
28 will be harvested, animals are born or acquired, or poultry or
29 eggs are or will be sold.
30 5. *"Effective financing statement"* means a financing
31 statement required to be filed as part of the central filing
32 system as provided in section 554E.6.
33 6. *"Knows"* means having actual knowledge. *"Knowledge"* means
34 actual knowledge.
35 7. *"Secretary"* means the secretary of state.

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1 8. *"Security interest"* means an interest in farm products
2 that secures payment or performance of an obligation in the
3 same manner as provided in chapter 554.
4 9. *"Selling agent"* means a person, other than a commission
5 merchant, who is engaged in the business of negotiating the
6 sale and purchase of a farm product on behalf of a person
7 engaged in farming operations.
8 10. *"Signature"* means to sign, execute, or otherwise adopt a
9 symbol, or encrypt or similarly process a record in whole or in
10 part, with the present intent of authenticating for purposes of
11 identifying the person and adopting or accepting a record.
12 Sec. 4. NEW SECTION. **554E.2 Special definitions.**
13 To every extent consistent with the application of federal
14 law, unless the context otherwise requires:
15 1. *"Agricultural lien"* means the same as defined in section
16 554.9102.
17 2. *"Debtor"* means a debtor as defined in section 554.9102
18 who has an interest other than a security interest or lien in a
19 farm product, or any other person who owns a farm product and
20 subjects it to a security interest whether or not that person
21 owes a debt to the secured party.
22 3. *"Farm products"* means the same as defined in section
23 554.9102.
24 4. *"Farming operation"* means the same as defined in section
25 554.9102.
26 5. *"Secured party"* means a secured party as defined in
27 section 554.9102 in whose favor a security interest in farm
28 products is created.
29 6. *"Security interest"* means an interest in farm products
30 that secures payment or performance of an obligation in the
31 same manner as provided in chapter 554.
32 Sec. 5. NEW SECTION. **554E.3 Uniform commercial code.**
33 This chapter shall be interpreted in conjunction with
34 chapter 554, and terms and phrases used in this chapter shall,
35 to every extent practicable, be interpreted consistently with

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1 chapter 554, article 9.
2 Sec. 6. NEW SECTION. **554E.4 Central filing system —**
3 **establishment and certification.**
4 The secretary of state shall establish and administer a
5 central filing system for filing effective financing statements
6 or statements amending, continuing, or terminating effective
7 financing statements on a statewide basis.
8 1. The central filing system shall provide for the
9 electronic filing and examining of effective financing
10 statements, or statements amending, continuing, or terminating
11 effective financing statements.
12 2. The central filing system shall be designed to allow
13 persons to file and examine these documents using the internet.
14 The secretary may provide for the filing and examining of the
15 documents in a paper format.
16 3. The central financing system must comply with the
17 requirements set forth in 7 U.S.C. § 1631 which has been
18 certified by the United States secretary of agriculture prior
19 to implementation.
20 Sec. 7. NEW SECTION. **554E.5 Effective financing statements**
21 **— filing requirements.**
22 The secretary of state shall provide for filing effective
23 financing statements, and statements amending, continuing, or
24 terminating effective financing statements, as provided in this
25 section. The secretary shall prescribe all forms to be used
26 for filing. Presentation for filing of a statement and the
27 acceptance of the statement by the secretary constitutes filing
28 under this section.
29 1. An effective financing statement shall be valid if it
30 substantially complies with the requirements of this section
31 even though it contains minor errors that are not seriously
32 misleading.
33 2. An effective financing statement must be an original or
34 reproduced copy which is signed by the secured party and the
35 debtor. If filed electronically, the debtor is not required to

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1 sign the effective financing statement. The statement must be
2 filed with the secretary by the secured party. The secretary
3 shall record the date and hour of the filing of the effective
4 financing statement. The statement must contain information
5 that the secretary requires to comply with 7 U.S.C. § 1631 or
6 to administer this section.
7 3. An effective financing statement must contain all of the
8 following:
9 *a.* The name and address of the secured party.
10 *b.* The name and address of the debtor.
11 *c.* The social security number of the debtor or, in the case
12 of a debtor doing business other than as an individual, the
13 internal revenue service taxpayer identification number of the
14 debtor.
15 *d.* A description of the farm products subject to the
16 security interest, the county in Iowa where the farm products
17 are produced or will be produced, the crop year unless
18 every crop of the farm product in question for the duration
19 of the effective financing statement is to be subject to
20 the particular security interest, further details of the
21 farm product subject to the security interest if needed to
22 distinguish it from other quantities of the farm product owned
23 by the same person or persons but not subject to the particular
24 security interest, and other information that the secretary
25 requires to administer this section. The effective financing
26 statement may cover more than one farm product located in more
27 than one county.
28 4. A continuation statement shall be signed by the secured
29 party, identify the original effective financing statement by
30 file number, and state that the original financing statement
31 is still effective.
32 Sec. 8. NEW SECTION. **554E.6 Effective financing statements**
33 **— effectiveness.**
34 The following shall apply to an effective financing
35 statement:

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1 1. The effective financing statement shall remain effective
2 for a period of five years from the date of filing, subject to
3 extensions for additional periods of five years each by filing
4 or refiling a continuation statement within six months before
5 the expiration of the five-year period.
6 2. Upon timely filing of a continuation statement, the
7 effectiveness of the original financing statement shall be
8 continued for five years after the last date to which the prior
9 filing was effective, whereupon it shall lapse unless another
10 continuation statement is filed prior to the lapse. Succeeding
11 continuation statements may be filed in the same manner to
12 continue the effectiveness of the original effective financing
13 statement.
14 3. The effective financing statement shall be amended in
15 writing to reflect a material change within three months of the
16 material change. The amendment shall be signed and filed as
17 required for an original effective financing statement.
18 4. The effective financing statement lapses upon the
19 expiration of the effective period of the effective financing
20 statement or is terminated upon the filing of a statement
21 signed by the secured party that the effective financing
22 statement is terminated.
23 *a.* If the effective financing statement has not lapsed or is
24 not terminated and there are no outstanding secured obligation
25 and no commitment to make advances, incur obligations, or
26 otherwise give value, the debtor may notify the secured party
27 in writing to terminate the effective financing statement.
28 *b.* Until the debtor instructs the secured party in writing
29 to terminate the effective financing statement, the secured
30 party has no obligation to terminate the effective financing
31 statement.
32 *c.* Within thirty days after receipt by the secured party
33 of the statement from the debtor to terminate the effective
34 financing statement, the secured party shall file with the
35 secretary a termination statement with respect to the effective

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1 financing statement.
2 Sec. 9. NEW SECTION. **554E.7 Master list — organization and**
3 **contents.**
4 The secretary shall compile the effective financing
5 statements into a master list subject to all of the following:
6 1. The master list shall be organized according to farm
7 products. The master list shall contain information required
8 to be contained in effective financing statements filed with
9 the secretary. The secretary shall arrange the master list for
10 each farm product as follows:
11 *a.* In alphabetical order according to the last name of the
12 individual debtors or, in the case of debtors doing business
13 other than as individuals, the first word in the name of such
14 debtors.
15 *b.* In numerical order according to the social security
16 numbers of the individual debtors or, in the case of debtors
17 doing business other than as individuals, the internal revenue
18 service taxpayer identification numbers of the debtors.
19 *c.* Geographically by county.
20 *d.* By crop year.
21 2. The master list shall include information regarding
22 buyers who register with the secretary on forms prescribed by
23 the secretary as provided in this section.
24 3. The secretary shall maintain a list of all buyers of farm
25 products who register with the secretary. A buyer registering
26 with the secretary shall complete forms requiring all of the
27 following information, as prescribed by the secretary:
28 *a.* The name and address of the buyer.
29 *b.* The interest of the buyer in receiving the list.
30 *c.* The farm products in which the buyer has an interest.
31 Sec. 10. NEW SECTION. **554E.8 Master list — distribution**
32 **and inquiries.**
33 1. The secretary shall distribute to each registered buyer a
34 copy in written, printed, or electronic form of those portions
35 of the master list relating to farm products in which the buyer

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1 has registered an interest. The secretary may provide for the
2 distribution of the master list or portions of the list on any
3 other medium requested by a registered buyer. If a registered
4 buyer so requests, the information provided to the buyer may be
5 limited to a county or group of counties where the farm product
6 is produced or to a crop year or crop years or to a combination
7 of those identifiers.
8 2. Distribution is subject to all of the following:
9 *a.* The distribution shall be by first class or electronic
10 mail.
11 *b.* The secretary shall, by rule, establish the dates upon
12 which the quarterly distributions will be made, the dates after
13 which a filing of an effective financing statement will not be
14 reflected on the next quarterly distribution of lists, and the
15 dates by which a buyer must complete a registration to receive
16 the next quarterly list.
17 3. The secretary shall remove information pertaining to
18 lapsed and terminated effective financing statements from the
19 master list prior to preparation of the lists required to be
20 distributed.
21 4. Upon written notice to the secretary by a registered
22 buyer requesting termination of the distribution of the
23 list to the registered buyer, the secretary shall terminate
24 distribution of the list to the registered buyer.
25 5. Oral and written inquiries by a buyer not registered
26 pursuant to section 554E.7 may be made to the secretary during
27 hours determined by the secretary.
28 *a.* The secretary may provide for a computerized system
29 for inquiry and confirmation which may be used in lieu of the
30 inquiry and confirmation system otherwise provided for in this
31 section.
32 *b.* Written confirmation of the information provided orally
33 in response to the inquiry shall be delivered by first class
34 mail or electronic mail to the buyer, at an address provided
35 by the buyer, by the secretary not later than the second

H.F. _____

1 regular business day following the day on which the inquiry was
2 received.
3 6. In order to verify the existence or nonexistence of a
4 security interest, a buyer may request a seller to disclose the
5 seller's social security number or, in the case of a seller
6 doing business other than as an individual, the internal
7 revenue service taxpayer identification number of the seller.
8 Sec. 11. NEW SECTION. **554E.9 Perfection — creation of**
9 **superior interests.**
10 1. The following shall apply:
11 *a.* A buyer who is engaged in farming operations and who
12 buys farm products from a seller who is also engaged in farming
13 operations shall take free of a security interest created by
14 the seller, even though the security interest is perfected and
15 the buyer knows of the existence of the security interest.
16 *b.* Except as provided in this section, a buyer who is
17 not engaged in farming operations and who buys farm products
18 from a seller engaged in farming operations shall take free
19 of a security interest created by the seller, even though the
20 security interest is perfected and the buyer knows of the
21 existence of the security interest.
22 2. As of the date the secretary establishes an electronic
23 central filing system as provided in section 554E.4, the
24 following shall apply:
25 *a.* If the buyer fails to register with the secretary prior
26 to the purchase of farm products, the buyer takes subject
27 to a security interest in the farm products only if the
28 secured party has filed an effective financing statement that
29 covers the farm products being sold, and the buyer could have
30 discovered the existence of the effective financing statement
31 prior to the purchase by accessing the database containing
32 effective financing statements filed electronically with the
33 secretary.
34 *b.* If the buyer registers with the secretary prior to the
35 purchase of the farm products, the buyer takes subject to a

H.F. _____

1 security interest in the farm products only if the secured
2 party has filed an effective financing statement that covers
3 the farm products being sold, and the buyer does not secure a
4 waiver or release of the security interest as specified in the
5 effective financing statement.
6 Sec. 12. NEW SECTION. **554E.10 Fees.**
7 The secretary shall establish fees for initially filing
8 effective financing statements, or a statement amending,
9 continuing, or terminating an effective financing statement.
10 The fees shall not be more than provided for filing financing
11 statements as provided in section 554.9525. Notwithstanding
12 section 22.3, the secretary may charge a buyer a fee for
13 registering to receive a master list or for receiving responses
14 to inquiries which are accessed in a printed format. The
15 secretary shall not charge a buyer a fee for registering to
16 receive a master list or for responding to buyer inquiries,
17 including by examining or printing effective financing
18 statements, and statements amending, continuing, or terminating
19 effective financing statements which are accessed in an
20 electronic format. All moneys received by the secretary under
21 this section shall be handled in the same manner as repayment
22 receipts as defined in section 8.2, and shall be used by the
23 secretary exclusively for the administration of this chapter.
24 Sec. 13. DIRECTIONS TO THE SECRETARY OF STATE.
25 Notwithstanding the date that all provisions of this Act
26 become applicable, the secretary of state shall adopt rules
27 necessary to implement this Act. If necessary to obtain
28 federal certification of the central filing system, additional
29 or alternative requirements made in conformity with 7 U.S.C. §
30 1631 may be imposed by the secretary of state by rule.
31 Sec. 14. CONTINGENT APPLICABILITY. The applicability
32 of the requirements of this Act are contingent upon federal
33 certification of a central filing system as provided in
34 this Act pursuant to 7 U.S.C. § 1631. The provisions of
35 this Act shall apply three months after the date of such

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1 certification. The secretary of state shall provide notice
2 of the applicability date in the Iowa administrative bulletin
3 in three consecutive issues prior to the applicability date.
4 Until that date, persons shall take subject to or free of a
5 security interest in the same manner and according to the same
6 procedures applicable immediately prior to the applicability
7 date.
8 EXPLANATION
9 This bill creates a centralized, statewide filing system
10 for security interests in farm products. The system is
11 administered by the secretary of state, who must provide
12 for filing effective financing statements on a statewide
13 basis. The secretary of state must produce a master list
14 of information required to be contained in the effective
15 financing statements. The bill provides requirements for the
16 contents and duration of an effective financing statement.
17 The bill provides for the distribution of information by the
18 secretary of state regarding effective financing statements
19 to interested persons by sending the information to buyers
20 registered with the secretary of state. The bill provides that
21 the secretary of state must establish an electronic system for
22 filing and accessing effective financing statements and related
23 statements.
24 The bill authorizes the secretary of state to establish
25 fees for filing effective financing statements. The bill
26 authorizes the secretary of state to establish fees for
27 distributing printed versions of the master list and responding
28 to inquiries.
29 The bill provides special contingency and applicability
30 provisions. The secretary of state is required to establish
31 the centralized filing system and obtain federal certification.
32 Once the system is certified, the bill's provisions become
33 applicable three months after that date. Until that date the
34 current version of the direct notice procedures will continue
35 to apply.

House Study Bill 632 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON LOCAL GOVERNMENT BILL BY CHAIRPERSON WAGNER)

A BILL FOR

1 An Act to legalize the proceedings of the City Council
2 of Ankeny, Iowa, including all legal notices given,
3 in connection with the making of a contract for the
4 construction of certain improvements to the NE 7th
5 Street Sanitary Sewer Improvement Project with Pirc-Tobin
6 Construction, Inc. of Alburnett, Iowa, in connection with,
7 and to legalize said contract, and authorize its performance
8 by said Council and the financing including project notes
9 issued thereof.
10 WHEREAS, on August 15, 2011, the City Council passed a
11 resolution ordering the construction of certain improvements
12 to the NE 7th Street Sanitary Sewer Improvement Project of
13 said City, and directed publication of a Notice of Hearing and
14 Letting, pursuant to the provisions of Chapters 26 and 384 of
15 the Code of Iowa, 2011; and
16 WHEREAS, on September 19, 2011, said City entered into a
17 contract for the construction of said improvements, covered by
18 the resolution ordering construction hereinabove mentioned,
19 with Pirc-Tobin Construction, Inc., which company thereafter
20 filed its performance and maintenance bond with the City; and
21 WHEREAS, said construction work has now been commenced and a
22 portion completed by said contractor, and said contractor has
23 been partially paid for such work from available bond proceeds
24 of said City; and
25 WHEREAS, doubts have arisen concerning the legality of the
26 construction contract due to the omission of the publication
27 of Notice of Hearing and Letting as required by Section 26.3
28 of the Iowa Code, and further due to said omission, doubts
29 have arisen concerning the power of the Council to order

TLSB 6031YC (3) 84
da/rj

House Study Bill 632 - Introduced

30 disbursement of additional funds to the contractor and to
31 issue and sell bonds to pay for the remaining cost of said
32 improvements, and it is deemed advisable to put such doubts
33 forever at rest; NOW THEREFORE,
34 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6031YC (3) 84
da/rj

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1 Section 1. All proceedings heretofore taken by the City
2 Council of Ankeny, Iowa, including all legal notices given,
3 in connection with and pertaining to the execution of the
4 contract with Pirc-Tobin Construction, Inc. of Alburnett,
5 Iowa, on September 19, 2011, for the construction of certain
6 improvements to the NE 7th Street Sanitary Sewer Improvement
7 Project of said City and said contract itself, are hereby
8 legalized, validated and confirmed, and shall constitute full
9 authority for the said City Council to order the disbursement
10 of the funds, including notes and bond funds, of said City to
11 said contractor, and to issue and sell general obligations
12 bonds, in the manner prescribed by law, to pay for the costs
13 of said improvements, and said bonds when so issued, shall be
14 valid, legal and binding obligations of said City.
15 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
16 immediate importance, shall be in full force and effect upon
17 enactment.
18 EXPLANATION
19 This bill legalizes the action of the city of Ankeny which
20 executed a contract relating to the construction of public
21 improvements pursuant to a contract executed by the city
22 without first publishing an advertisement for sealed bids in
23 the manner required pursuant to Code section 26.3. The bill
24 takes effect upon enactment.

House Study Bill 633 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WAGNER)

A BILL FOR

1 An Act relating to the issuance of a burial transit permit.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6063YC (1) 84
ad/nh

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1 Section 1. Section 144.32, unnumbered paragraph 1, Code
2 2011, is amended to read as follows:
3 If a person other than a funeral director, medical examiner,
4 or emergency medical service assumes custody of a dead body
5 or fetus, the person shall secure a burial transit permit.
6 To be valid, the burial transit permit must be issued by the
7 county medical examiner~~,~~ or a funeral director~~, or the county~~
8 ~~registrar of the county where the certificate of death or fetal~~
9 ~~death was filed~~. The permit shall be obtained prior to the
10 removal of the body or fetus from the place of death and the
11 permit shall accompany the body or fetus to the place of final
12 disposition.
13 EXPLANATION
14 This bill relates to the issuance of a burial transit
15 permit. A burial transit permit is required when a person
16 other than a funeral director, medical examiner, or emergency
17 medical service assumes custody of a dead body or fetus. The
18 bill removes the county registrar of the county where the
19 certificate of death or fetal death was filed from the list of
20 persons allowed to issue a burial transit permit.

House Study Bill 634 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WAGNER)

A BILL FOR

1 An Act relating to property tax assessments by modifying
2 the requirements for certain notice and protest periods,
3 authorizing local boards of review to allow electronic
4 filing of assessment protests, and including applicability
5 provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6069HC (4) 84
md/sc

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1 Section 1. Section 427.1, subsection 18, Code Supplement
2 2011, is amended to read as follows:
3 18. *Assessed value of exempt property.* Each county and city
4 assessor shall determine the assessment value that would be
5 assigned to the property if it were taxable and value all tax
6 exempt property within the assessor's jurisdiction. A summary
7 report of tax exempt property shall be filed with the director
8 of revenue and the local board of review on or before April ~~16~~ 6
9 of each year on forms prescribed by the director of revenue.
10 Sec. 2. Section 427.16, subsection 5, Code 2011, is amended
11 to read as follows:
12 5. Real property designated for the tax exemption shall
13 be designated by April ~~15~~ 5 of the assessment year in which
14 the fiscal year begins for which the exemption is granted.
15 Notification shall be sent to the county auditor and the
16 applicant.
17 Sec. 3. Section 437A.16A, subsection 1, paragraph b, Code
18 2011, is amended to read as follows:
19 *b.* Following the March 31 due date for the replacement
20 tax return as required by section 437A.8, the director shall
21 annually determine the assessed value of the new cogeneration
22 facility exempt property by dividing the prior year's
23 replacement tax liability attributable to that facility by
24 the current fiscal year's consolidated taxing district rate
25 for the taxing district where the facility is located, then
26 multiplying the quotient by one thousand. The director shall
27 certify this value to the local assessor on or before April ~~10~~
28 5 of the current calendar year. The assessor shall apply this
29 certified value as a credit against the total assessed value of
30 the facility. The allowable credit shall not exceed the total
31 value of the new cogeneration facility as determined by the
32 local assessor for the assessment year and any excess credits
33 shall not be applied to any other assessment year.
34 Sec. 4. Section 441.23, Code 2011, is amended to read as
35 follows:

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1 **441.23 Notice of valuation.**
2 If there has been an increase or decrease in the valuation
3 of the property, or upon the written request of the person
4 assessed, the assessor shall, at the time of making the
5 assessment, inform the person assessed, in writing, of the
6 valuation put upon the taxpayer's property, and notify the
7 person, that if the person feels aggrieved, to appear before
8 the board of review and show why the assessment should be
9 changed. However, if the valuation of a class of property
10 is uniformly decreased, the assessor may notify the affected
11 property owners by publication in the official newspapers of
12 the county. The owners of real property shall be notified not
13 later than April ~~15~~ 5 of any adjustment of the real property
14 assessment.
15 Sec. 5. Section 441.26, subsections 1 and 2, Code Supplement
16 2011, are amended to read as follows:
17 1. The director of revenue shall each year prescribe
18 the form of assessment roll to be used by all assessors in
19 assessing property, in this state, also the form of pages of
20 the assessor's assessment book. The assessment rolls shall
21 be in a form that will permit entering, separately, the names
22 of all persons assessed, and shall also contain a notice in
23 substantially the following form:
24 If you are not satisfied that the foregoing assessment is
25 correct, you may file a protest against such assessment with
26 the board of review on or after April ~~16~~ 6, to and including May
27 5, of the year of the assessment, such protest to be confined
28 to the grounds specified in section 441.37.
29 Dated: .. day of ... (month), .. (year)
30 .....
31 County/City Assessor.
32 2. The notice in 1981 and each odd-numbered year thereafter
33 shall contain a statement that the assessments are subject
34 to equalization pursuant to an order issued by the director
35 of revenue, that the county auditor shall give notice on or

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1 before October ~~15~~ 5 by publication in an official newspaper of
2 general circulation to any class of property affected by the
3 equalization order, and that the board of review shall be in
4 session from October ~~15~~ 6 to November ~~15~~ 5 to hear protests of
5 affected property owners or taxpayers whose valuations have
6 been adjusted by the equalization order.
7 Sec. 6. Section 441.28, Code 2011, is amended to read as
8 follows:
9 **441.28 Assessment rolls — change — notice to taxpayer.**
10 The assessment shall be completed not later than April ~~15~~ 5
11 each year. If the assessor makes any change in an assessment
12 after it has been entered on the assessor's rolls, the assessor
13 shall note on the roll, together with the original assessment,
14 the new assessment and the reason for the change, together with
15 the assessor's signature and the date of the change. Provided,
16 however, in the event the assessor increases any assessment
17 the assessor shall give notice of the increase in writing to
18 the taxpayer by mail postmarked no later than April ~~15~~ 5. No
19 changes shall be made on the assessment rolls after April ~~15~~
20 5 except by order of the board of review or of the property
21 assessment appeal board, or by decree of court.
22 Sec. 7. Section 441.37, subsection 1, paragraph a,
23 unnumbered paragraph 1, Code Supplement 2011, is amended to
24 read as follows:
25 Any property owner or aggrieved taxpayer who is dissatisfied
26 with the owner's or taxpayer's assessment may file a protest
27 against such assessment with the board of review on or
28 after April ~~16~~ 6, to and including May 5, of the year of the
29 assessment. In any county which has been declared to be a
30 disaster area by proper federal authorities after March 1
31 and prior to May 20 of said year of assessment, the board of
32 review shall be authorized to remain in session until June 15
33 and the time for filing a protest shall be extended to and
34 include the period from May 25 to June 5 of such year. Said
35 protest shall, except as provided in subsection 2A, be in

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1 writing and signed by the one protesting or by the protester's
2 duly authorized agent. The taxpayer may have an oral hearing
3 thereon if, except as provided in subsection 2A, request
4 therefor in writing is made at the time of filing the protest.
5 Said protest must be confined to one or more of the following
6 grounds:
7 Sec. 8. Section 441.37, Code Supplement 2011, is amended by
8 adding the following new subsection:
9 NEW SUBSECTION. 2A. For assessment years beginning on or
10 after January 1, 2013, the board of review may allow property
11 owners or aggrieved taxpayers who are dissatisfied with the
12 owner's or taxpayer's assessment to file a protest against
13 such assessment by electronic means. The board of review
14 may authorize electronic filing of assessment protests for
15 the protest period that begins April 6, the protest period
16 that begins October 6, or both. If the board of review
17 approves the use of electronic filing, the board of review
18 shall develop a secure program that is accessible through
19 the assessor's internet site to allow for protests to be
20 filed electronically and shall include in the program a
21 method for providing electronic signatures for protests filed
22 electronically. All other requirements of this section for
23 an assessment protest to the board of review shall apply to a
24 protest filed electronically. If a board of review approves
25 the use of electronic filing, the availability of electronic
26 filing shall be clearly indicated on the assessment roll notice
27 provided to the property or owner and included in the published
28 equalization order notice.
29 Sec. 9. Section 441.49, subsection 2, paragraph a, Code
30 Supplement 2011, is amended to read as follows:
31 *a.* On or before October ~~15~~ 5 the county auditor shall cause
32 to be published in official newspapers of general circulation
33 the final equalization order. The publication shall include,
34 in type larger than the remainder of the publication, the
35 following statement:

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1 Assessed values are equalized by the department of revenue
2 every two years. Local taxing authorities determine the final
3 tax levies and may reduce property tax rates to compensate for
4 any increase in valuation due to equalization.
5 Sec. 10. Section 441.49, subsection 4, Code Supplement
6 2011, is amended to read as follows:
7 4. The local board of review shall reconvene in special
8 session from October ~~15~~ 6 to November ~~15~~ 5 for the purpose of
9 hearing the protests of affected property owners or taxpayers
10 within the jurisdiction of the board whose valuation of
11 property if adjusted pursuant to the equalization order issued
12 by the director of revenue will result in a greater value than
13 permitted under section 441.21. The board of review shall
14 accept protests only during the first ten days following the
15 date the local board of review reconvenes. The board of review
16 shall limit its review to only the timely filed protests. The
17 board of review may adjust all or a part of the percentage
18 increase ordered by the director of revenue by adjusting the
19 actual value of the property under protest to one hundred
20 percent of actual value. Any adjustment so determined by
21 the board of review shall not exceed the percentage increase
22 provided for in the director's equalization order. The
23 determination of the board of review on filed protests is
24 final, subject to appeal to the property assessment appeal
25 board. A final decision by the local board of review, or the
26 property assessment appeal board, if the local board's decision
27 is appealed, is subject to review by the director of revenue
28 for the purpose of determining whether the board's actions
29 substantially altered the equalization order. In making the
30 review, the director has all the powers provided in chapter
31 421, and in exercising the powers the director is not subject
32 to chapter 17A. Not later than fifteen days following the
33 adjournment of the board, the board of review shall submit to
34 the director of revenue, on forms prescribed by the director, a
35 report of all actions taken by the board of review during this

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1 session.
2 Sec. 11. APPLICABILITY. This Act applies to assessment
3 years beginning on or after January 1, 2013.
4 EXPLANATION
5 This bill relates to property tax assessments by modifying
6 the requirements for certain notice and protest periods and
7 authorizing local boards of review to allow assessment protests
8 to be filed by electronic means.
9 Current Code section 441.23 requires notification to owners
10 of real property of any adjustment in their property tax
11 assessment not later than April 15 of the assessment year. The
12 bill changes the date required for such notice to April 5.
13 Current law provides that any property owner or aggrieved
14 taxpayer who is dissatisfied with the owner's or taxpayer's
15 assessment may file a protest against such assessment with the
16 board of review on or after April 16, to and including May 5, of
17 the year of the assessment. The bill modifies that time period
18 to file a protest to on or after April 6, to and including May
19 5.
20 Current law requires the county auditor to give notice of
21 the equalization orders issued by the department of revenue on
22 or before October 15 by publication in an official newspaper
23 of general circulation to any class of property affected by
24 the equalization order. The bill moves that publication date
25 to October 5. Under current law, the board of review is in
26 session from October 15 to November 15 to hear protests of
27 affected property owners or taxpayers whose valuations have
28 been adjusted by the equalization order. The bill modifies
29 that protest period to be from October 6 to November 5.
30 The bill modifies certain dates relating to property tax
31 exemptions under Code chapter 427 and taxes on electricity and
32 natural gas providers under Code chapter 437A to account for
33 modifications made to the requirements for notice and protest
34 periods under Code chapter 441.
35 The bill provides that for assessment years beginning on

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1 or after January 1, 2013, the local board of review may allow
2 property owners or aggrieved taxpayers to file such protests
3 electronically. The bill allows the local board of review to
4 authorize electronic filing of assessment protests for the
5 regular protest period that begins April 6 under the bill, the
6 equalization protest period that begins October 6 under the
7 bill, or both. If the local board of review approves the use of
8 electronic filing, the board of review must develop a secure
9 program to allow for protests to be filed electronically and a
10 method for providing electronic signatures for protests filed
11 electronically and that is accessible through the assessor's
12 internet site. If a local board of review approves the use of
13 electronic filing, the availability of electronic filing is
14 required to be clearly indicated on the assessment roll notice
15 and included in the published equalization order notice.
16 The bill applies to assessment years beginning on or after
17 January 1, 2013.

House Study Bill 635 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON SODERBERG)

A BILL FOR

1 An Act relating to matters under the purview of the banking
2 division of the department of commerce, and including
3 effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5258YC (1) 84
rn/nh

H.F. _____

1 DIVISION I
2 MUTUAL OWNERSHIP FOR STATE-CHARTERED BANKS AND STATE HOLDING
3 COMPANIES TO FACILITATE CONVERSIONS BY FEDERALLY CHARTERED
4 SAVINGS ASSOCIATIONS
5 Section 1. Section 524.103, subsections 27 and 28, Code
6 2011, are amended to read as follows:
7 27. *"Member"* means a person with a membership interest
8 in a state bank organized as a limited liability company or
9 incorporated as a mutual corporation under this chapter.
10 28. *"Membership interest"* means a member's share of the
11 profits and losses, the right to receive distributions of
12 assets, and any right to vote or participate in management of a
13 state bank organized as a limited liability company under this
14 chapter or of a state bank incorporated as a mutual corporation
15 under this chapter.
16 Sec. 2. Section 524.103, Code 2011, is amended by adding the
17 following new subsections:
18 NEW SUBSECTION. 27A. *"Member vote"* means one vote
19 for each one hundred dollars, or fraction thereof, of the
20 withdrawal value of a member's account with respect to a mutual
21 corporation.
22 NEW SUBSECTION. 29A. *"Mutual bank holding company"* means a
23 bank holding company that is a mutual corporation or that owns
24 or controls a mutual corporation.
25 NEW SUBSECTION. 29B. *"Mutual corporation"* means a
26 corporation that is incorporated on a mutual ownership basis
27 under this chapter or converted to become subject to this
28 chapter and is not authorized to issue capital stock.
29 Sec. 3. Section 524.103, subsections 35, 36, and 39, Code
30 2011, are amended to read as follows:
31 35. *"Shareholder"* means one who is a holder of record of
32 shares in a state bank. If a state bank is organized as a
33 limited liability company under this chapter, *"shareholder"*
34 means ~~any~~ a member of the limited liability company. If a
35 state bank is incorporated as a mutual corporation under

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1 this chapter, "shareholder" means a member of the mutual
2 corporation.
3 36. *"Shares"* means the units into which the proprietary
4 interests in a state bank incorporated as a stock corporation
5 are divided, including any membership interests of a state bank
6 organized as a limited liability company under this chapter.
7 39. *"State bank"* means any bank incorporated pursuant to
8 the provisions of this chapter after January 1, 1970, and any
9 *"state bank"* ~~or *"savings bank"*~~ incorporated pursuant to the laws
10 of this state and doing business as such on January 1, 1970,
11 or a bank organized as a limited liability company or a mutual
12 corporation under this chapter.
13 Sec. 4. Section 524.103, Code 2011, is amended by adding the
14 following new subsection:
15 NEW SUBSECTION. 39A. *"Stock corporation"* means a
16 corporation which is authorized to issue capital stock.
17 Sec. 5. Section 524.302, subsection 1, paragraph d, Code
18 2011, is amended to read as follows:
19 *d.* (1) ~~The~~ If the state bank will be a stock corporation,
20 the aggregate number of common and preferred shares which the
21 state bank shall have authority to issue and the par value of
22 such shares. If such shares are to be divided into classes
23 or series, the number of shares of each class or series and
24 a statement of the par value of the shares of each class or
25 series.
26 (2) If the state bank will be a mutual corporation, that the
27 corporation will be a mutual corporation.
28 Sec. 6. NEW SECTION. **524.316 State banks as mutual**
29 **corporations.**
30 The superintendent may adopt rules to ensure that a state
31 bank incorporated as a mutual corporation is operating in a
32 safe and sound manner and is subject to the superintendent's
33 authority in the same manner as a state bank incorporated as a
34 stock corporation.
35 Sec. 7. Section 524.405, Code 2011, is amended to read as

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1 follows:
2 **524.405 Increase or decrease of capital structure.**
3 1. A state bank incorporated as a stock corporation may
4 increase its capital structure or effect an allocation of
5 amounts within its capital structure, by the use of any of the
6 following methods:
7 *a.* Sale of authorized but unissued shares.
8 *b.* Transfer of surplus or undivided profits to capital for
9 authorized but unissued shares.
10 *c.* Transfer of undivided profits to surplus.
11 *d.* Authorization and issuance of common shares, preferred
12 shares, or capital notes or debentures.
13 2. The superintendent, whenever it appears necessary to do
14 so in the interest of the safety of the deposits of a state
15 bank incorporated as a stock corporation, may require that the
16 capital structure of the state bank be increased by either of
17 the methods provided for in subsection 1, paragraphs *"a"* and
18 *"d"*.
19 3. Capital or surplus shall not be decreased except with the
20 approval of the superintendent.
21 4. A state bank incorporated as a mutual corporation
22 may raise capital by accepting payments on savings and
23 demand accounts and by any other means authorized by the
24 superintendent. Whenever it appears necessary to do so in
25 the interest of the safety of the deposits of a state bank
26 incorporated as a mutual corporation, the superintendent
27 may require that the capital structure of the state bank be
28 increased by any means authorized by the superintendent.
29 Sec. 8. Section 524.521, subsections 1 and 2, Code 2011, are
30 amended to read as follows:
31 1. The articles of incorporation of a stock corporation
32 must prescribe the classes of shares and the number of shares
33 of each class that the state bank is authorized to issue. If
34 more than one class of shares is authorized, the articles of
35 incorporation must prescribe a distinguishing designation for

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each class. Prior to the issuance of shares of a class, the preferences, limitations, and relative rights of that class must be described in the articles of incorporation. All shares of a class must have preferences, limitations, and relative rights identical with those of other shares of the same class except to the extent otherwise permitted by section 524.523.

2. The articles of incorporation of a stock corporation must authorize both of the following:

a. One or more classes of shares that together have unlimited voting rights.

b. One or more classes of shares, which may be the same class or classes as those with voting rights, that together are entitled to receive the net assets of the state bank upon dissolution.

Sec. 9. Section 524.523, subsection 1, Code 2011, is amended to read as follows:

1. The shares of a state bank incorporated as a stock corporation shall be represented by certificates signed by such officers, employees, or agents as are authorized by the articles of incorporation or bylaws to sign. If no contrary provisions are made in the articles of incorporation or bylaws, the certificates shall be signed by the president or a vice president and the cashier or an assistant cashier of the state bank.

Sec. 10. Section 524.526, subsection 1, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A state bank incorporated as a stock corporation may do any of the following:

Sec. 11. Section 524.527, Code 2011, is amended to read as follows:

524.527 Liability of shareholders.

1. A purchaser of the shares of a state bank incorporated as a stock corporation is not liable to the bank, its creditors, or depositors with respect to the shares except to pay the consideration for which the shares were authorized to be issued

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1 under section 524.521, or the consideration specified in the
2 subscription agreement authorized under section 524.525.
3 2. Unless otherwise provided in the articles of
4 incorporation, a shareholder of a state bank is not personally
5 liable for the acts or debts of the state bank, its creditors,
6 or depositors.
7 3. A member of a state bank incorporated as a mutual
8 corporation is not personally liable for the acts or debts of
9 the state bank, its creditors, or depositors.
10 Sec. 12. NEW SECTION. **524.538A Voting by member of mutual**
11 **corporation.**
12 All holders of savings, demand, or other authorized
13 accounts of a bank incorporated as or converted to be a
14 mutual corporation are members of the state bank. In the
15 consideration of all questions requiring action by the members
16 of the state bank, each holder of an account shall be permitted
17 to cast one vote for each one hundred dollars, or fraction
18 thereof, of the withdrawal value of the member's account. No
19 member, however, shall cast more than one thousand member
20 votes. All accounts shall be nonassessable.
21 Sec. 13. Section 524.545, Code 2011, is amended to read as
22 follows:
23 **524.545 Options for shares.**
24 A state bank incorporated as a stock corporation may
25 authorize the granting of options to officers and employees to
26 purchase unissued shares of the state bank in accordance with a
27 plan approved by the superintendent.
28 Sec. 14. NEW SECTION. **524.1421 Mutual to stock conversions.**
29 1. A mutual corporation, a mutual holding company, a
30 federal mutual association, or a federal mutual holding
31 company, subject to the provisions of this chapter, may convert
32 into a stock corporation that is either a state bank or a
33 state bank mutual bank holding company upon approval of the
34 superintendent.
35 2. A mutual corporation, a mutual holding company, a federal

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1 mutual association, or a federal mutual holding company shall
2 make an application to the superintendent for approval of
3 the conversion in a manner prescribed by the superintendent
4 and shall deliver to the superintendent, when available, the
5 following:
6 *a.* Articles of conversion.
7 *b.* A business plan addressing factors prescribed by the
8 superintendent.
9 *c.* Proof of publication of the notice required by section
10 524.1422.
11 *d.* The applicable fee payable to the secretary of state,
12 under section 490.122, for the filing and recording of the
13 articles of conversion.
14 3. The superintendent may adopt rules governing mutual to
15 stock conversions.
16 Sec. 15. NEW SECTION. **524.1422 Notice of mutual to stock**
17 **conversion.**
18 Within thirty days after an application for conversion has
19 been accepted for processing, the mutual corporation, mutual
20 holding company, federal mutual association, or federal mutual
21 holding company shall publish a notice of the delivery of the
22 articles of conversion to the superintendent in a newspaper of
23 general circulation published in the municipal corporation or
24 unincorporated area in which the mutual corporation, mutual
25 holding company, federal mutual association, or federal mutual
26 holding company has its principal place of business, or if
27 there is none, a newspaper of general circulation published
28 in the county, or in a county adjoining the county, in which
29 the mutual corporation, mutual holding company, federal
30 mutual association, or federal mutual holding company has its
31 principal place of business. The notice shall set forth the
32 information required by the superintendent.
33 Sec. 16. Section 524.1504, subsection 1, paragraphs e and f,
34 Code 2011, are amended to read as follows:
35 *e.* ~~The~~ For a stock corporation, the number of shares

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1 entitled to vote on the amendment, and if the shares of any
2 class are entitled to vote thereon as a class, the number of
3 shares of each class. For a mutual corporation, the number of
4 member votes entitled to be cast.
5 *f.* The number of shares or member votes voted for and
6 against such amendment, respectively, and if the shares of any
7 class are entitled to vote thereon as a class, the number of
8 shares of each such class voted for and against such amendment.
9 Sec. 17. NEW SECTION. **524.1809 Mutual bank holding**
10 **companies.**
11 1. A state bank may be owned, directly or indirectly, by a
12 mutual bank holding company.
13 2. A mutual holding company authorized pursuant to 12 U.S.C.
14 § 1467a and regulations promulgated thereunder may convert to a
15 mutual bank holding company authorized under this chapter.
16 3. A mutual corporation may reorganize as a mutual holding
17 company in the manner provided in 12 U.S.C. § 1467a(o). The
18 resulting mutual holding company shall be a mutual bank holding
19 company authorized under this chapter.
20 4. A mutual bank holding company authorized under this
21 chapter shall also be subject to chapter 490, the Iowa business
22 corporations Act. If a provision of chapter 490 conflicts with
23 the provisions of this chapter or a rule of the superintendent
24 adopted pursuant to this chapter, the provisions of this
25 chapter or rule of the superintendent shall control.
26 5. The superintendent may adopt rules pursuant to
27 chapter 17A pertaining to mutual bank holding companies and
28 reorganizations into mutual bank holding companies under this
29 chapter.
30 Sec. 18. EFFECTIVE UPON ENACTMENT. This division of this
31 Act, being deemed of immediate importance, takes effect upon
32 enactment.
33 DIVISION II
34 MISCELLANEOUS PROVISIONS
35 Sec. 19. Section 524.226, unnumbered paragraph 4, Code

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2011, is amended to read as follows:

The superintendent, during the period of the superintendent's management of the property and business of the state bank, ~~and prior to such time as the superintendent may apply to the district court for appointment as receiver,~~ may require reimbursement by the state bank to the extent of the expenses incurred by the superintendent in connection with such management.

Sec. 20. Section 524.802, subsection 9, Code 2011, is amended to read as follows:

9. Acquire and hold shares of stock in the appropriate federal home loan bank and to exercise all powers conferred on member banks of the federal home loan bank system that are not inconsistent with this chapter. A purchase of federal home loan bank shares which causes the state bank's holdings to exceed fifteen percent of aggregate capital requires the prior approval of the superintendent. In addition, a state bank may own federal home loan bank shares in an amount exceeding fifteen percent of the state bank's aggregate capital, but not exceeding twenty-five percent of the state bank's aggregate capital, if the ownership of shares exceeding fifteen percent is needed to support the state bank's participation in the federal home loan bank's acquired member assets program as provided for in 12 C.F.R. pt. 955.

Sec. 21. Section 524.1103, Code 2011, is amended to read as follows:

524.1103 Exceptions.

1. The provisions of section 524.1102 shall not apply to any affiliate:

~~1.~~ *a.* Engaged solely in holding or operating real estate used wholly or substantially by the state bank in its operations or acquired for its future use.

~~2.~~ *b.* Engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation eligible to discount loans with a farm credit bank.

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1 ~~3.~~ *c.* Engaged solely in holding obligations of the United
2 States, the farm credit banks, the federal home loan banks,
3 or obligations fully guaranteed by the United States as to
4 principal and interest.
5 ~~4.~~ *d.* Where the affiliate relationship has arisen as
6 a result of shares acquired in satisfaction of a bona fide
7 debt contracted prior to the date of the creation of such
8 relationship provided that such shares shall be sold at public
9 or private sale within one year from the date of the creation
10 of the relationship, unless the time is extended by the
11 superintendent.
12 ~~5.~~ *e.* Where the affiliate relationship exists by reason
13 of the ownership or control of any voting shares thereof by
14 a state bank as executor, administrator, trustee, receiver,
15 agent, depository, or in any other fiduciary capacity, except
16 where such shares are held for the benefit of all or a majority
17 of the shareholders of such state bank.
18 ~~6.~~ *f.* Which is a bank.
19 ~~7.~~ *g.* Which is an operations subsidiary or other subsidiary
20 in which the state bank owns or controls eighty percent or more
21 of the voting shares. However, an operations subsidiary shall
22 not conduct any activity at any location where the state bank
23 itself would not be permitted to conduct that activity without
24 the prior approval of the superintendent.
25 2. *a.* The superintendent may, in the superintendent's
26 discretion, by regulation or order, exempt transactions or
27 relationships from the requirements of section 524.1102 if
28 the superintendent finds such exemptions to be in the public
29 interest and consistent with the purposes of section 524.1102.
30 *b.* A state bank may request an exemption from the
31 requirements of section 524.1102 by submitting a written
32 request to the superintendent including all of the following:
33 (1) A detailed description of the transaction or
34 relationship for which the state bank seeks an exemption.
35 (2) A statement of the reasons for exemption of the

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1 transaction or relationship.
2 (3) An explanation of how the exemption would be in the
3 public interest and consistent with the purposes of section
4 524.1102.
5 Sec. 22. Section 524.1305, subsection 9, Code 2011, is
6 amended to read as follows:
7 9. If at any time during the course of dissolution
8 proceedings the superintendent finds that the assets of the
9 state bank will not be sufficient to discharge its obligations,
10 the superintendent shall ~~apply to the district court for~~
11 ~~appointment as receiver~~ tender to the federal deposit insurance
12 corporation the receivership in the manner required by section
13 524.1310, and the dissolution shall thereafter be treated as an
14 involuntary dissolution in accordance with the terms of that
15 section and sections 524.1311 and 524.1312.
16 Sec. 23. Section 524.1310, Code 2011, is amended to read as
17 follows:
18 **524.1310 Involuntary dissolution after commencement of**
19 **business — superintendent as receiver.**
20 1. *a.* In a situation in which the superintendent has
21 required, in accordance with section 524.226, that the state
22 bank cease to carry on its business, the superintendent shall
23 ~~apply to the district court for the county in which the state~~
24 ~~bank is located for appointment as receiver for the state~~
25 ~~bank. The district court shall appoint the superintendent as~~
26 ~~receiver unless the superintendent has tendered the appointment~~
27 ~~to the federal deposit insurance corporation as provided for~~
28 ~~in section 524.1313, in which case the district court shall~~
29 ~~appoint~~ tender to the federal deposit insurance corporation
30 ~~as receiver~~ the receivership for the state bank. The affairs
31 of the state bank shall thereafter be ~~under the direction of~~
32 ~~the district court, and the assets of the state bank shall be~~
33 ~~distributed in accordance with section 524.1312~~ governed by
34 this section, section 524.1311, and the provisions of federal
35 law, and shall be subject to federal court jurisdiction, and

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1 the assets of the state bank shall be distributed in accordance
2 with section 524.1312. If there is a conflict between the
3 provisions of state and federal law, federal law shall govern.
4 *b.* All amounts due creditors and shareholders described
5 in section 490.1440 shall be deposited with the treasurer of
6 state in accordance with that section. Such amounts shall be
7 retained by the treasurer of state and subject to claim in
8 the manner provided for in section 490.1440. Amounts due to
9 depositors who are unknown, or who are under a disability and
10 there is no person legally competent to receive the amount, or
11 who cannot be found after the exercise of reasonable diligence,
12 shall be transmitted to the treasurer of state in the manner
13 required by section 524.1305, subsection 6. Such property
14 shall be treated as abandoned, retained by the treasurer of
15 state, and is subject to claim, in the manner provided for in
16 sections 556.14 to 556.21. ~~The attorney general, or assistants~~
17 ~~appointed by the court, shall represent the superintendent in~~
18 ~~all proceedings connected with the receivership.~~
19 2. Under the receivership, the rights of depositors and
20 other creditors of the insured state bank shall be determined
21 in accordance with the laws of this state.
22 3. The federal deposit insurance corporation as receiver
23 shall possess all the powers, rights, and privileges provided
24 under section 524.1311, except insofar as that section may be
25 in conflict with the laws of the United States.
26 4. If the federal deposit insurance corporation pays or
27 makes available for payment the insured deposit liabilities
28 of an insured state bank, the federal deposit insurance
29 corporation shall be subrogated by operation of law to all
30 rights against such insured state bank of the owners of
31 such deposits in the same manner and to the same extent as
32 subrogation of the federal deposit insurance corporation
33 is provided for in applicable federal law in the case of a
34 national bank.
35 Sec. 24. Section 524.1311, Code 2011, is amended to read as

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follows:

524.1311 Involuntary dissolution after commencement of business — receivership procedure.

1. ~~In all situations in which the superintendent has been named the receiver as provided in section 524.1310 the superintendent shall make~~ Under the receivership, a diligent effort shall be made to collect and realize on the assets of the state bank~~,~~ and to make distribution of the proceeds from time to time to those entitled thereto. The ~~superintendent~~ federal deposit insurance corporation may execute assignments, releases, and satisfactions to effectuate sales and transfers as receiver or after the receivership has terminated. ~~Upon the order of the court in which the receivership is pending, the superintendent~~ The federal deposit insurance corporation may sell or compound all bad or doubtful debts, and~~, on a like order,~~ may sell all the real and personal property of such state bank~~, on such terms as the court shall direct~~.

2. ~~All expenses of the receivership and dissolution shall be fixed by the superintendent, subject to the approval of the district court, and shall be paid out of the assets of the state bank.~~ After the involuntary dissolution of a state bank, the superintendent shall file notice of the dissolution with the secretary of state and the county recorder of the county in which the state bank is located. No fee shall be charged by the secretary of state or the county recorder for the filing or recording. The corporate existence of the state bank shall cease upon filing of the notice of dissolution with the secretary of state.

~~3. At the termination of the receivership, the superintendent shall file a final report containing the details of the superintendent's actions therein, together with such additional facts as the court may require.~~

~~4. Upon the submission and approval of the final report, the court shall enter a decree dissolving the state bank whereupon the corporate existence of the state bank shall cease. It~~

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1 ~~shall be the duty of the clerk of such court to cause certified~~
2 ~~copies of the decree to be filed with and recorded by the~~
3 ~~secretary of state and the county recorder of the county in~~
4 ~~which is located the state bank. No fee shall be charged by the~~
5 ~~secretary of state or said county recorder for the filing or~~
6 ~~recording thereof.~~
7 Sec. 25. Section 535B.10, subsection 6, Code 2011, is
8 amended by adding the following new paragraph:
9 NEW PARAGRAPH. *h.* The administrator may furnish
10 information relating to supervision of closing agent licensees
11 whose activities relate to the issuance of title guaranty
12 certificates issued by the title guaranty division of the
13 Iowa finance authority to the title guaranty division. The
14 title guaranty division may use this information to satisfy
15 its reinsurance requirements and may provide the information
16 to its reinsurer to the extent necessary to satisfy reinsurer
17 requirements provided the reinsurer agrees to maintain the
18 confidentiality of the information. The title guaranty
19 division shall maintain the confidentiality of the information
20 provided pursuant to this paragraph in all other respects.
21 Sec. 26. Section 602.8102, subsection 72, Code 2011, is
22 amended by striking the subsection.
23 Sec. 27. REPEAL. Section 524.1313, Code 2011, is repealed.
24 Sec. 28. EFFECTIVE UPON ENACTMENT. The following
25 provisions of this division of this Act, being deemed of
26 immediate importance, take effect upon enactment:
27 1. The section of this Act amending section 524.226,
28 unnumbered paragraph 4.
29 2. The section of this Act amending section 524.1305,
30 subsection 9.
31 3. The section of this Act amending section 524.1310.
32 4. The section of this Act amending section 524.1311.
33 5. The section of this Act repealing section 524.1313.
34 6. The section of this Act striking section 602.8102,
35 subsection 72.

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DIVISION III
SAVINGS AND LOAN ASSOCIATIONS

Sec. 29. Section 7C.9, Code 2011, is amended to read as follows:

7C.9 Nonbusiness days.

If the expiration date of either the one-hundred-twenty-day period or the thirty-day extension period described in subsection 1 or 2 of section 7C.7 is a Saturday, Sunday, or any day on which the offices of the state~~,~~ or banking institutions~~, or savings and loan associations~~ in the state are authorized or required to close, the expiration date is extended to the first day thereafter which is not a Saturday, Sunday, or other previously described day.

Sec. 30. Section 12.61, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. "Financial institution" means a state bank as defined in section 524.103, subsection 39, a federally chartered state bank having its principal office within this state, a federally chartered credit union having its principal office within this state, a federally chartered savings and loan association having its principal office within the state, a credit union organized under chapter 533, ~~an association incorporated or authorized to do business under chapter 534,~~ or a trust company organized or incorporated under the laws of this state.

Sec. 31. Section 12.71, subsection 5, Code 2011, is amended to read as follows:

5. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or

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1 belonging to them.
2 Sec. 32. Section 12.81, subsection 5, Code 2011, is amended
3 to read as follows:
4 5. The bonds are securities in which public officers and
5 bodies of this state; political subdivisions of this state;
6 insurance companies and associations and other persons carrying
7 on an insurance business; banks, trust companies, savings
8 associations, ~~savings and loan associations,~~ and investment
9 companies; administrators, guardians, executors, trustees,
10 and other fiduciaries; and other persons authorized to invest
11 in bonds or other obligations of the state, may properly and
12 legally invest funds, including capital, in their control or
13 belonging to them.
14 Sec. 33. Section 12.87, subsection 5, Code Supplement 2011,
15 is amended to read as follows:
16 5. The bonds are securities in which public officers and
17 bodies of this state; political subdivisions of this state;
18 insurance companies and associations and other persons carrying
19 on an insurance business; banks, trust companies, savings
20 associations, ~~savings and loan associations,~~ and investment
21 companies; administrators, guardians, executors, trustees,
22 and other fiduciaries; and other persons authorized to invest
23 in bonds or other obligations of the state, may properly and
24 legally invest funds, including capital, in their control or
25 belonging to them.
26 Sec. 34. Section 12.91, subsection 6, Code 2011, is amended
27 to read as follows:
28 6. The bonds are securities in which public officers and
29 bodies of this state; political subdivisions of this state;
30 insurance companies and associations and other persons carrying
31 on an insurance business; banks, trust companies, savings
32 associations, ~~savings and loan associations,~~ and investment
33 companies; administrators, guardians, executors, trustees,
34 and other fiduciaries; and other persons authorized to invest
35 in bonds or other obligations of the state may properly and

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1 legally invest funds, including capital, in their control or
2 belonging to them.
3 Sec. 35. Section 12A.4, subsection 4, Code 2011, is amended
4 to read as follows:
5 4. Bonds issued under this chapter are investment
6 securities and negotiable instruments within the meaning of
7 and for purposes of the uniform commercial code, chapter
8 554. Bonds are securities in which public officers and
9 bodies of this state; political subdivisions of this state;
10 insurance companies and associations and other persons carrying
11 on an insurance business; banks, trust companies, savings
12 associations, ~~savings and loan associations,~~ and investment
13 companies; administrators, guardians, executors, trustees, and
14 other fiduciaries; and other persons authorized to invest in
15 bonds of the state, may properly and legally invest funds,
16 including capital, in their control or belonging to them.
17 Sec. 36. Section 12C.1, subsection 2, Code Supplement 2011,
18 is amended to read as follows:
19 2. As used in this chapter unless the context otherwise
20 requires:
21 *a. "Bank"* means a corporation or limited liability company
22 engaged in the business of banking and organized under the laws
23 of this state, another state, or the United States. *"Bank"* also
24 means a savings and loan, savings association, or savings bank
25 organized under the laws of ~~this state,~~ another state~~,~~ or the
26 United States.
27 *b. "Credit union"* means a cooperative, nonprofit association
28 incorporated under chapter 533 or the federal Credit Union Act,
29 12 U.S.C. § 1751 et seq., and that is insured by the national
30 credit union administration and includes an office of a credit
31 union.
32 *c. "Depository"* means a bank~~, a savings and loan,~~ or a
33 credit union in which public funds are deposited under this
34 chapter.
35 *d. "Financial institution"* means a bank or a credit union.

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1 *e. "Public funds"* and *"public deposits"* mean any of the
2 following:
3 (1) The moneys of the state or a political subdivision
4 or instrumentality of the state including a county,
5 school corporation, special district, drainage district,
6 unincorporated town or township, municipality, or municipal
7 corporation or any agency, board, or commission of the state
8 or a political subdivision. Moneys of the state include
9 moneys which are transmitted to a depositary for purposes of
10 completing an electronic financial transaction pursuant to
11 section 159.35.
12 (2) The moneys of any court or public body noted in
13 subsection 1.
14 (3) The moneys of a legal or administrative entity created
15 pursuant to chapter 28E.
16 (4) The moneys of an electric power agency as defined in
17 section 28F.2 or 390.9.
18 (5) Federal and state grant moneys of a quasi-public
19 state entity that are placed in a depository pursuant to this
20 chapter.
21 (6) Moneys placed in a depository for the purpose of
22 completing an electronic financial transaction pursuant to
23 section 8A.222 or 331.427.
24 *f. "Public officer"* means the person authorized by and
25 acting for a public body to deposit public funds of the public
26 body.
27 ~~*g. "Savings and loan"* means a corporation authorized to~~
28 ~~operate under chapter 534 or the federal Home Owner's Loan Act~~
29 ~~of 1933, 12 U.S.C. § 1461 et seq., and includes a savings and~~
30 ~~loan association, a savings bank, or any branch of a savings~~
31 ~~and loan association or savings bank.~~
32 ~~*h.*~~ *g.* *"Superintendent"* means the superintendent of
33 banking of this state when the depository is a bank, and
34 the superintendent of credit unions of this state when the
35 depository is a credit union.

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1 ~~*i.*~~ *h.* *"Uninsured public funds"* means any amount of
2 public funds of a public funds depositor on deposit in an
3 account at a financial institution that exceeds the amount of
4 public funds in that account that are insured by the federal
5 deposit insurance corporation or the national credit union
6 administration.
7 Sec. 37. Section 12C.13, Code 2011, is amended to read as
8 follows:
9 **12C.13 Deposit not membership.**
10 Notwithstanding chapter ~~534~~ 524, the deposit of public
11 funds in a credit union as defined in section 533.102 or ~~an~~
12 ~~association defined in section 534.102~~ a mutual corporation
13 as defined in section 524.103 does not constitute being
14 a shareholder, stockholder, or owner of a corporation in
15 violation of Article VIII of the Constitution of the State of
16 Iowa or any other provision of law.
17 Sec. 38. Section 12C.20, subsections 1 and 4, Code 2011, are
18 amended to read as follows:
19 1. On or before the tenth day of February, May, August,
20 and November of each year, each ~~savings and loan and each~~
21 out-of-state bank that has one or more branches in the state
22 shall calculate and certify to the superintendent of banking in
23 the form prescribed by the superintendent the amount of public
24 funds on deposit ~~at the savings and loan and~~ at each such
25 branch of the out-of-state bank as of the end of the previous
26 calendar quarter.
27 4. On or before the twentieth day of February, May, August,
28 and November of each year, the superintendent shall notify the
29 treasurer of state of the amount of collateral required to be
30 pledged as of the end of the previous calendar quarter based
31 upon the certification provided to the superintendent under
32 subsection 1 or 2 and a review by the superintendent of the
33 quarterly call report filed by each bank that is not ~~a savings~~
34 ~~and loan or~~ an out-of-state bank.
35 Sec. 39. Section 12E.11, subsection 8, Code 2011, is amended

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1 to read as follows:
2 8. The bonds issued under this chapter are securities in
3 which insurance companies and associations and other persons
4 engaged in the business of insurance; banks, trust companies,
5 savings associations, ~~savings and loan associations,~~ and
6 investment companies; administrators, guardians, executors,
7 trustees, and other fiduciaries; and other persons authorized
8 to invest in bonds or other obligations of the state may
9 properly and legally invest funds, including capital, in their
10 control or belonging to them.
11 Sec. 40. Section 16.1, subsection 1, paragraph y, Code
12 Supplement 2011, is amended to read as follows:
13 *y. "Mortgage lender"* means any bank, trust company, mortgage
14 company, national banking association, federal savings ~~and loan~~
15 association, life insurance company, any governmental agency,
16 or any other financial institution authorized to make mortgage
17 loans in this state and includes a financial institution as
18 defined in section 496B.2, subsection 4, which lends moneys for
19 industrial or business purposes.
20 Sec. 41. Section 16.30, Code 2011, is amended to read as
21 follows:
22 **16.30 Bonds and notes as legal investments.**
23 Bonds and notes of the authority are securities in which
24 public officers, state departments and agencies, political
25 subdivisions, insurance companies, and other persons carrying
26 on an insurance business, banks, trust companies, savings ~~and~~
27 ~~loan~~ associations, investment companies and other persons
28 carrying on a banking business, administrators, executors,
29 guardians, conservators, trustees and other fiduciaries,
30 and other persons authorized to invest in bonds or other
31 obligations of this state, may properly and legally invest
32 funds including capital in their control or belonging to them.
33 The bonds and notes are also securities which may be deposited
34 with and may be received by public officers, state departments
35 and agencies, and political subdivisions, for any purpose for

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1 which the deposit of bonds or other obligations of this state
2 is authorized.
3 Sec. 42. Section 16.177, subsection 5, Code 2011, is amended
4 to read as follows:
5 5. The bonds are securities in which public officers and
6 bodies of this state, political subdivisions of this state,
7 insurance companies and associations and other persons carrying
8 on an insurance business, banks, trust companies, savings
9 associations, ~~savings and loan associations,~~ and investment
10 companies, administrators, guardians, executors, trustees,
11 and other fiduciaries, and other persons authorized to invest
12 in bonds or other obligations of the state, may properly and
13 legally invest funds, including capital, in their control or
14 belonging to them.
15 Sec. 43. Section 28J.18, Code 2011, is amended to read as
16 follows:
17 **28J.18 Revenue bonds are lawful investments.**
18 Port authority revenue bonds issued pursuant to this
19 chapter are lawful investments of banks, credit unions, trust
20 companies, savings ~~and loan~~ associations, deposit guaranty
21 associations, insurance companies, trustees, fiduciaries,
22 trustees or other officers having charge of the bond retirement
23 funds or sinking funds of port authorities and governmental
24 agencies, and taxing districts of this state, the pension
25 and annuity retirement system, the Iowa public employees'
26 retirement system, the police and fire retirement systems under
27 chapters 410 and 411, a revolving fund of a governmental agency
28 of this state, and are acceptable as security for the deposit
29 of public funds under chapter 12C.
30 Sec. 44. Section 68A.503, subsections 1 through 4, Code
31 2011, are amended to read as follows:
32 1. Except as provided in subsections 3, 4, 5, and 6, an
33 insurance company, savings ~~and loan~~ association, bank, credit
34 union, or corporation shall not make a monetary or in-kind
35 contribution to a candidate or committee except for a ballot

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1 issue committee.
2 2. Except as provided in subsection 3, a candidate or
3 committee, except for a ballot issue committee, shall not
4 receive a monetary or in-kind contribution from an insurance
5 company, savings ~~and loan~~ association, bank, credit union, or
6 corporation.
7 3. An insurance company, savings ~~and loan~~ association,
8 bank, credit union, or corporation may use money, property,
9 labor, or any other thing of value of the entity for the
10 purposes of soliciting its stockholders, administrative
11 officers, professional employees, and members for contributions
12 to a political committee sponsored by that entity and for
13 financing the administration of a political committee sponsored
14 by that entity. The entity's employees to whom the foregoing
15 authority does not extend may voluntarily contribute to
16 such a political committee but shall not be solicited for
17 contributions. A candidate or committee may solicit, request,
18 and receive money, property, labor, and any other thing of
19 value from a political committee sponsored by an insurance
20 company, savings ~~and loan~~ association, bank, credit union, or
21 corporation as permitted by this subsection.
22 4. The prohibitions in subsections 1 and 2 shall not apply
23 to an insurance company, savings ~~and loan~~ association, bank,
24 credit union, or corporation engaged in any of the following
25 activities:
26 *a.* Using its funds to encourage registration of voters and
27 participation in the political process or to publicize public
28 issues.
29 *b.* Using its funds to expressly advocate the passage or
30 defeat of ballot issues.
31 *c.* Using its funds for independent expenditures as provided
32 in section 68A.404.
33 *d.* Using its funds to place campaign signs as permitted
34 under section 68A.406.
35 Sec. 45. Section 175.2, subsection 1, paragraphs l and o,

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1 Code 2011, are amended to read as follows:
2 *1. "Lending institution"* means a bank, trust company,
3 mortgage company, national banking association, ~~savings~~
4 ~~and loan association,~~ life insurance company, any state or
5 federal governmental agency or instrumentality, including
6 without limitation the federal land bank or any of its local
7 associations, or any other financial institution or entity
8 authorized to make farm operating loans in this state.
9 *o. "Mortgage lender"* means a bank, trust company,
10 mortgage company, national banking association, ~~savings~~
11 ~~and loan association,~~ life insurance company, any state or
12 federal governmental agency or instrumentality, including
13 without limitation the federal land bank or any of its local
14 associations, or any other financial institution or entity
15 authorized to make mortgage loans or secured loans in this
16 state.
17 Sec. 46. Section 175.21, Code 2011, is amended to read as
18 follows:
19 **175.21 Bonds and notes as legal investments.**
20 Bonds and notes are securities in which public officers,
21 state departments and agencies, political subdivisions,
22 insurance companies and other persons carrying on an
23 insurance business, banks, trust companies, ~~savings and loan~~
24 ~~associations,~~ investment companies and other persons carrying
25 on a banking business, administrators, executors, guardians,
26 conservators, trustees and other fiduciaries and other persons
27 authorized to invest in bonds or other obligations of this
28 state may properly and legally invest funds including capital
29 in their control or belonging to them. The bonds and notes
30 are also securities which may be deposited with and may be
31 received by public officers, state departments and agencies and
32 political subdivisions for any purpose for which the deposit of
33 bonds or other obligations of this state is authorized.
34 Sec. 47. Section 179.1, subsection 8, Code 2011, is amended
35 to read as follows:

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1 8. *"Qualified financial institution"* means a bank~~,~~ or credit
2 union~~, or savings and loan~~ as defined in section 12C.1.
3 Sec. 48. Section 181.1, subsection 7, Code 2011, is amended
4 to read as follows:
5 7. *"Qualified financial institution"* means a bank~~,~~ or credit
6 union~~, or savings and loan~~ as defined in section 12C.1.
7 Sec. 49. Section 183A.1, subsection 9, Code 2011, is amended
8 to read as follows:
9 9. *"Qualified financial institution"* means a bank~~,~~ or credit
10 union~~, or savings and loan~~ as defined in section 12C.1.
11 Sec. 50. Section 184.1, subsection 10, Code 2011, is amended
12 to read as follows:
13 10. *"Qualified financial institution"* means a bank~~,~~ or
14 credit union~~, or savings and loan~~ as defined in section 12C.1.
15 Sec. 51. Section 184A.1, subsection 8, Code 2011, is amended
16 to read as follows:
17 8. *"Qualified financial institution"* means a bank~~,~~ or credit
18 union~~, or savings and loan~~ as defined in section 12C.1.
19 Sec. 52. Section 185.1, subsection 13, Code 2011, is amended
20 to read as follows:
21 13. *"Qualified financial institution"* means a bank~~,~~ or
22 credit union~~, or savings and loan~~ as defined in section 12C.1.
23 Sec. 53. Section 185C.1, subsection 13, Code 2011, is
24 amended to read as follows:
25 13. *"Qualified financial institution"* means a bank~~,~~ or
26 credit union~~, or savings and loan~~ as defined in section 12C.1.
27 Sec. 54. Section 202C.1, subsection 4, Code 2011, is amended
28 to read as follows:
29 4. *"Financial institution"* means a bank or savings ~~and~~
30 ~~loan~~ association authorized by ~~this state or by~~ the laws of
31 the United States, which is a member of the federal deposit
32 insurance corporation, the federal savings and loan insurance
33 corporation, or the national bank for cooperatives established
34 in the Agricultural Credit Act, Pub. L. No. 100-233.
35 Sec. 55. Section 203.1, subsection 7, paragraph a, Code

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1 2011, is amended to read as follows:
2 *a.* A bank or savings ~~and loan~~ association authorized by
3 the laws of ~~this state,~~ any other state~~,~~ or the United States,
4 which is a member of the federal deposit insurance corporation.
5 Sec. 56. Section 206.2, subsection 12, Code 2011, is amended
6 to read as follows:
7 12. *"Financial institution"* means a bank or savings ~~and~~
8 ~~loan~~ association authorized by ~~this state or by~~ the laws of
9 the United States, which is a member of the federal deposit
10 insurance corporation or the federal savings and loan insurance
11 corporation.
12 Sec. 57. Section 216.10, subsection 1, paragraph b, Code
13 2011, is amended to read as follows:
14 *b.* Person authorized or licensed to do business in this
15 state pursuant to chapter 524, 533, ~~534,~~ 536, or 536A to refuse
16 to loan or extend credit or to impose terms or conditions
17 more onerous than those regularly extended to persons of
18 similar economic backgrounds because of age, color, creed,
19 national origin, race, religion, marital status, sex, sexual
20 orientation, gender identity, physical disability, or familial
21 status.
22 Sec. 58. Section 234.37, Code 2011, is amended to read as
23 follows:
24 **234.37 Department may establish accounts for certain**
25 **children.**
26 The department of human services is authorized to establish
27 an account in the name of any child committed to the director
28 of human services or the director's designee, or whose legal
29 custody has been transferred to the department, or who is
30 voluntarily placed in foster care pursuant to section 234.35.
31 Any money which the child receives from the United States
32 government or any private source shall be placed in the child's
33 account, unless a guardian of the child's property has been
34 appointed and demands the money, in which case it shall be
35 paid to the guardian. The account shall be maintained by the

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1 department as trustee for the child in an interest-bearing
2 account at a reputable bank or savings ~~and loan~~ association,
3 except that if the child is residing at an institution
4 administered by the department a limited amount of the child's
5 funds may be maintained in a separate account, which need not
6 be interest bearing, in the child's name at the institution.
7 Any money held in an account in the child's name or in trust
8 for the child under this section may be used, at the discretion
9 of the department and subject to restrictions lawfully imposed
10 by the United States government or other source from which
11 the child receives the funds, for the purchase of personal
12 incidentals, desires and comforts of the child. All of the
13 money held for a child by the department under this section
14 and not used in the child's behalf as authorized by law shall
15 be promptly paid to the child or the child's parent or legal
16 guardian upon termination of the commitment of the child to
17 the director or the director's designee, or upon transfer or
18 cessation of legal custody of the child by the department.
19 Sec. 59. Section 235B.19, subsection 3, paragraph d,
20 subparagraph (2), Code Supplement 2011, is amended to read as
21 follows:
22 (2) Withdrawing funds from any bank, savings ~~and loan~~
23 association, credit union, or other financial institution, or
24 from an account containing securities in which the dependent
25 adult has an interest.
26 Sec. 60. Section 235B.19, subsection 8, paragraph f, Code
27 Supplement 2011, is amended to read as follows:
28 *f.* Withdrawing funds from any bank, savings ~~and loan~~
29 association, credit union, or other financial institution,
30 or from a stock account in which the dependent adult has an
31 interest.
32 Sec. 61. Section 252I.1, subsection 1, Code 2011, is amended
33 to read as follows:
34 1. *"Account"* means "account" as defined in section 524.103,
35 ~~"share account or shares" as defined in section 534.102,~~

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1 the savings or deposits of a member received or being held
2 by a credit union, or certificates of deposit. *"Account"*
3 also includes deposits held by an agent, a broker-dealer,
4 or an issuer as defined in section 502.102 and money-market
5 mutual fund accounts and "account" as defined in 42 U.S.C.
6 § 666(a)(17). However, *"account"* does not include amounts held
7 by a financial institution as collateral for loans extended by
8 the financial institution.
9 Sec. 62. Section 252I.1, subsection 7, Code 2011, is amended
10 by striking the subsection.
11 Sec. 63. Section 257C.8, subsection 7, Code 2011, is amended
12 to read as follows:
13 7. The bonds of the authority are securities in which public
14 officers and bodies of this state; political subdivisions of
15 this state; insurance companies and associations and other
16 persons carrying on an insurance business; banks, trust
17 companies, savings associations, ~~savings and loan associations,~~
18 and investment companies; administrators, guardians, executors,
19 trustees, and other fiduciaries; and other persons authorized
20 to invest in bonds or other obligations of the state, may
21 properly and legally invest funds, including capital, in their
22 control or belonging to them.
23 Sec. 64. Section 260C.64, Code 2011, is amended to read as
24 follows:
25 **260C.64 Who may invest.**
26 All banks, trust companies, building and loan associations,
27 savings ~~and loan~~ associations, investment companies, and other
28 persons carrying on an investment business, all insurance
29 companies, insurance associations, and other persons carrying
30 on an insurance business, and all executors, administrators,
31 guardians, trustees, and other fiduciaries may legally invest
32 any sinking funds, moneys or other funds belonging to them or
33 within their control in any bonds or notes issued pursuant to
34 this division. However, this section shall not be construed as
35 relieving any persons from any duty of exercising reasonable

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1 care in selecting securities for purchase or investment.
2 Sec. 65. Section 261.71, subsection 2, Code 2011, is amended
3 to read as follows:
4 2. The contract for the loan repayment shall stipulate
5 the time period the chiropractor shall practice in an
6 underserved area in this state. In addition, the contract
7 shall stipulate that the chiropractor repay any funds paid on
8 the chiropractor's loan by the commission if the chiropractor
9 fails to practice in an underserved area in this state for the
10 required period of time. Forgivable loans made to eligible
11 students shall not become due, for repayment purposes, until
12 one year after the student has graduated. A loan that has
13 not been forgiven may be sold to a bank, savings ~~and loan~~
14 association, credit union, or nonprofit agency eligible to
15 participate in the guaranteed student loan program under the
16 federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq.,
17 by the commission when the loan becomes due for repayment.
18 Sec. 66. Section 261A.19, Code 2011, is amended to read as
19 follows:
20 **261A.19 Investment of funds of authority.**
21 Except as otherwise provided in section 261A.18, subsection
22 3, the authority may invest funds in direct obligations
23 of the United States of America; obligations for which the
24 timely payment of principal and interest is fully guaranteed
25 by the United States of America; obligations of the federal
26 intermediate credit banks, federal banks for cooperatives,
27 federal land banks, federal home loan banks, federal national
28 mortgage association, government national mortgage association
29 and the student loan marketing association; certificates of
30 deposit or time deposits constituting direct obligations of a
31 bank as defined by chapter 524; and in withdrawable capital
32 accounts or deposits of ~~state or~~ federal chartered savings ~~and~~
33 ~~loan~~ associations which are insured by the federal ~~savings~~
34 ~~and loan~~ deposit insurance corporation. However, investments
35 may be made only in certificates of deposit or time deposits

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1 in banks which are insured by the federal deposit insurance
2 corporation if then in existence. Securities authorized in
3 this section may be purchased at the offering or market price
4 at the time of the purchase. The securities purchased shall
5 mature or be redeemable on dates prior to the time when, in the
6 judgment of the authority, the funds invested will be required
7 for expenditure. The judgment of the authority as to the time
8 when funds will be required for expenditure or be redeemable is
9 final.
10 Sec. 67. Section 261A.20, Code 2011, is amended to read as
11 follows:
12 **261A.20 Obligations as legal investments.**
13 Banks, bankers, trust companies, ~~savings banks and~~
14 ~~institutions, building and loan associations,~~ federally
15 chartered savings ~~and loan~~ associations, investment companies,
16 and other persons carrying on a banking or investment business,
17 insurance companies and insurance associations, and executors,
18 administrators, guardians, trustees, and other fiduciaries
19 may legally invest sinking funds, moneys, or other funds
20 belonging to them or within their control in obligations of the
21 authority.
22 Sec. 68. Section 262.63, Code 2011, is amended to read as
23 follows:
24 **262.63 Who may invest.**
25 All banks, trust companies, ~~building and loan associations,~~
26 savings ~~and loan~~ associations, investment companies, and other
27 persons carrying on an investment business, all insurance
28 companies, insurance associations, and other persons carrying
29 on an insurance business, and all executors, administrators,
30 guardians, trustees, and other fiduciaries may legally invest
31 any sinking funds, moneys, or other funds belonging to them or
32 within their control in any bonds or notes issued pursuant to
33 this division; provided, however, that nothing contained in
34 this section may be construed as relieving any persons from any
35 duty of exercising reasonable care in selecting securities for

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1 purchase or investment.
2 Sec. 69. Section 262A.11, Code 2011, is amended to read as
3 follows:
4 **262A.11 Bonds as security for investments.**
5 All banks, trust companies, bankers, ~~savings banks and~~
6 ~~institutions, building and loan associations,~~ savings ~~and~~
7 ~~loan~~ associations, investment companies, and other persons
8 carrying on a banking or investment business, all insurance
9 companies, insurance associations, and other persons carrying
10 on an insurance business, and all executors, administrators,
11 guardians, trustees, and other fiduciaries may legally invest
12 any sinking funds, moneys, or other funds belonging to them
13 or within their control in any bonds issued pursuant to this
14 chapter; provided, however, that nothing contained in this
15 section may be construed as relieving any persons from any
16 duty of exercising reasonable care in selecting securities for
17 purchase or investment.
18 Sec. 70. Section 263A.9, Code 2011, is amended to read as
19 follows:
20 **263A.9 Investment in bonds or notes by financial**
21 **institutions.**
22 All banks, trust companies, bankers, ~~savings banks and~~
23 ~~institutions, building and loan associations,~~ savings ~~and~~
24 ~~loan~~ associations, investment companies, and other persons
25 carrying on a banking or investment business, all insurance
26 companies, insurance associations, and other persons carrying
27 on an insurance business, and all executors, administrators,
28 guardians, trustees, and other fiduciaries may legally invest
29 any sinking funds, moneys, or other funds belonging to them
30 or within their control in any bonds or notes issued pursuant
31 to this chapter; provided, however, that nothing contained in
32 this section may be construed as relieving any persons from any
33 duty of exercising reasonable care in selecting securities for
34 purchase or investment.
35 Sec. 71. Section 322.7A, subsection 6, paragraph e, Code

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1 2011, is amended to read as follows:
2 *e.* Banks, credit unions, and savings ~~and loan~~ associations.
3 Sec. 72. Section 331.301, subsection 10, paragraph g, Code
4 Supplement 2011, is amended to read as follows:
5 *g.* A lease or lease-purchase contract to which a county is
6 a party or in which a county has a participatory interest is
7 an obligation of a political subdivision of this state for the
8 purposes of chapters 502 and 636, and is a lawful investment
9 for banks, trust companies, ~~building and loan associations,~~
10 savings ~~and loan~~ associations, investment companies, insurance
11 companies, insurance associations, executors, guardians,
12 trustees, and any other fiduciaries responsible for the
13 investment of funds.
14 Sec. 73. Section 331.402, subsection 3, paragraph f, Code
15 Supplement 2011, is amended to read as follows:
16 *f.* A loan agreement to which a county is a party or in which
17 a county has a participatory interest is an obligation of a
18 political subdivision of this state for the purpose of chapters
19 502 and 636, and is a lawful investment for banks, trust
20 companies, savings ~~and loan~~ associations, investment companies,
21 insurance companies, insurance associations, executors,
22 guardians, trustees, and any other fiduciaries responsible for
23 the investment of funds.
24 Sec. 74. Section 331.602, subsection 27, Code 2011, is
25 amended by striking the subsection.
26 Sec. 75. Section 364.4, subsection 4, paragraph g, Code
27 Supplement 2011, is amended to read as follows:
28 *g.* A lease or lease-purchase contract to which a city is
29 a party or in which a city has a participatory interest is an
30 obligation of a political subdivision of this state for the
31 purposes of chapters 502 and 636, and is a lawful investment
32 for banks, trust companies, ~~building and loan associations,~~
33 savings ~~and loan~~ associations, investment companies, insurance
34 companies, insurance associations, executors, guardians,
35 trustees, and any other fiduciaries responsible for the

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1 investment of funds.
2 Sec. 76. Section 384.24A, subsection 6, Code 2011, is
3 amended to read as follows:
4 6. A loan agreement to which a city is a party or in
5 which the city has a participatory interest is an obligation
6 of a political subdivision of this state for the purposes of
7 chapters 502 and 636, and is a lawful investment for banks,
8 trust companies, ~~building and loan associations,~~ savings ~~and~~
9 ~~loan~~ associations, investment companies, insurance companies,
10 insurance associations, executors, guardians, trustees, and any
11 other fiduciaries responsible for the investment of funds.
12 Sec. 77. Section 390.20, subsection 1, Code 2011, is amended
13 to read as follows:
14 1. A bank, trust company, savings association, ~~building and~~
15 ~~loan association, savings and loan association,~~ or investment
16 company.
17 Sec. 78. Section 403.10, Code 2011, is amended to read as
18 follows:
19 **403.10 Bonds as legal investment.**
20 All banks, trust companies, ~~building and loan associations,~~
21 savings ~~and loan~~ associations, investment companies, and other
22 persons carrying on an investment business; all insurance
23 companies, insurance associations, and other persons carrying
24 on an insurance business; and all executors, administrators,
25 curators, trustees, and other fiduciaries, may legally invest
26 any sinking funds, moneys, or other funds belonging to them or
27 within their control in any bonds or other obligations issued
28 by a municipality pursuant to this chapter, or those issued
29 by any urban renewal agency vested with urban renewal project
30 powers under section 403.14. Such bonds and other obligations
31 shall be authorized security for all public deposits. It is
32 the purpose of this section to authorize any persons, political
33 subdivisions and officers, public or private, to use any funds
34 owned or controlled by them for the purchase of any such bonds
35 or other obligations. Nothing contained in this section with

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1 regard to legal investments shall be construed as relieving any
2 person of any duty of exercising reasonable care in selecting
3 securities.
4 Sec. 79. Section 421.17A, subsection 1, paragraph a, Code
5 2011, is amended to read as follows:
6 *a. "Account"* means "account" as defined in section 524.103,
7 ~~"share account or shares" as defined in section 534.102,~~ or
8 the savings or deposits of a member received or being held by
9 a credit union or a savings association, or certificates of
10 deposit. *"Account"* also includes deposits held by an agent,
11 a broker-dealer, or an issuer as defined in section 502.102.
12 However, *"account"* does not include amounts held by a financial
13 institution as collateral for loans extended by the financial
14 institution.
15 Sec. 80. Section 421.17A, subsection 1, paragraph e, Code
16 2011, is amended to read as follows:
17 *e. "Financial institution"* includes a bank, credit union,
18 or savings ~~and loan~~ association. *"Financial institution"* also
19 includes an institution which holds deposits for an agent,
20 broker-dealer, or an issuer as defined in section 502.102.
21 Sec. 81. Section 421.17A, subsection 1, paragraph g, Code
22 2011, is amended by striking the paragraph.
23 Sec. 82. Section 422.34, subsection 1, Code 2011, is amended
24 to read as follows:
25 1. All state, national, private, cooperative, and savings
26 banks, credit unions, title insurance and trust companies,
27 federally chartered savings and loan associations, production
28 credit associations, insurance companies or insurance
29 associations, reciprocal or inter-insurance exchanges, and
30 fraternal beneficiary associations.
31 Sec. 83. Section 422.61, subsection 1, Code 2011, is amended
32 to read as follows:
33 1. *"Financial institution"* means a state bank as defined in
34 section 524.103, subsection 39, a state bank chartered under
35 the laws of any other state, a national banking association,

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a trust company, a federally chartered savings and loan association, an out-of-state state chartered savings bank, a financial institution chartered by the federal home loan bank board, a non-Iowa chartered savings and loan association, ~~an association incorporated or authorized to do business under chapter 534,~~ or a production credit association.

Sec. 84. Section 423.2, subsection 6, paragraph b, Code Supplement 2011, is amended to read as follows:

b. For the purposes of this subsection, *"financial institutions"* means all national banks, federally chartered savings and loan associations, federally chartered savings banks, federally chartered credit unions, banks organized under chapter 524, ~~savings and loan associations and savings banks organized under chapter 534,~~ credit unions organized under chapter 533, and all banks, savings banks, credit unions, and savings and loan associations chartered or otherwise created under the laws of any state and doing business in Iowa.

Sec. 85. Section 445.5, subsection 2, paragraph a, subparagraph (4), Code Supplement 2011, is amended to read as follows:

(4) Financial institution organized or chartered or holding an authorization certificate pursuant to chapter 524~~,~~ or 533~~, or 534~~.

Sec. 86. Section 455G.6, subsection 11, Code 2011, is amended to read as follows:

11. The bonds are securities in which public officers and bodies of this state; political subdivisions of this state; insurance companies and associations and other persons carrying on an insurance business; banks, trust companies, savings associations, ~~savings and loan associations,~~ and investment companies; administrators, guardians, executors, trustees, and other fiduciaries; and other persons authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

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1 Sec. 87. Section 463C.12, subsection 5, Code 2011, is
2 amended to read as follows:
3 5. The bonds are securities in which public officers and
4 bodies of this state, political subdivisions of this state,
5 insurance companies and associations and other persons carrying
6 on an insurance business, banks, trust companies, savings
7 associations, ~~savings and loan associations,~~ and investment
8 companies, administrators, guardians, executors, trustees,
9 and other fiduciaries, and other persons authorized to invest
10 in bonds or other obligations of the state, may properly and
11 legally invest funds, including capital, in their control or
12 belonging to them.
13 Sec. 88. Section 483A.55, Code 2011, is amended to read as
14 follows:
15 **483A.55 Bonds as legal investments.**
16 Bonds are securities in which all public officers and bodies
17 of the state and all municipalities and political subdivisions
18 of this state, all insurance companies and associations
19 and other persons carrying on an insurance business, all
20 banks, bankers, trust companies, ~~savings banks,~~ and savings
21 associations, ~~including savings and loan associations, building~~
22 ~~loan associations,~~ investment companies, and other persons
23 carrying on a banking business, all administrators, guardians,
24 executors, trustees, and other fiduciaries and all other
25 persons who are now or may be authorized to invest in bonds or
26 other obligations of this state may properly and legally invest
27 funds including capital in their control or belonging to them.
28 The bonds are also securities which may be deposited with and
29 may be received by all public officers and bodies of the state
30 and all municipalities and legal subdivisions of this state for
31 any purpose for which the deposit of bonds or other obligations
32 of the state is now or may be authorized.
33 Sec. 89. Section 490.1701, subsection 2, Code 2011, is
34 amended to read as follows:
35 2. Unless otherwise provided, this chapter does not apply to

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1 an entity subject to chapter 174, 497, 498, 499, 499A, 524, or
2 533~~, or 534~~ or a corporation organized on the mutual plan under
3 chapter 491, or a telephone company organized as a corporation
4 under chapter 491 qualifying pursuant to an internal revenue
5 service letter ruling under Internal Revenue Code § 501(c)(12)
6 as a nonprofit corporation entitled to distribute profits in a
7 manner similar to a chapter 499 corporation, unless such entity
8 voluntarily elects to adopt the provisions of this chapter and
9 complies with the procedure prescribed by subsection 3 of this
10 section.
11 A corporation organized under chapter 496C may voluntarily
12 elect to adopt the provisions of this chapter by complying with
13 the provisions prescribed by subsection 3.
14 Sec. 90. Section 491.10, Code 2011, is amended to read as
15 follows:
16 **491.10 Interpretative clause.**
17 Nothing in sections 491.5 to 491.9 shall be construed as
18 repealing or modifying any statute now in force in respect to
19 the approval of articles of incorporation relating to insurance
20 companies~~, building and loan associations~~ or investment
21 companies.
22 Sec. 91. Section 491.50, unnumbered paragraph 2, Code 2011,
23 is amended to read as follows:
24 The provisions of sections 491.46 and 491.47 and this
25 section shall not apply to ~~building and loan associations,~~
26 savings ~~and loan~~ associations, deposit, loan, and investment
27 records of banks, ~~and~~ trust companies, or insurance companies
28 organized under the laws of the state of Iowa, and to whom the
29 provisions of this chapter would otherwise be applicable.
30 Sec. 92. Section 491.58, Code 2011, is amended to read as
31 follows:
32 **491.58 Liability of stockholders.**
33 Neither anything in this chapter contained, nor any
34 provisions in the articles of corporation, shall exempt the
35 stockholders from individual liability to the amount of the

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unpaid installments on the stock owned by them, or transferred by them for the purpose of defrauding creditors; and execution against the company may, to that extent, be levied upon the private property of any such individual. ~~The foregoing provisions shall not apply to building and loan associations, and savings and loan associations.~~

Sec. 93. Section 492.5, Code 2011, is amended to read as follows:

492.5 Par value required.

No corporation organized under the laws of this state~~, except building and loan associations,~~ shall issue any certificate of a share of capital stock, or any substitute therefor, until the corporation has received the par value thereof.

Sec. 94. Section 492.9, Code 2011, is amended to read as follows:

492.9 Certificate of issuance of stock.

It shall be the duty of every corporation~~, except corporations qualified under chapter 534,~~ to file a certificate under oath with the secretary of state, within thirty days after the issuance of any capital stock, stating the date of issue, the amount issued, the sum received therefor, if payment be made in money, or the property or thing taken, if such be the method of payment. If the corporation fails to file said certificate of issuance of stock within the thirty-day period herein provided, it may thereafter file the same upon first paying to the secretary of state a penalty of ten dollars when the said certificate is offered for filing. Provided further that the penalty herein provided for is first paid and provided the said report contains the specific information required by this section as to the issuance of any capital stock not previously reported, then the first annual report filed by such corporation following such failure to comply with the provisions of this section, shall be received by the secretary of state as a compliance with this section.

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1 Sec. 95. Section 493.1, Code 2011, is amended to read as
2 follows:
3 **493.1 Authorization.**
4 Any corporation, heretofore or hereafter organized for
5 pecuniary profit under the laws of this state, except state
6 banks, trust companies, ~~building and loan associations~~
7 and insurance companies, may create one or more classes of
8 stock without any nominal or par value, with such rights,
9 preferences, privileges, voting powers, limitations,
10 restrictions and qualifications thereon not inconsistent with
11 law as shall be expressed in its articles of incorporation,
12 or any amendment thereto. Stock without par value which is
13 preferred as to dividends, or as to its distributive share
14 of the assets of the corporation upon dissolution, may be
15 made subject to redemption at such times and prices as may be
16 determined in such articles of incorporation, or any amendment
17 thereto. In the case of stock without par value which is
18 preferred as to its distributive share of the assets of the
19 corporation upon dissolution, the amount of such preference
20 shall be stated in the articles of incorporation, or any
21 amendment thereto.
22 Sec. 96. Section 496B.2, subsection 4, Code Supplement
23 2011, is amended to read as follows:
24 4. *"Financial institution"* means any bank, trust company,
25 savings ~~and loan~~ association, insurance company or related
26 corporation, partnership, foundation or other institution
27 licensed to do business in the state of Iowa and engaged
28 primarily in lending or investing funds.
29 Sec. 97. Section 496B.9, subsection 3, paragraph b,
30 subparagraph (2), Code 2011, is amended by striking the
31 subparagraph.
32 Sec. 98. Section 501A.601, subsection 1, paragraph b, Code
33 2011, is amended to read as follows:
34 *b.* This section does not give a cooperative the power
35 or authority to exercise the powers of a credit union under

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1 chapter 533~~,~~ or a bank under chapter 524~~, or a savings and loan~~
2 ~~association under chapter 534~~.
3 Sec. 99. Section 515C.9, Code 2011, is amended to read as
4 follows:
5 **515C.9 Restrictions on advertising.**
6 No bank, savings ~~and loan~~ association, insurance company, or
7 other lending institution, any of whose authorized real estate
8 securities are insured by mortgage guaranty insurance companies
9 may state in any brochure, pamphlet, report, or any form of
10 advertising that the real estate loans of the bank, savings
11 ~~and loan~~ association, insurance company, or other lending
12 institution are "insured loans" unless the brochure, pamphlet,
13 report, or advertising also clearly states that the loans
14 are insured by private insurers and the names of the private
15 insurers are given and shall not make any such statement at all
16 unless such insurance is by an insurer authorized to write this
17 coverage in this state.
18 Sec. 100. Section 516E.10, subsection 1, paragraph h, Code
19 2011, is amended to read as follows:
20 *h.* A bank, savings ~~and loan~~ association, credit union,
21 insurance company, or other lending institution shall not
22 require the purchase of a service contract as a condition of
23 a loan.
24 Sec. 101. Section 523A.102, subsection 11, unnumbered
25 paragraph 1, Code 2011, is amended to read as follows:
26 *"Financial institution"* means a state or federally insured
27 bank, savings ~~and loan~~ association, credit union, trust
28 department thereof, or a trust company authorized to do
29 business within this state and which has been granted trust
30 powers under the laws of this state or the United States, which
31 holds funds under a trust agreement. *"Financial institution"*
32 does not include:
33 Sec. 102. Section 523C.17, Code 2011, is amended to read as
34 follows:
35 **523C.17 Lending institutions, service companies, and**

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1 **insurance companies.**
2 A bank, savings ~~and loan~~ association, insurance company, or
3 other lending institution shall not require the purchase of
4 a residential service contract as a condition of a loan. A
5 service company or an insurer, either directly or indirectly,
6 as a part of any real property transaction in which a
7 residential service contract will be issued, purchased, or
8 acquired, shall not require that a residential service contract
9 be issued, purchased, or acquired in conjunction with or as a
10 condition precedent to the issuance, purchase, or acquisition,
11 by any person, of a policy of insurance. A lending institution
12 shall not sell a residential service contract to a borrower
13 unless the borrower signs an affidavit acknowledging that
14 the purchase is not required. Violation of this section is
15 punishable as provided in section 523C.13.
16 Sec. 103. Section 523I.102, subsection 12, Code 2011, is
17 amended to read as follows:
18 12. *"Financial institution"* means a state or federally
19 insured bank, savings ~~and loan~~ association, credit union, trust
20 department thereof, or a trust company that is authorized to do
21 business within this state, that has been granted trust powers
22 under the laws of this state or the United States, and that
23 holds funds under a trust agreement. *"Financial institution"*
24 does not include a cemetery or any person employed by or
25 directly involved with a cemetery.
26 Sec. 104. Section 524.103, subsection 38, Code 2011, is
27 amended by striking the subsection.
28 Sec. 105. Section 524.107, subsection 2, Code 2011, is
29 amended to read as follows:
30 2. A person doing business in this state shall not use
31 the words "bank" or "trust" or use any derivative, plural,
32 or compound of the words "bank", "banking", "bankers", or
33 "trust" in any manner which would tend to create the impression
34 that the person is authorized to engage in the business of
35 banking or to act in a fiduciary capacity, except a state

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1 bank authorized to do so by this chapter, a national bank to
2 the extent permitted by the laws of the United States, a bank
3 holding company as defined in section 524.1801, a savings
4 and loan holding company as defined in 12 U.S.C. § 1467a, ~~a~~
5 ~~state association pursuant to section 534.507,~~ or a federal
6 association to the extent permitted by the laws of the United
7 States, or, insofar as the word "trust" is concerned, an
8 individual permissibly serving as a fiduciary in this state,
9 pursuant to section 633.63, or, insofar as the words "trust"
10 and "bank" are concerned, a nonresident corporate fiduciary
11 permissibly serving as a fiduciary in this state pursuant to
12 section 633.64.
13 Sec. 106. Section 524.211, subsection 1, Code Supplement
14 2011, is amended to read as follows:
15 1. The superintendent, general counsel, examiners, and
16 other employees assigned to the bank bureau of the banking
17 division are prohibited from obtaining a loan of money or
18 property from a state-chartered bank, ~~a state savings and~~
19 ~~loan association,~~ or any person or entity affiliated with a
20 state-chartered bank, ~~or a state savings and loan association,~~
21 unless they do not personally participate in the examination,
22 oversight, or official review concerning the regulation of the
23 bank ~~or savings and loan association~~.
24 Sec. 107. Section 524.216, subsection 2, paragraph b, Code
25 2011, is amended to read as follows:
26 *b.* A summary of the assets, liabilities, and capital
27 structure of all state banks ~~and state savings and loan~~
28 ~~associations~~ as of June 30 of the year for which the report is
29 made.
30 Sec. 108. Section 524.821, subsection 1, Code 2011, is
31 amended to read as follows:
32 1. A state bank may engage in any transaction incidental to
33 the conduct of the business of banking and otherwise permitted
34 by applicable law, by means of either the direct transmission
35 of electronic impulses to or from customers and banks or

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the recording of electronic impulses or other indicia of a transaction for delayed transmission to a bank. Subject to the provisions of chapter 527, a state bank may utilize, establish or operate, alone or with one or more other banks, savings and loan associations incorporated under ~~the provisions of chapter 534 or~~ federal law, credit unions incorporated under the provisions of chapter 533 or federal law, corporations licensed under chapter 536A, or third parties, the satellite terminals permitted under chapter 527, by means of which customers and banks may transmit and receive electronic impulses constituting transactions pursuant to this section. However, such utilization, establishment, or operation shall be lawful only when in compliance with chapter 527. Nothing in this section shall be construed as authority for any person to engage in transactions not otherwise permitted by applicable law, nor shall anything in this section be deemed to repeal, replace or in any other way affect any applicable law or rule regarding the maintenance of or access to financial information maintained by any bank.

Sec. 109. Section 524.1401, subsections 1 and 3, Code 2011, are amended to read as follows:

1. Upon compliance with the requirements of this chapter, one or more state banks, one or more national banks, ~~one or more state associations,~~ one or more federal associations, one or more corporations, or any combination of these entities, with the approval of the superintendent, may merge into a state bank.

3. Upon compliance with the requirements of this chapter ~~and chapter 534~~, one or more state banks may merge with one or more ~~state associations or~~ federal associations. The authority of a state bank to merge into a ~~state or~~ federal association is subject to the conditions the laws of the United States authorize at the time of the transaction.

Sec. 110. Section 524.1409, Code 2011, is amended to read as follows:

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524.1409 Conversion of national bank or federal savings association ~~or state savings and loan association~~ into state bank.

A national bank~~,~~ or federal savings association~~, or state savings and loan association~~, subject to the provisions of this chapter, may convert into a state bank upon authorization by and compliance with the laws of the United States, adoption of a plan of conversion by the affirmative vote of at least a majority of its directors and the holders of two-thirds of each class of its shares at a meeting held upon not less than ten days' notice to all shareholders, and upon approval of the superintendent.

Sec. 111. Section 524.1410, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A national bank~~,~~ or federal savings association~~, or state savings and loan association~~ shall make an application to the superintendent for approval of the conversion in a manner prescribed by the superintendent and shall deliver to the superintendent, when available:

Sec. 112. Section 524.1411, unnumbered paragraph 1, Code 2011, is amended to read as follows:

The articles of conversion shall be signed by two duly authorized officers of the national bank~~,~~ or federal savings association~~, or state savings and loan association~~ and shall contain all of the following:

Sec. 113. Section 524.1411, subsection 1, Code 2011, is amended to read as follows:

1. The name of the national bank~~,~~ or federal savings association~~, or state savings and loan association~~ and the name of the resulting state bank.

Sec. 114. Section 524.1412, unnumbered paragraph 1, Code 2011, is amended to read as follows:

Within thirty days after the application for conversion has been accepted for processing, the national bank~~,~~ or federal savings association~~, or state savings and loan association~~

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1 shall publish a notice of the delivery of the articles of
2 conversion to the superintendent in a newspaper of general
3 circulation published in the municipal corporation or
4 unincorporated area in which the national bank~~,~~ or federal
5 savings association~~, or state savings and loan association~~
6 has its principal place of business, or if there is none, a
7 newspaper of general circulation published in the county,
8 or in a county adjoining the county, in which the national
9 bank~~,~~ or federal savings association~~, or state savings and~~
10 ~~loan association~~ has its principal place of business. Proof
11 of publication of the notice shall be delivered to the
12 superintendent within fourteen days. The notice shall set
13 forth all of the following:
14 Sec. 115. Section 524.1412, subsection 1, Code 2011, is
15 amended to read as follows:
16 1. The name of the national bank~~,~~ or federal savings
17 association~~, or state savings and loan association~~ and the name
18 of the resulting state bank.
19 Sec. 116. Section 524.1415, Code 2011, is amended to read
20 as follows:
21 **524.1415 Effect of filing of articles of conversion with**
22 **secretary of state.**
23 1. The conversion is effective upon the filing of the
24 articles of conversion with the secretary of state, or at any
25 later date and time as specified in the articles of conversion.
26 The acknowledgment of filing is conclusive evidence of the
27 performance of all conditions required by this chapter for
28 conversion of a national bank~~,~~ or federal savings association~~,~~
29 ~~or state savings and loan association~~ into a state bank, except
30 as against the state.
31 2. When a conversion becomes effective, the existence of the
32 national bank~~,~~ or federal savings association~~, or state savings~~
33 ~~and loan association~~ shall continue in the resulting state bank
34 which shall have all the property, rights, powers, and duties
35 of the national bank~~,~~ or federal savings association~~, or state~~

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1 ~~savings and loan association~~, except that the resulting state
2 bank shall have only the authority to engage in such business
3 and exercise such powers as it would have, and shall be subject
4 to the same prohibitions and limitations to which it would be
5 subject, upon original incorporation under this chapter. The
6 articles of incorporation of the resulting state bank shall be
7 the provisions stated in the articles of conversion.
8 3. A liability of the national bank~~,~~ or federal savings
9 association~~, or state savings and loan association~~, or of the
10 national bank's~~,~~ or federal savings association's~~, or state~~
11 ~~savings and loan association's~~ shareholders, directors, or
12 officers, is not affected by the conversion. A lien on any
13 property of the national bank~~,~~ or federal savings association~~,~~
14 ~~or state savings and loan association~~ is not impaired by the
15 conversion. A claim existing or action pending by or against
16 the national bank~~,~~ or federal savings association~~, or state~~
17 ~~savings and loan association~~ may be prosecuted to judgment as
18 if the conversion had not taken place, or the resulting state
19 bank may be substituted in its place.
20 4. The title to all real estate and other property owned by
21 the converting national bank~~,~~ or federal savings association~~,~~
22 ~~or state savings and loan association~~ is vested in the
23 resulting state bank without reversion or impairment.
24 Sec. 117. Section 524.1416, Code 2011, is amended to read
25 as follows:
26 **524.1416 Authority for conversion of state bank into national**
27 **bank or federal savings association ~~or state savings and loan~~**
28 **~~association~~.**
29 1. A state bank may convert into a national bank~~,~~ or federal
30 savings association~~, or state savings and loan association upon~~
31 ~~authorization~~ by ~~and~~ compliance with the laws of the United
32 States, and adoption of a plan of conversion by the affirmative
33 vote of at least a majority of its directors and the holders
34 of two-thirds of each class of its shares at a meeting held
35 upon not less than ten days' notice to all shareholders. The

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1 authority of a state bank to convert into a national bank or
2 federal savings association shall be subject to the condition
3 that at the time of the transaction, the laws of the United
4 States shall authorize a national bank or federal savings
5 association located in this state, without approval by the
6 comptroller of the currency of the United States or director
7 of the office of thrift supervision, as applicable, to convert
8 into a state bank under limitations and conditions no more
9 restrictive than those contained in this section and section
10 524.1417 with respect to conversion of a state bank into a
11 national bank or federal savings association.
12 2. A state bank which converts into a national bank or
13 federal savings association shall notify the superintendent of
14 the proposed conversion, provide such evidence of the adoption
15 of the plan as the superintendent may request, notify the
16 superintendent of any abandonment or disapproval of the plan,
17 and file with the superintendent and with the secretary of
18 state a certificate of the approval of the conversion by the
19 comptroller of the currency of the United States or director
20 of the office of thrift supervision, as applicable, and the
21 date upon which such conversion is to become effective. A
22 state bank that converts into a national bank or federal
23 savings association shall comply with the provisions of section
24 524.310, subsection 1.
25 ~~3. A state bank that converts into a state savings and~~
26 ~~loan association shall file with the secretary of state~~
27 ~~a certificate of the approval of the conversion by the~~
28 ~~superintendent and the date upon which such conversion is to~~
29 ~~be effective.~~
30 Sec. 118. Section 524.1417, Code 2011, is amended to read
31 as follows:
32 **524.1417 Appraisal rights of shareholder of converting state**
33 **or national bank or federal ~~or state~~ savings association.**
34 1. A shareholder of a state bank that converts into a
35 national bank~~,~~ or federal savings association~~, or a state~~

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1 ~~savings and loan association~~ who objects to the plan of
2 conversion is entitled to appraisal rights as provided in
3 chapter 490, division XIII.
4 2. If a shareholder of a national bank or federal savings
5 association that converts into a state bank objects to the plan
6 of conversion and complies with the requirements of applicable
7 laws of the United States, the resulting state bank is liable
8 for the value of the shareholder's shares as determined in
9 accordance with such laws of the United States.
10 ~~3. If a shareholder of a state savings and loan association~~
11 ~~that converts to a state bank objects to the plan of conversion~~
12 ~~and complies with the requirements of applicable laws of this~~
13 ~~state, the resulting bank is liable for the value of the~~
14 ~~shareholder's shares as determined in accordance with such laws~~
15 ~~of this state.~~
16 Sec. 119. Section 524.1418, Code 2011, is amended to read
17 as follows:
18 **524.1418 Succession to fiduciary accounts and appointments —**
19 **application for appointment of new fiduciary.**
20 The provisions of section 524.1009 apply to a resulting
21 state or national bank~~,~~ or federal savings association~~, or~~
22 ~~state savings and loan association~~ after a conversion with the
23 same effect as though the state or national bank~~,~~ or federal
24 savings association~~, or state savings and loan association~~ were
25 a party to a plan of merger, and the conversion were a merger,
26 within the provisions of that section.
27 Sec. 120. Section 524.1805, subsection 5, Code 2011, is
28 amended to read as follows:
29 5. For purposes of subsection 1, a bank that resulted from
30 the conversion of a ~~state savings and loan association or~~
31 federal savings association, as defined in 12 U.S.C. § 1813,
32 is deemed to have been in continuous existence and operation
33 as a bank for the combined periods of continuous existence and
34 operation of the bank and the association from which it was
35 converted.

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1 Sec. 121. Section 527.2, subsections 2 and 9, Code 2011, are
2 amended to read as follows:
3 2. *"Administrator"* means and includes the superintendent of
4 banking~~, the superintendent of savings and loan associations,~~
5 and the superintendent of credit unions within the department
6 of commerce and the supervisor of industrial loan companies
7 within the office of the superintendent of banking. However,
8 the powers of administration and enforcement of this chapter
9 shall be exercised only as provided in sections 527.3, 527.5,
10 subsection 7, sections 527.11, 527.12, and any other pertinent
11 provision of this chapter.
12 9. *"Financial institution"* means and includes any bank
13 incorporated under the provisions of any state or federal
14 law, any savings and loan association incorporated under the
15 provisions of ~~any state or~~ federal law, any credit union
16 organized under the provisions of any state or federal law,
17 any corporation licensed as an industrial loan company under
18 chapter 536A, and any affiliate of a bank, savings and loan
19 association, credit union, or industrial loan company.
20 Sec. 122. Section 527.3, subsection 1, Code 2011, is amended
21 to read as follows:
22 1. For purposes of this chapter the superintendent of
23 banking only has the power to issue rules applicable to, to
24 accept and approve or disapprove applications or informational
25 statements from, to conduct hearings and revoke any
26 approvals relating to, and to exercise all other supervisory
27 authority created by this chapter with respect to banks; ~~the~~
28 ~~superintendent of savings and loan associations only shall have~~
29 ~~and exercise such powers and authority with respect to savings~~
30 ~~and loan associations;~~ the superintendent of credit unions only
31 has such powers and authority with respect to credit unions;
32 and the superintendent of banking or the superintendent's
33 designee only has such powers and authority with respect to
34 industrial loan companies.
35 Sec. 123. Section 527.5, subsection 11, paragraph d, Code

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1 2011, is amended to read as follows:
2 *d.* For purposes of this subsection, a national card
3 association must be a membership corporation or organization,
4 wherever incorporated and maintaining a principal place of
5 business, which is engaged in the business of administering for
6 the benefit of the association's members a program involving
7 electronic funds transfer transaction cards or access devices
8 depicting a service mark, logo, or trademark associated with
9 the national card association and which may be utilized to
10 perform transactions at point-of-sale terminals. A national
11 card association must have a membership solely comprised of
12 insured depository financial institutions, organizations
13 directly or indirectly owned or controlled solely by insured
14 depository financial institutions, entities wholly owned
15 by one or more insured depository financial institutions,
16 holding companies having at least two-thirds of their assets
17 consisting of the voting stock of insured depository financial
18 institutions, organizations wholly owned by one or more
19 holding companies having at least two-thirds of their assets
20 consisting of the voting stock of insured depository financial
21 institutions and which are solely engaged in activities related
22 to the programs sponsored by the national card association, or
23 such other entities or organizations which are authorized by
24 the national card association's bylaws to participate in the
25 electronic funds transfer transaction card or access device
26 programs or other services and programs sponsored by the
27 national card association. For purposes of this subsection,
28 a national card association shall not include a financial
29 institution, bank holding company as defined in section
30 524.1801, or in the federal Bank Holding Company Act of 1956,
31 12 U.S.C. § 1842(d), as amended to July 1, 1994, ~~association~~
32 ~~holding company as defined in section 534.102, or a supervised~~
33 ~~organization as defined in section 534.102,~~ or any other
34 financial institution holding company organized under federal
35 or state law, or a subsidiary or affiliate corporation owned or

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1 controlled by a financial institution or financial institution
2 holding company, which has authorized a customer or member
3 to engage in satellite terminal transactions. For purposes
4 of this subsection, a national card association shall also
5 not include a membership corporation or organization which
6 is conducting business as a regional or nationwide network
7 of shared electronic funds transfer terminals which do not
8 constitute point-of-sale terminals, and is engaged in satellite
9 terminal transaction services utilizing a common service mark,
10 logo, or trademark to identify such terminal services.
11 Sec. 124. Section 527.9, subsection 5, Code 2011, is amended
12 to read as follows:
13 5. *a.* Effective July 1, 1987, a person owning or operating
14 a central routing unit authorized under this section shall
15 include public representation on any board setting policy for
16 the central routing unit. Four or five public members shall be
17 appointed to the board in the following manner:
18 (1) ~~Two~~ Three members shall be appointed by the
19 superintendent of banking.
20 (2) One member shall be appointed by the superintendent of
21 credit unions.
22 ~~(3) One member shall be appointed by the superintendent of~~
23 ~~savings and loan associations.~~
24 ~~(4)~~ (3) If an industrial loan company is connected to the
25 central routing unit, one member shall be appointed by the
26 superintendent of banking.
27 *b.* The superintendent of banking~~,~~ and superintendent
28 of credit unions~~, and superintendent of savings and loan~~
29 ~~associations~~ shall form a committee to set, in conjunction
30 with the entity owning or operating the central routing unit,
31 the term of office, the rate of compensation, and the rate of
32 reimbursement for each public member. However, the public
33 members shall be entitled to reasonable compensation and
34 reimbursement from the board.
35 *c.* Each public member is entitled to all the rights of

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1 participation and voting as any other member of the board.
2 The public members are to represent the interest of consumers
3 and the business and agricultural communities in establishing
4 policies for the central routing unit.
5 *d.* It is the intention of the general assembly that the
6 ratio of public members to the overall membership of the
7 board shall not be less than one public member for each seven
8 members of the board. If the number of members on the board
9 is increased, then the number of members appointed pursuant to
10 paragraph *"a"* shall be increased to maintain the minimum ratio.
11 In this event, ~~a committee composed of~~ the superintendent of
12 banking~~,~~ and the superintendent of credit unions~~, and the~~
13 ~~superintendent of savings and loan associations~~ shall appoint
14 additional public members in order to maintain the minimum
15 ratio.
16 *e.* An individual shall not be appointed as a public member
17 pursuant to this subsection if the individual is a director of
18 a financial institution or is directly employed by a financial
19 institution doing business in this state.
20 Sec. 125. Section 528.2, subsection 1, Code 2011, is amended
21 to read as follows:
22 1. *"Administrator"* means the superintendent of banking~~,~~
23 ~~the superintendent of savings and loan associations,~~ and the
24 superintendent of credit unions within the department of
25 commerce.
26 Sec. 126. Section 533.301, subsection 4, Code Supplement
27 2011, is amended to read as follows:
28 4. Make deposits in state and national banks, ~~state and~~
29 federal savings banks or savings and loan associations, and
30 state and federal credit unions, the accounts of which are
31 insured by the federal deposit insurance corporation or the
32 national credit union share insurance fund.
33 Sec. 127. Section 533.301, subsection 5, paragraph a, Code
34 Supplement 2011, is amended to read as follows:
35 *a.* Time deposits in state and national banks, ~~state and~~

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1 federal savings banks or savings and loan associations, and
2 state and federal credit unions, the deposits of which are
3 insured by the federal deposit insurance corporation or the
4 national credit union share insurance fund.
5 Sec. 128. Section 533.301, subsection 18, paragraph a, Code
6 Supplement 2011, is amended to read as follows:
7 *a.* Subject to the provisions of chapter 527, a state credit
8 union may utilize, establish, or operate, alone or with one
9 or more other credit unions, banks incorporated under chapter
10 524 or federal law, savings and loan associations incorporated
11 under ~~chapter 534 or~~ federal law, corporations licensed
12 under chapter 536A, or third parties, the satellite terminals
13 permitted under chapter 527, by means of which the state credit
14 union may transmit to or receive from any member electronic
15 impulses constituting transactions pursuant to this subsection.
16 However, such utilization, establishment, or operation shall be
17 lawful only when in compliance with chapter 527.
18 Sec. 129. Section 533.305, subsection 4, paragraph c, Code
19 2011, is amended by striking the paragraph.
20 Sec. 130. Section 533.313, subsection 1, paragraph c, Code
21 2011, is amended to read as follows:
22 *c.* The term does not include a draft issued by a state
23 credit union for the transfer of funds between the issuing
24 credit union and another credit union, a bank, a savings and
25 loan association chartered under federal law, or another
26 depository financial institution.
27 Sec. 131. Section 533A.2, subsection 2, paragraph b, Code
28 2011, is amended to read as follows:
29 *b.* Banks, federally chartered savings and loan associations,
30 credit unions, mortgage bankers and mortgage brokers licensed
31 or registered under chapter 535B, insurance companies and
32 similar fiduciaries, regulated loan companies licensed under
33 chapter 536, and industrial loan companies licensed under
34 chapter 536A, authorized and admitted to transact business in
35 this state and performing credit and financial adjusting in the

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1 regular course of their principal business, or while performing
2 an escrow function.
3 Sec. 132. Section 535.2, subsection 2, paragraph b,
4 subparagraph (6), Code Supplement 2011, is amended to read as
5 follows:
6 (6) With respect to any transaction referred to in paragraph
7 *"a"* of this subsection, this subsection supersedes any
8 interest-rate or finance-charge limitations contained in the
9 Code, including but not limited to this chapter and chapters
10 321, 322, 524, 533, ~~534,~~ 536A, and 537.
11 Sec. 133. Section 535.8, subsection 2, paragraph b,
12 subparagraph (3), Code 2011, is amended to read as follows:
13 (3) A lender shall not charge the borrower any costs other
14 than expressly permitted by this paragraph *"b"*. However,
15 additional costs incurred in connection with a loan under this
16 paragraph *"b"*, if bona fide and reasonable, may be collected by
17 a state-chartered financial institution licensed under chapter
18 524~~,~~ or 533, ~~or 534,~~ to the extent permitted under applicable
19 federal law as determined by the office of the comptroller of
20 the currency of the United States department of treasury, the
21 national credit union administration, or the office of thrift
22 supervision of the United States department of treasury. Such
23 costs shall apply only to the same type of state-chartered
24 entity as the federally chartered entity affected and shall
25 apply to and may be collected by an insurer organized under
26 chapter 508 or 515, or otherwise authorized to conduct the
27 business of insurance in this state.
28 Sec. 134. Section 535A.2, subsection 2, paragraph b, Code
29 2011, is amended by striking the paragraph.
30 Sec. 135. Section 535B.11, subsection 3, paragraph b, Code
31 2011, is amended to read as follows:
32 *b.* Compliance with sections 524.905, 533.315, ~~534.206,~~ and
33 536A.20 shall constitute compliance with this subsection.
34 Sec. 136. Section 535C.2, subsection 4, paragraph i, Code
35 2011, is amended by striking the paragraph.

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1 Sec. 137. Section 536A.24, Code 2011, is amended to read as
2 follows:
3 **536A.24 Electronic transactions.**
4 A licensee may engage in any transaction otherwise permitted
5 by this chapter and applicable law, by means of either the
6 direct transmission of electronic impulses or other indicia
7 of a transaction for delayed transmission to the licensee.
8 Subject to the provisions of chapter 527, a licensee may
9 utilize, establish or operate, alone or with one or more
10 other licensees, banks incorporated under the provisions of
11 chapter 524 or federal law, credit unions incorporated under
12 the provisions of chapter 533 or federal law, savings and loan
13 associations incorporated under the provisions of ~~chapter 534~~
14 ~~or~~ federal law, or third parties, the satellite terminals
15 permitted under chapter 527, by means of which the licensee may
16 transmit to or receive from any customer electronic impulses
17 constituting transactions pursuant to this section. However,
18 such utilization, establishment or operation is lawful only
19 when in compliance with chapter 527. Nothing in this section
20 authorizes a licensee or other person to engage in transactions
21 not otherwise permitted by applicable law, nor does anything
22 in this section repeal, replace or in any other way affect any
23 applicable law or rule regarding the maintenance of or access
24 to financial information maintained by a licensee.
25 Sec. 138. Section 536C.2, subsection 1, Code 2011, is
26 amended to read as follows:
27 1. *"Administrator"* means the superintendent of banking~~,~~
28 ~~the superintendent of savings and loan associations or the~~
29 ~~superintendent's successor,~~ or the superintendent of credit
30 unions. However, the powers of administration and enforcement
31 of this chapter are to be exercised pursuant to section
32 536C.14.
33 Sec. 139. Section 536C.3, Code 2011, is amended to read as
34 follows:
35 **536C.3 Exemptions.**

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1 This chapter does not apply to a bank chartered under
2 chapter 524 or a bank chartered under federal law which has its
3 principal place of business located in this state, ~~a savings~~
4 ~~and loan association chartered under chapter 534 or~~ a savings
5 and loan association chartered under federal law which has its
6 principal place of business located in this state, a credit
7 union chartered under chapter 533 or a credit union chartered
8 under federal law which has its principal place of business
9 located in this state, regulated loan companies licensed under
10 chapter 536, or industrial loan companies licensed under
11 chapter 536A.
12 Sec. 140. Section 536C.14, subsection 3, Code 2011, is
13 amended by striking the subsection.
14 Sec. 141. Section 537.1108, subsection 2, Code 2011, is
15 amended to read as follows:
16 2. This chapter does not displace limitations on powers of
17 credit unions, savings ~~and loan~~ associations, or other thrift
18 institutions whether organized for the profit of shareholders
19 or as mutual organizations.
20 Sec. 142. Section 537.1301, subsection 3, Code 2011, is
21 amended to read as follows:
22 3. *"Affiliate"* as used in reference to a state bank means
23 the same as defined in section 524.1101. *"Affiliate"* as used
24 in reference to a national banking association means the
25 same as defined in section 524.1101, except that the term
26 "national banking association" shall be substituted for the
27 term "state bank". *"Affiliate"* as used in reference to a
28 federally chartered or out-of-state chartered savings and
29 loan association shall mean the same as defined in 12 C.F.R.
30 § 561.4.
31 Sec. 143. Section 537.1301, subsection 44, Code 2011, is
32 amended to read as follows:
33 44. *"Supervised financial organization"* means a person,
34 other than an insurance company or other organization
35 primarily engaged in an insurance business, which is organized,

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1 chartered, or holding an authorization certificate pursuant to
2 chapter 524~~,~~ or 533, ~~or 534,~~ or pursuant to the laws of any
3 other state or of the United States which authorizes the person
4 to make loans and to receive deposits, including a savings,
5 share, certificate or deposit account, and which is subject to
6 supervision by an official or agency of this state, such other
7 state, or of the United States.
8 Sec. 144. Section 537.2301, subsection 1, Code 2011, is
9 amended to read as follows:
10 1. As used in this part, *"licensing authority"* means the
11 agency designated in chapter 524, 533, ~~534,~~ 536, or 536A to
12 issue licenses or otherwise authorize the conduct of business
13 pursuant to the respective chapter or this chapter, and
14 *"licensee"* includes any person subject to regulation by a
15 licensing authority. *"License"* includes the authorization, of
16 whatever form, to engage in the conduct regulated under those
17 chapters.
18 Sec. 145. Section 537.2305, subsection 1, Code 2011, is
19 amended to read as follows:
20 1. For the purpose of discovering violations of this chapter
21 or securing information lawfully required, the licensing
22 authority shall examine periodically at intervals the licensing
23 authority deems appropriate, but not less frequently than is
24 required for other examinations of the licensee by section
25 524.217, 533.113, ~~534.401,~~ 536.10, or 536A.15, whichever is
26 applicable, the loans, business, and records of every licensee,
27 except a licensee which has no office physically located in
28 this state and engages in no face-to-face solicitation in this
29 state. In addition, the licensing authority may at any time
30 investigate the loans, business, and records of any lender.
31 For these purposes the licensing authority shall be given free
32 and reasonable access to the offices, places of business, and
33 records of the lender.
34 Sec. 146. Section 537.2501, subsection 1, paragraph j, Code
35 2011, is amended to read as follows:

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1 *j.* For a consumer loan where the amount financed does not
2 exceed three thousand dollars and the term of the loan does
3 not exceed twelve months, a bank, ~~savings bank, savings and~~
4 ~~loan association, or~~ credit union incorporated pursuant to
5 state or federal law, or a federally chartered or out-of-state
6 chartered savings bank or savings and loan association may
7 charge an additional application fee not to exceed the lesser
8 of ten percent of the amount financed or thirty dollars. If
9 the loan is not approved, the application fee shall not exceed
10 the lesser of ten percent of the amount applied for by the
11 applicant or thirty dollars. The fee permitted pursuant to
12 this paragraph shall not be charged in connection with a loan
13 used for the purchase of a motor vehicle, or for a loan where
14 the borrower's dwelling is used as security.
15 Sec. 147. Section 537.6105, subsection 1, Code 2011, is
16 amended to read as follows:
17 1. With respect to supervised financial organizations
18 subject to regulation under ~~chapters~~ chapter 524~~,~~ or 533 ~~and~~
19 ~~534~~, and persons licensed under chapters 536 and 536A, the
20 powers of examination and investigation as provided in sections
21 537.2305 and 537.6106, and administrative enforcement as
22 provided in sections 537.2303 and 537.6108, shall be exercised
23 by the official or agency to whose supervision the person is
24 subject. All other powers of the administrator under this
25 chapter may be exercised by the administrator with respect
26 to such persons. In all actions or other court proceedings
27 brought to enforce this chapter, the attorney general or the
28 attorney general's designee shall participate.
29 Sec. 148. Section 537.6201, Code 2011, is amended to read
30 as follows:
31 **537.6201 Applicability.**
32 This part applies to all of the following:
33 1. Creditors engaged in consumer credit transactions
34 and acts, practices or conduct involving consumer credit
35 transactions to which this chapter applies pursuant to section

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537.1201, but not to those licensed, certificated, or otherwise authorized to engage in business by chapter 524, 533, ~~534,~~ 536 or 536A.

2. Debt collectors, as defined in section 537.7102, subsection 5, to whose acts, practices, or conduct this chapter applies pursuant to section 537.1201 if the total debt collected by a debt collector in the preceding calendar year exceeds twenty-five thousand dollars, or if not, if the total debt collected during the current calendar year exceeds twenty-five thousand dollars, but this part does not apply to those licensed, certified, or otherwise authorized to engage in business under chapter 524, 533, ~~534,~~ 536, or 536A.

Sec. 149. Section 537.7103, subsection 4, paragraph b, subparagraph (2), Code 2011, is amended to read as follows:

(2) Communications issued directly by a state bank as defined in section 524.103 or its affiliate, a state bank chartered under the laws of any other state or its affiliate, a national banking association or its affiliate, a trust company, a federally chartered savings and loan association or savings bank or its affiliate, an out-of-state chartered savings and loan association or savings bank or its affiliate, a financial institution chartered by the federal home loan bank board, ~~an association incorporated or authorized to do business under chapter 534,~~ a state or federally chartered credit union, a credit union service organization, or a company or association organized or authorized to do business under chapter 515, 518, 518A, or 520, or an officer, employee, or agent of such company or association, provided the communication does not deceptively conceal its origin or its purpose.

Sec. 150. Section 543B.46, subsections 1, 2, and 3, Code 2011, are amended to read as follows:

1. Each real estate broker shall maintain a common trust account in a bank, a savings ~~and loan~~ association, ~~savings bank,~~ or credit union for the deposit of all down payments, earnest money deposits, or other trust funds received by the

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1 broker or the broker's salespersons on behalf of the broker's
2 principal, except that a broker acting as a salesperson shall
3 deposit these funds in the common trust account of the broker
4 for whom the broker acts as salesperson. The account shall
5 be an interest-bearing account. The interest on the account
6 shall be transferred quarterly to the treasurer of state and
7 transferred to the Iowa finance authority for deposit in the
8 housing trust fund established in section 16.181 unless there
9 is a written agreement between the buyer and seller to the
10 contrary. The broker shall not benefit from interest received
11 on funds of others in the broker's possession.
12 2. Each broker shall notify the real estate commission of
13 the name of each bank or savings ~~and loan~~ association in which
14 a trust account is maintained and also the name of the account
15 on forms provided therefor.
16 3. Each broker shall authorize the real estate commission to
17 examine each trust account and shall obtain the certification
18 of the bank or savings ~~and loan~~ association attesting to each
19 trust account and consenting to the examination and audit
20 of each account by a duly authorized representative of the
21 commission. The certification and consent shall be furnished
22 on forms prescribed by the commission. This subsection does
23 not apply to an individual farm account maintained in the
24 name of the owner or owners for the purpose of conducting
25 ongoing farm business whether it is conducted by the farm owner
26 or by an agent or farm manager when the account is part of
27 a farm management agreement between the owner and agent or
28 manager. This subsection also does not apply to an individual
29 property management account maintained in the name of the
30 owner or owners for the purpose of conducting ongoing property
31 management whether it is conducted by the property owner or
32 by an agent or manager when the account is part of a property
33 management agreement between the owner and agent or manager.
34 Sec. 151. Section 546.3, subsection 1, Code 2011, is amended
35 to read as follows:

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1. The banking division shall regulate and supervise banks under chapter 524, debt management licensees under chapter 533A, money services under chapter 533C, delayed deposit services under chapter 533D, ~~savings and loan associations under chapter 534,~~ mortgage bankers and brokers under chapter 535B, regulated loan companies under chapter 536, and industrial loan companies under chapter 536A, and shall perform other duties assigned to the division by law. The division is headed by the superintendent of banking who is appointed pursuant to section 524.201. The state banking council shall render advice within the division when requested by the superintendent.

Sec. 152. Section 551A.4, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. The offer or sale of a business opportunity if the purchaser is a bank, federally chartered savings and loan association, trust company, insurance company, credit union, or investment company as defined by the federal Investment Company Act of 1940, a pension or profit-sharing trust, or other financial institution or institutional buyer, or a broker-dealer registered pursuant to chapter 502, whether the purchaser is acting for itself or in a fiduciary capacity.

Sec. 153. Section 556.1, subsections 1 and 4, Code 2011, are amended to read as follows:

1. *"Banking organization"* means any bank, trust company, savings bank, savings association, industrial bank, land bank, safe deposit company, or a private banker engaged in business in this state.

4. *"Financial organization"* means any ~~savings and loan association, building and loan association,~~ federally chartered savings and loan association, credit union, cooperative bank or investment company, engaged in business in this state.

Sec. 154. Section 636.23, subsections 10 and 14, Code 2011, are amended to read as follows:

10. *~~Building and loan~~ Savings associations.* Shares

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1 of ~~building and loan associations and savings and loan~~
2 ~~associations, incorporated under the laws of Iowa and in shares~~
3 ~~of~~ federal savings ~~and loan~~ associations organized under the
4 laws of the United States of America.
5 14. *Limitation as to court-approved investments.* This
6 section does not prohibit investment of such funds in a savings
7 account or time certificate of deposit of a bank or savings
8 ~~and loan~~ association located within the city or its county of
9 this state and when first approved by the court. However, a
10 city that is the trustee of a cemetery as provided in section
11 523I.508 may invest perpetual care funds in a savings account
12 or certificates of deposit at a bank ~~or savings and loan~~
13 ~~association~~ located in this state without court approval.
14 Sec. 155. Section 636.45, subsection 1, unnumbered
15 paragraph 1, Code Supplement 2011, is amended to read as
16 follows:
17 Insurance companies, savings ~~and loan~~ associations,
18 trustees, guardians, executors, administrators, and other
19 fiduciaries, the state and its political subdivisions, and
20 institutions and agencies thereof, and all other persons,
21 associations, and corporations:
22 Sec. 156. Section 636.45, subsection 2, Code Supplement
23 2011, is amended to read as follows:
24 2. It shall be lawful for insurance companies, savings
25 ~~and loan~~ associations, trustees, guardians, executors,
26 administrators, and other fiduciaries, the state and its
27 political subdivisions, and institutions and agencies thereof,
28 and all other persons, associations, and corporations, subject
29 to the laws of this state, to originate real estate loans
30 which are guaranteed or insured by the secretary of the United
31 States department of veterans affairs under the provisions of
32 38 U.S.C. § 3701 et seq., and originate loans secured by real
33 property or leasehold, as the federal housing administrator
34 insures or makes a commitment to insure pursuant to Tit. II of
35 the National Housing Act (1934), and may obtain such insurance

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1 and may invest their funds, and the moneys in their custody or
2 possession, eligible for investment, in bonds and notes secured
3 by mortgage or trust deed insured by the federal housing
4 administrator, and in the debentures issued by the federal
5 housing administrator pursuant to Tit. II of the National
6 Housing Act (1934), and in securities issued by national
7 mortgage associations or similar credit institutions now or
8 hereafter organized under Tit. III of the National Housing
9 Act (1934), and in real estate loans which are guaranteed or
10 insured by the secretary of the United States department of
11 veterans affairs under the provisions of 38 U.S.C. § 3701 et
12 seq.
13 Sec. 157. REPEAL. Chapter 534, Code and Code Supplement
14 2011, is repealed.
15 EXPLANATION
16 This bill relates to matters under the purview of the banking
17 division of the department of commerce.
18 MUTUAL OWNERSHIP FOR STATE BANKS. Division I of the bill
19 authorizes mutual ownership for state chartered banks and state
20 holding companies. The division defines a "mutual corporation"
21 as a corporation that is incorporated on a mutual ownership
22 basis pursuant to Code chapter 524 as amended by the division,
23 or converted to become subject to the Code chapter, and which
24 does not have authority to issue capital stock. The division
25 defines a "mutual holding company" as a bank holding company
26 that is a mutual corporation or that owns or controls a mutual
27 corporation. The division authorizes the superintendent of
28 banking to adopt rules to ensure that a state bank incorporated
29 as a mutual corporation is operating in a safe and sound manner
30 and is subject to the superintendent's authority in the same
31 manner as a state bank incorporated as a stock corporation,
32 and makes several modifications to existing provisions in Code
33 chapter 524 to differentiate between stock corporations and
34 mutual corporations.
35 The division provides that a mutual corporation, a mutual

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1 holding company, a federal mutual association, or a federal
2 mutual holding company may convert into a stock corporation
3 that is either a state bank or a state bank mutual bank holding
4 company upon approval of the superintendent. An application
5 for approval of the conversion shall include submission of
6 articles of conversion, a business plan addressing factors
7 prescribed by the superintendent, proof of publication of a
8 notice of conversion, and applicable filing and recording fees.
9 The division provides that a state bank may be owned,
10 directly or indirectly, by a mutual bank holding company.
11 The division authorizes a mutual holding company authorized
12 pursuant to specified federal regulations to convert to a
13 mutual bank holding company. The division also authorizes a
14 mutual corporation to reorganize as a mutual holding company as
15 prescribed in specified federal regulations, which would then
16 be regarded as a mutual bank holding company subject to Code
17 chapter 524. The division states that a mutual bank holding
18 company shall also be subject to Code chapter 490, the Iowa
19 business corporations Act, and provides that if a provision
20 of the Iowa business corporations Act conflicts with the
21 provisions of Code chapter 524 or a rule of the superintendent,
22 the provisions of Code chapter 524 or rule shall control.
23 The division authorizes the superintendent to adopt rules
24 pursuant to Code chapter 17A pertaining to mutual bank holding
25 companies and reorganizations into mutual bank holding
26 companies.
27 Division I takes effect upon enactment.
28 MISCELLANEOUS PROVISIONS. Division II of the bill
29 provides exemptions from provisions governing loans and other
30 transactions between a state bank and affiliates of the bank
31 contained in Code section 524.1102. The division authorizes
32 a state bank to own federal home loan bank shares in an amount
33 exceeding 15 percent of the state bank's aggregate capital,
34 but not exceeding 25 percent of the state bank's aggregate
35 capital, if the ownership of shares exceeding 15 percent

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1 is needed to support the state bank's participation in the
2 federal home loan bank's acquired member assets program as
3 provided for in 12 C.F.R. pt. 955. The division states that
4 the superintendent may, in the superintendent's discretion, by
5 regulation or order, exempt transactions or relationships from
6 the requirements of that Code section if the superintendent
7 finds such exemptions to be in the public interest and
8 consistent with the purposes of the Code section. The division
9 provides that a state bank may request an exemption from the
10 requirements of Code section 524.1102 by submitting a written
11 request to the superintendent including a detailed description
12 of the transaction or relationship for which the state bank
13 seeks the exemption, a statement of the reasons for exemption
14 of the transaction or relationship, and an explanation of how
15 the exemption would be in the public interest and consistent
16 with the purposes of the Code section.
17 The division also modifies provisions relating to the
18 involuntary dissolution of a state bank. The division
19 eliminates the option of the superintendent applying to
20 the district court for the county in which the state bank
21 is located for appointment as receiver for the state bank,
22 providing instead that the superintendent shall tender the
23 receivership to the federal deposit insurance corporation. The
24 division states that thereafter the affairs of the state bank
25 shall be governed by specified sections of Code chapter 524,
26 and by the provisions of federal law, and shall be subject
27 to federal court jurisdiction. The division specifies that
28 federal law shall govern in the event of a conflict between
29 state and federal law provisions.
30 The division provides that under the receivership, the
31 rights of depositors and other creditors of the insured state
32 bank shall be determined in accordance with Iowa law, and that
33 the federal deposit insurance corporation as receiver shall
34 possess all the powers, rights, and privileges provided under
35 Code section 524.1311, except insofar as that Code section

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1 may be in conflict with the laws of the United States. The
2 division also provides that if the federal deposit insurance
3 corporation pays or makes available for payment the insured
4 deposit liabilities of an insured state bank, the federal
5 deposit insurance corporation shall be subrogated by operation
6 of law to all rights against such insured state bank of
7 the owners of such deposits in the same manner and to the
8 same extent as subrogation of the federal deposit insurance
9 corporation is provided for in applicable federal law in the
10 case of a national bank. These provisions are currently
11 contained in Code section 524.1313, which applied if the
12 superintendent had optionally designated the federal deposit
13 insurance corporation as receiver, rather than as mandated by
14 the division. Accordingly, that Code section is repealed.
15 The division makes conforming changes relating to the
16 federal deposit insurance corporation being appointed as
17 receiver in Code section 524.1311 relating to receivership
18 procedures. The division deletes a provision that all expenses
19 of the receivership and dissolution shall be fixed by the
20 superintendent, subject to the approval of the district court,
21 and shall be paid out of the assets of the state bank. The
22 division provides that after the involuntary dissolution, the
23 superintendent shall file notice of the dissolution with the
24 secretary of state and the county recorder of the county in
25 which the state bank is located, that no fee shall be charged
26 by the secretary of state or the county recorder for the filing
27 or recording, and that the corporate existence of the state
28 bank shall cease upon filing of the notice of dissolution
29 with the secretary of state. The division deletes provisions
30 contained in Code section 524.1311 which had related to filing
31 of a final report by the superintendent and filing of a decree
32 of dissolution by the district court.
33 The division additionally provides, with respect to
34 examinations of the books, accounts, records, and files
35 of a mortgage banker licensee, that the superintendent of

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1 banking acting as the administrator under Code chapter 535B
2 may furnish information relating to supervision of closing
3 agent licensees whose activities relate to the issuance of
4 title guaranty certificates issued by the title guaranty
5 division of the Iowa finance authority to the title guaranty
6 division. The bill states that the title guaranty division may
7 use this information to satisfy its reinsurance requirements
8 and may provide the information to its reinsurer to the
9 extent necessary to satisfy reinsurer requirements provided
10 the reinsurer agrees to maintain the confidentiality of the
11 information. The bill directs the title guaranty division to
12 maintain the confidentiality of all other information provided
13 in the course of the examination.
14 The provisions of division II regarding involuntary
15 dissolution take effect upon enactment.
16 SAVINGS AND LOAN ASSOCIATIONS. Division III of the bill
17 repeals Code chapter 534, relating to state savings and loan
18 associations. The division makes conforming changes consistent
19 with the repeal of the Code chapter. The bill additionally
20 deletes references to building and loan associations and, where
21 appropriate, to savings banks.
22 Additionally, the division replaces references in Code
23 section 12C.13 relating to deposits of public funds not
24 constituting being a shareholder, stockholder, or owner of
25 a corporation in violation of specified provisions of law
26 with references to Code chapter 524 and a mutual corporation
27 as defined in the bill. Further, the bill modifies the
28 representation of public members on boards establishing policy
29 for a central routing unit under Code section 527.9.

Senate File 2161

S-5012

1 Amend Senate File 2161 as follows:
2 1. Page 1, by striking lines 3 through 8 and
3 inserting:
4 <1. *a.* The taxes imposed under this division
5 less the credits allowed under section 422.12 shall
6 be reduced by an earned income credit equal to ~~seven~~
7 ~~percent~~ the following percentage of the federal earned
8 income credit provided in section 32 of the Internal
9 Revenue Code:
10 (1) For tax years beginning on or after January 1,
11 2012, and before December 31, 2012, thirteen percent.
12 (2) For tax years beginning on or after January 1,
13 2013, and before December 31, 2013, fifteen percent.
14 (3) For tax years beginning on or after January 1,
15 2014, twenty percent.
16 *b.* Any credit in excess of the tax liability is
17 refundable.>

JOE BOLKCOM

Senate File 2179 - Introduced

SENATE FILE 2179
BY DANIELSON

A BILL FOR

1 An Act establishing a teacher loan forgiveness match program.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5655SS (3) 84
je/sc

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1 Section 1. NEW SECTION. **261.113 Teacher loan forgiveness**
2 **match program.**
3 1. A teacher loan forgiveness match program is established
4 to be administered by the college student aid commission.
5 A teacher is eligible for the program if the teacher is
6 practicing in Iowa and is a graduate of the university of
7 northern Iowa. For purposes of this section, *"teacher"* means
8 an individual holding a practitioner's license issued under
9 chapter 272, who is employed in a nonadministrative position in
10 Iowa by a school district or area education agency pursuant to
11 a contract issued by a board of directors under section 279.13.
12 2. The annual amount of teacher loan forgiveness shall not
13 exceed the resident tuition rate established for the university
14 of northern Iowa for the first year following the teacher's
15 graduation from an approved practitioner preparation program,
16 or twenty percent of the teacher's total federally guaranteed
17 Stafford loan amount under the federal family education loan
18 program or the federal direct loan program, including principal
19 and interest, whichever amount is less. A teacher shall be
20 eligible for the teacher loan forgiveness match program for not
21 more than five years. However, practice by an eligible teacher
22 in Iowa pursuant to subsection 1 must be completed within ten
23 years following graduation from the approved practitioner
24 preparation program.
25 3. If an applicant receives loan forgiveness through other
26 sources or other forms of financial assistance, the full
27 amount of that loan forgiveness or financial assistance shall
28 be considered part of the applicant's financial resources
29 available in determining the amount of the applicant's
30 financial need for teacher loan forgiveness.
31 4. *a.* The director of the department of education shall
32 establish by rule each fiscal year a scaled proportion of
33 funding for the teacher loan forgiveness match program which
34 shall be matched by a school district for each teacher newly
35 employed by the school district during that fiscal year. A

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1 school district's match percentage shall increase by at least
2 two percentage points for each fiscal year a teacher remains
3 employed by the district and a participant in the program. A
4 school district shall only provide such funds as long as a
5 program participant remains employed by the district.
6 *b.* In establishing by rule a proportion for matching funds
7 by school districts pursuant to paragraph "*a*", the director
8 shall consider all of the following factors and include such
9 consideration as part of the rule:
10 (1) Moneys available in the teacher loan forgiveness match
11 program fund.
12 (2) The number of applicants for and participants in the
13 program.
14 (3) Teacher shortages across the state, particularly in
15 underserved school districts and high-demand subject areas.
16 (4) The long-term financial viability of the program.
17 (5) The availability of other state or local funding sources
18 fulfilling similar functions to the program.
19 (6) Any feedback received from school districts, program
20 applicants and participants, the general assembly, or other
21 interested persons.
22 5. Each applicant for the teacher loan forgiveness match
23 program shall, in accordance with the rules of the commission,
24 do the following:
25 *a.* Complete and file an application for teacher loan
26 forgiveness. The individual shall be responsible for
27 the prompt submission of any information required by the
28 commission.
29 *b.* File a new application and submit information as
30 required by the commission, annually, on the basis of which the
31 applicant's eligibility for the renewed loan forgiveness will
32 be evaluated and determined.
33 *c.* Complete and return on a form approved by the commission
34 an affidavit of practice verifying that the applicant is a
35 teacher practicing in Iowa.

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1 6. A teacher loan forgiveness match program fund is
2 created for deposit of moneys appropriated to or received
3 by the college student aid commission for use under the
4 program. Notwithstanding section 8.33, moneys deposited in
5 the fund shall not revert to any fund of the state at the
6 end of any fiscal year but shall remain in the fund and be
7 continuously available for loan forgiveness under the program.
8 Notwithstanding section 12C.7, subsection 2, interest or
9 earnings on moneys deposited in the fund shall be credited to
10 the fund.
11 7. The college student aid commission shall submit in a
12 report to the general assembly by January 1, annually, the
13 number of individuals who received loan forgiveness pursuant to
14 this section, the amount paid to each program participant, and
15 other information identified by the commission as indicators
16 of outcomes from the program.
17 8. The college student aid commission and the department of
18 education shall jointly adopt rules pursuant to chapter 17A to
19 administer this section.
20 Sec. 2. STATE MANDATE FUNDING SPECIFIED. In accordance
21 with section 25B.2, subsection 3, the state cost of requiring
22 compliance with any state mandate included in this Act shall
23 be paid by a school district from state school foundation aid
24 received by the school district under section 257.16. This
25 specification of the payment of the state cost shall be deemed
26 to meet all of the state funding-related requirements of
27 section 25B.2, subsection 3, and no additional state funding
28 shall be necessary for the full implementation of this Act
29 by and enforcement of this Act against all affected school
30 districts.
31 EXPLANATION
32 This bill establishes a teacher loan forgiveness match
33 program to be administered by the college student aid
34 commission. A teacher is eligible for the program if the
35 teacher is practicing in Iowa and is a graduate of the

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1 university of northern Iowa. For purposes of the bill,
2 "teacher" is defined as an individual holding a practitioner's
3 license issued under Code chapter 272, who is employed in a
4 nonadministrative position in Iowa by a school district or area
5 education agency pursuant to a contract issued by a board of
6 directors under Code section 279.13.
7 The bill provides that the annual amount of teacher loan
8 forgiveness shall not exceed the resident tuition rate
9 established for the university of northern Iowa for the first
10 year following the teacher's graduation from an approved
11 practitioner preparation program, or 20 percent of the
12 teacher's total federally guaranteed Stafford loan amount
13 under the federal family education loan program or the federal
14 direct loan program, whichever amount is less. The bill
15 provides that a teacher shall be eligible for the teacher loan
16 forgiveness match program for not more than five years. The
17 bill provides that practice by an eligible teacher in Iowa must
18 be completed within 10 years following graduation from the
19 approved practitioner preparation program.
20 The bill provides that if an applicant receives loan
21 forgiveness through other sources or other forms of financial
22 assistance, the full amount of that loan forgiveness or
23 financial assistance shall be considered part of the
24 applicant's financial resources available in determining the
25 amount of the applicant's financial need for loan forgiveness
26 assistance.
27 The bill requires the director of the department of
28 education to establish by rule each fiscal year a scaled
29 proportion of funding for the teacher loan forgiveness match
30 program which shall be matched by a school district for each
31 teacher newly employed by the school district during that
32 fiscal year. The bill provides that a school district's match
33 percentage shall increase by at least 2 percentage points for
34 each fiscal year a teacher remains employed by the district
35 and a participant in the program. The bill provides that a

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1 school district shall only provide such funds as long as a
2 program participant remains employed by the district. The bill
3 provides that in establishing by rule a proportion for matching
4 funds by school districts, the director must consider various
5 factors and include such consideration as part of the rule.
6 The bill establishes requirements for applicants for the
7 teacher loan forgiveness match program, including completing
8 and filing an initial application for teacher loan forgiveness
9 and other required information, filing a new application
10 and other required information annually, and completing and
11 returning an affidavit of practice verifying that the applicant
12 is a teacher practicing in Iowa.
13 The bill creates a teacher loan forgiveness match program
14 fund for deposit of moneys appropriated to or received by the
15 college student aid commission for use under the program.
16 The bill requires the college student aid commission to
17 submit an annual report on the teacher loan forgiveness match
18 program to the general assembly by January 1 stating the number
19 of individuals who received loan forgiveness pursuant to this
20 section, the amount paid to each program participant, and
21 other information identified by the commission as indicators
22 of outcomes from the program.
23 The bill directs the college student aid commission and the
24 department of education to adopt rules to administer the bill.
25 The bill may include a state mandate as defined in Code
26 section 25B.3. The bill requires that the state cost of
27 any state mandate included in the bill be paid by a school
28 district from state school foundation aid received by the
29 school district under Code section 257.16. The specification
30 is deemed to constitute state compliance with any state mandate
31 funding-related requirements of Code section 25B.2. The
32 inclusion of this specification is intended to reinstate the
33 requirement of political subdivisions to comply with any state
34 mandates included in the bill.

Senate File 2180 - Introduced

SENATE FILE 2180
BY DANIELSON

A BILL FOR

1 An Act relating to the Iowa disaster aid individual assistance
2 grant program administered by the department of human
3 services.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5849XS (2) 84
jp/sc

S.F. 2180

1 Section 1. Section 29C.20A, subsection 2, Code Supplement
2 2011, is amended to read as follows:
3 2. The grant funds shall be administered by the department
4 of human services. The department shall adopt rules to create
5 the Iowa disaster aid individual assistance grant program. The
6 rules shall specify the eligibility of applicants and eligible
7 items for grant funding. The executive council shall use
8 grant funds to reimburse the department of human services for
9 its actual expenses associated with the administration of the
10 grants. The department of human services may implement an
11 ongoing contract with a provider or providers of a statewide
12 program with local offices throughout the state to serve as the
13 local administrative entity for the grant program so that the
14 program can be implemented with minimal delay when a disaster
15 occurs in a local area. The rules adopted by the department
16 of human services for the program shall include but are not
17 limited to all of the following:
18 *a.* If a local administrative entity is under contract with
19 the state to provide other services or is implementing a state
20 or federal program and the contract contains a sufficient
21 surety bond or other adequate financial responsibility
22 provision, the department shall accept the existing surety
23 bond or financial responsibility provision in lieu of applying
24 a new or additional surety bond or financial responsibility
25 requirement.
26 *b.* If the president of the United States has declared a
27 major disaster to exist in this state and federal aid is made
28 available to provide assistance grants to individuals similar
29 to that provided by the Iowa disaster aid individual assistance
30 grant program, the Iowa program shall be continued in a manner
31 that complements and augments the federal aid provisions.
32 *c.* Authorization for the local administrative entity to draw
33 grant funding to pay valid claims on at least a weekly basis.
34 *d.* If the local administrative entity operates another
35 program and, in accordance with the federal office of

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1 management and budget cost principles for nonprofit
2 organizations, receives a federally approved indirect cost
3 rate or has a state-recognized cost plan, the administrative
4 entity's administrative costs for the grant program shall
5 be paid in accordance with the cost rate provisions or cost
6 plan, as applicable. Otherwise, the administrative entity's
7 administrative costs shall be limited to ten percent of the
8 amount of the grant funds administered by the entity.
9 *e.* The grant program shall be administered in a manner
10 that is integrated with the disaster case management system
11 implemented pursuant to section 29C.20B.
12 EXPLANATION
13 This bill relates to the Iowa disaster aid individual
14 assistance grant program administered by the department of
15 human services.
16 The department is authorized by the bill to implement an
17 ongoing contract with a provider or providers of a statewide
18 program with local offices throughout the state to serve as the
19 local administrative entity for the grant program so that the
20 program can be implemented with minimal delay when a disaster
21 occurs in a local area.
22 The rules adopted by the department of human services
23 are required by the bill to include the following: require
24 acceptance of an administrative entity's existing surety
25 bond or other financial responsibility provisions from
26 another contract with the state; provide for adaptation
27 and continuation of the state grant program if federal aid
28 provisions are implemented; provide for the administrative
29 entity to draw grant funding on at least a weekly basis;
30 provide certain methods for calculating the administrative
31 entity's administrative costs; and require the grant program
32 to be integrated with the disaster case management program
33 administered by the homeland security and emergency management
34 division under Code section 29C.20B.

Senate File 2181 - Introduced

SENATE FILE 2181
BY DANIELSON

A BILL FOR

1 An Act relating to coverage under the medical assistance
2 program for the costs associated with the birth of a child
3 relinquished under the newborn safe haven Act.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6040SS (2) 84
jp/nh

S.F. 2181

1 Section 1. Section 233.2, subsection 2, paragraph b, Code
2 2011, is amended to read as follows:
3 *b.* (1) A newborn infant admitted to a hospital in
4 accordance with this section and the infant's mother, for the
5 period of labor and delivery until the time of discharge of the
6 mother from the hospital, are presumed eligible for coverage
7 under the medical assistance program, subject to applicable
8 federal regulation.
9 (2) If the physical custody of the newborn infant is
10 relinquished at an institutional health facility, the state
11 shall reimburse the institutional health facility for the
12 institutional health facility's actual expenses in providing
13 care to the newborn infant and in performing acts necessary to
14 protect the physical health or safety of the newborn infant.
15 The reimbursement shall be paid from moneys appropriated for
16 this purpose to the department of human services.
17 Sec. 2. Section 233.6, Code 2011, is amended by adding the
18 following new subsection:
19 NEW SUBSECTION. 2A. Public information announcements and
20 other materials to develop awareness of the option for pregnant
21 women who wish to voluntarily release custody of the newborn
22 infant in accordance with this chapter to be eligible for
23 coverage under the medical assistance program for labor and
24 delivery charges and hospital costs associated with the birth
25 until the time of discharge from the hospital.
26 Sec. 3. MEDICAL ASSISTANCE COVERAGE OF HOSPITAL COSTS
27 RELATED TO BIRTH OF CHILD UNDER THE NEWBORN SAFE HAVEN
28 ACT. The department of human services shall amend the medical
29 assistance state plan to provide for coverage of labor and
30 delivery charges and the hospital costs associated with the
31 birth of a child until the mother is discharged from the
32 hospital, for a mother who wishes to voluntarily release
33 custody by relinquishing physical custody of the child after
34 birth pursuant to chapter 233.
35 EXPLANATION

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1 This bill provides for coverage under the medical assistance
2 program (Medicaid) of a newborn infant and the infant's mother
3 for labor and delivery and hospital charges associated with
4 the birth of a child until the mother is discharged from the
5 hospital, when the mother wishes to voluntarily release custody
6 by relinquishing physical custody of the newborn infant after
7 birth pursuant to Code chapter 233, the newborn safe haven Act.
8 The bill directs the department of human services (DHS)
9 in consultation with the department of public health and
10 the department of justice, to distribute public information
11 announcements and other materials to develop awareness of the
12 option for pregnant women who wish to voluntarily release
13 custody of their newborn infant under the newborn safe haven
14 Act to be eligible for coverage under the Medicaid program for
15 labor and delivery charges and hospital costs associated with
16 the birth until the time of discharge from the hospital.
17 The bill also directs DHS to amend the Medicaid state plan to
18 provide for the coverage described in the bill.

Senate File 2182 - Introduced

SENATE FILE 2182
BY QUIRMBACH

A BILL FOR

1 An Act relating to the retention of funds due to contractors
2 for claims for labor, service, and transportation on public
3 improvements.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5890XS (2) 84
je/sc

S.F. 2182

1 Section 1. Section 573.15, Code 2011, is amended to read as
2 follows:
3 **573.15 Exception.**
4 1. No part of the unpaid fund due the contractor shall be
5 retained as provided in this chapter on claims for material
6 furnished, other than materials ordered by the general
7 contractor or the general contractor's authorized agent, unless
8 such claims are supported by a certified statement that the
9 general contractor had been notified within thirty days after
10 the materials are furnished or by itemized invoices rendered
11 to contractor during the progress of the work, of the amount,
12 kind, and value of the material furnished for use upon the
13 said public improvement, and no part of such unpaid fund due
14 the contractor shall be retained as provided in this chapter
15 because of the commencement of any action by the contractor
16 against the state department of transportation under authority
17 granted in section 613.11.
18 2. No part of the unpaid fund due the contractor shall
19 be retained as provided in this chapter on claims for labor
20 performed, or service or transportation furnished, other than
21 labor, service, or transportation ordered by the general
22 contractor or the general contractor's authorized agent, unless
23 such claims are supported by a certified statement that the
24 general contractor had been notified within sixty days after
25 the labor is performed or the service or transportation are
26 furnished or by itemized invoices rendered to the contractor
27 during the progress of the work, of the amount, kind, and value
28 of the labor performed or service or transportation furnished
29 for use upon the said public improvement, and no part of such
30 unpaid fund due the contractor shall be retained as provided in
31 this chapter because of the commencement of any action by the
32 contractor against the state department of transportation under
33 authority granted in section 613.11.
34 EXPLANATION
35 Current law provides an exception to the requirement that a

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1 public corporation retain a portion of funds due a contractor
2 on a public improvement project in a fund for the payment
3 of claims. The exception provides that a public corporation
4 need only retain funds due a supplier of material to a general
5 contractor if the supplier provides the general contractor with
6 one of two permitted types of notice of a claim: notice within
7 30 days of completion of the work or itemized invoices during
8 the progress of the work.
9 This bill adds suppliers of labor, service, or
10 transportation to general contractors to the exception. The
11 two permitted types of notice for such suppliers are notice
12 within 60 days of completion of the work or itemized invoices
13 during the progress of the work.

Senate File 2183 - Introduced

SENATE FILE 2183
BY DANIELSON

A BILL FOR

1 An Act relating to nomination papers filing deadlines for
2 school district and merged area elections.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5816SS (2) 84
aw/sc

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1 Section 1. Section 260C.15, subsection 3, Code 2011, is
2 amended to read as follows:
3 3. Nomination papers on behalf of candidates for member of
4 the board of directors of a merged area shall be filed with
5 the secretary of the board not earlier than ~~sixty-four~~ one
6 hundred twenty days nor later than 5:00 p.m. on the ~~fortieth~~
7 ninetieth day prior to the election at which members of the
8 board are to be elected. On the day following the last day
9 on which nomination petitions can be filed, and no later
10 than 5:00 p.m. on that day, the secretary shall deliver all
11 nomination petitions so filed, together with the text of any
12 public measure being submitted by the board of directors to
13 the electorate, to the county commissioner of elections who is
14 responsible under section 47.2 for conducting elections held
15 for the merged area. That commissioner shall certify the names
16 of candidates, and the text and summary of any public measure
17 being submitted to the electorate, to all county commissioners
18 of elections in the merged area by the thirty-fifth day prior
19 to the election.
20 Sec. 2. Section 277.4, subsection 1, Code 2011, is amended
21 to read as follows:
22 1. Nomination papers for all candidates for election
23 to office in each school district shall be filed with the
24 secretary of the school board not more than ~~sixty-four~~ one
25 hundred twenty days, nor less than ~~forty~~ ninety days before
26 the election. Nomination petitions shall be filed not later
27 than 5:00 p.m. on the last day for filing. If the school
28 board secretary is not readily available during normal office
29 hours, the secretary may designate a full-time employee of
30 the school district who is ordinarily available to accept
31 nomination papers under this section. On the final date for
32 filing nomination papers the office of the school secretary
33 shall remain open until 5:00 p.m.
34 EXPLANATION
35 This bill relates to filing deadlines for nomination papers

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for school district and merged area elections.

The bill requires that nomination papers for the election of members of the board of directors of a merged area be filed with the secretary of the merged area board not more than 120 days and not less than 90 days before an election for the merged area. Current law requires that nomination papers be filed not more than 64 days and not less than 40 days before such elections.

The bill requires that nomination papers for all candidates for election for a school district be filed with the secretary of the school board not more than 120 days and not less than 90 days before an election for the school district. Current law requires that nomination papers be filed not more than 64 days and not less than 40 days before such elections.

Senate File 2184 - Introduced

SENATE FILE 2184
BY DANIELSON

A BILL FOR

1 An Act relating to the staffing of department of human services
2 local offices.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6041SS (2) 84
pf/nh

S.F. 2184

1 Section 1. DEPARTMENT OF HUMAN SERVICES — OPERATION OF
2 SERVICE AREA OFFICES. The department of human services shall
3 review the operation of service area offices and determine
4 the minimum number of hours and days of operation necessary
5 to meet consumer demand for services. The department shall
6 report its findings to the general assembly by December 15,
7 2012, including budget recommendations necessary to maintain
8 the recommended level of operations.
9 EXPLANATION
10 This bill directs the department of human services (DHS) to
11 review the operations of its service area offices and determine
12 the minimum number of hours and days of operation necessary to
13 meet consumer demand for services. DHS is directed to report
14 its findings to the general assembly by December 15, 2012,
15 including budget recommendations necessary to maintain the
16 recommended level of operations.

Senate File 2185 - Introduced

SENATE FILE 2185
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 3053)

A BILL FOR

1 An Act relating to the supervision of physician assistants.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5464SV (1) 84
jr/sc

S.F. 2185

1 Section 1. Section 148C.3, subsection 2, Code 2011, is
2 amended to read as follows:
3 2. Rules shall be adopted by the board pursuant to this
4 chapter requiring a licensed physician assistant to be
5 supervised by physicians. The rules shall provide that not
6 more than ~~two~~ five physician assistants shall be supervised by
7 a physician at one time. The rules shall also provide that
8 a physician assistant shall notify the board of the identity
9 of the physician assistant's supervising physician and of any
10 change in the status of the supervisory relationship.
11 EXPLANATION
12 Under current law, a physician assistant must work under
13 the supervision of a licensed physician, and a licensed
14 physician is allowed to supervise no more than two physician
15 assistants at one time. This bill allows a licensed physician
16 to supervise up to five physician assistants at one time.

Senate File 2186 - Introduced

SENATE FILE 2186
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 3084)

A BILL FOR

1 An Act relating to medical assistance eligibility for inmates
2 of public institutions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5286SV (1) 84
pf/nh

S.F. 2186

1 Section 1. Section 249A.38, subsection 1, unnumbered
2 paragraph 1, Code Supplement 2011, is amended to read as
3 follows:
4 The following conditions shall apply to an individual who
5 is an inmate of a public institution as defined in 42 C.F.R. §
6 435.1010, who is enrolled in the medical assistance program at
7 the time of commitment to the public institution, and who ~~is~~
8 remains eligible for medical assistance ~~by reason of disability~~
9 ~~or being sixty-five years of age or older~~ as an individual
10 except for the individual's institutional status:
11 EXPLANATION
12 This bill specifies that the suspension of Medicaid for an
13 inmate of a public institution who is enrolled in the medical
14 assistance program at the time of commitment to the public
15 institution is expanded to include not only those eligible
16 by reason of disability or being 65 years of age or older,
17 but instead any individual who remains eligible for medical
18 assistance except for the individual's institutional status.

Senate File 2187 - Introduced

SENATE FILE 2187
BY CHELGREN

A BILL FOR

1 An Act eliminating public employee collective bargaining and
2 including effective date, applicability, and transition
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5866XS (9) 84
je/rj

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DIVISION I

PUBLIC EMPLOYEE COLLECTIVE BARGAINING REPEAL.

Section 1. Section 1C.2, subsections 2 and 3, Code 2011, are amended to read as follows:

2. *a.* State employees are granted two days of paid leave each year to be added to the vacation allowance and accrued under the provisions of section 70A.1. ~~In addition, an appointing authority shall grant not more than four additional days of paid leave each year as required to implement contract provisions negotiated pursuant to chapter 20.~~

b. The executive council may designate days off from employment with pay in addition to those enumerated in this section for state employees at its discretion.

3. If a holiday enumerated in this section falls on Saturday, the preceding Friday shall be granted and if a holiday enumerated in this section falls on Sunday, the following Monday shall be granted. In those cases, where by nature of the employment a state employee must be required to work on a holiday the provisions of subsection 1 shall not apply, however, compensation shall be made on the basis of the employee's straight time hourly rate for a forty-hour workweek and shall be made in either compensatory time off or cash payment, at the discretion of the appointing authority ~~unless otherwise provided for in a collective bargaining agreement~~. Notwithstanding any other provision of this section, an employee of the state who does not accrue sick leave or vacation, and who works on a holiday, shall receive regular pay for the hours worked on that holiday and shall not otherwise earn holiday compensatory pay.

Sec. 2. Section 2.10, subsection 8, Code 2011, is amended by striking the subsection.

Sec. 3. Section 2.40, subsection 1, paragraphs a and d, Code 2011, are amended to read as follows:

a. A member of the general assembly may elect to become a member of a state group insurance plan for employees of the

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state established under chapter 509A subject to the following conditions:

(1) The member shall be eligible for all state group insurance plans on the basis of enrollment rules established for full-time state employees ~~excluded from collective bargaining as provided in chapter 20~~.

(2) The member shall pay the premium for the plan selected on the same basis as a full-time state employee ~~excluded from collective bargaining as provided in chapter 20~~.

(3) The member shall authorize a payroll deduction of the premium due according to the member's pay plan selected pursuant to section 2.10, subsection 4.

(4) The premium rate shall be the same as the premium rate paid by a state employee for the plan selected.

d. A member of the general assembly who elects to become a member of a state health or medical group insurance plan shall be exempted from preexisting medical condition waiting periods. A member of the general assembly may change programs or coverage under the state health or medical service group insurance plan during the month of January of odd-numbered years, but program and coverage change selections shall be subject to the enrollment rules established for full-time state employees ~~excluded from collective bargaining as provided in chapter 20~~.

Sec. 4. Section 2.40, subsection 2, paragraphs a and e, Code 2011, are amended to read as follows:

a. The part-time employee shall be eligible for all state group insurance plans on the basis of enrollment rules established for full-time state employees ~~excluded from collective bargaining as provided in chapter 20~~ and shall have the same rights to change programs or coverage as are afforded such state employees.

e. A member of a state group insurance plan pursuant to this subsection shall have the same rights upon final termination of employment as a part-time employee as are afforded full-time

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state employees ~~excluded from collective bargaining as provided in chapter 20~~.

Sec. 5. Section 2C.11A, Code 2011, is amended to read as follows:

2C.11A Subjects for investigations — disclosures of information.

The office of citizens' aide shall investigate a complaint filed by an employee who is not a merit system employee ~~or an employee covered by a collective bargaining agreement~~ and who alleges that adverse employment action has been taken against the employee in violation of section 70A.28, subsection 2. A complaint filed pursuant to this section shall be made within thirty calendar days following the effective date of the adverse employment action. The citizens' aide shall investigate the matter and shall issue findings relative to the complaint in an expeditious manner.

Sec. 6. Section 8.56, subsection 3, Code 2011, is amended to read as follows:

3. The moneys in the cash reserve fund shall only be used pursuant to an appropriation made by the general assembly. An appropriation shall be made in accordance with subsection 4 only for the fiscal year in which the appropriation is made. The moneys shall only be appropriated by the general assembly for nonrecurring emergency expenditures ~~and shall not be appropriated for payment of any collective bargaining agreement or arbitrator's decision negotiated or awarded under chapter 20~~. Except as provided in section 8.58, the cash reserve fund shall be considered a special account for the purposes of section 8.53 in determining the cash position of the general fund of the state for the payment of state obligations.

Sec. 7. Section 8.58, Code Supplement 2011, is amended to read as follows:

8.58 Exemption from automatic application.

~~1.~~ To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general

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fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, and taxpayers trust fund shall not be considered in the application of any formula, index, or other statutory triggering mechanism which would affect appropriations, payments, or taxation rates, contrary provisions of the Code notwithstanding.

~~2. To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2, moneys appropriated under section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, and taxpayers trust fund shall not be considered by an arbitrator or in negotiations under chapter 20.~~

Sec. 8. Section 8A.402, subsection 1, paragraph g, Code 2011, is amended by striking the paragraph.

Sec. 9. Section 8A.402, subsection 2, paragraph g, subparagraph (1), subparagraph division (b), Code 2011, is amended to read as follows:

(b) For the purposes of this paragraph *"g"*, *"supervisory employee"* means a public employee ~~who is not a member of a collective bargaining unit and~~ who has authority, in the interest of a public employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other public employees, to direct such public employees, or to adjust the grievances of such public employees, or to effectively recommend any such action.

Sec. 10. Section 8A.411, Code 2011, is amended to read as follows:

8A.411 Merit system established — ~~collective bargaining —~~ applicability.

1. The general purpose of this subchapter is to establish for the state of Iowa a system of human resource administration

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1 based on merit principles and scientific methods to govern the
2 appointment, compensation, promotion, welfare, development,
3 transfer, layoff, removal, and discipline of its civil
4 employees, and other incidents of state employment.
5 ~~2. It is also the purpose of this subchapter to promote the~~
6 ~~coordination of personnel rules and policies with collective~~
7 ~~bargaining agreements negotiated under chapter 20.~~
8 ~~3.~~ 2. All appointments and promotions to positions covered
9 by the state merit system shall be made solely on the basis of
10 merit and fitness, to be ascertained by examinations or other
11 appropriate screening methods, except as otherwise specified
12 in this subchapter.
13 ~~4.~~ 3. Provisions of this subchapter pertaining to
14 qualifications, examination, certification, probation, and just
15 cause apply only to employees covered by the merit system.
16 Sec. 11. Section 8A.413, unnumbered paragraph 1, Code 2011,
17 is amended to read as follows:
18 The department shall adopt rules for the administration of
19 this subchapter pursuant to chapter 17A. ~~Rulemaking shall~~
20 ~~be carried out with due regard to the terms of collective~~
21 ~~bargaining agreements. A rule shall not supersede a provision~~
22 ~~of a collective bargaining agreement negotiated under chapter~~
23 ~~20.~~ Notwithstanding any provisions to the contrary, a rule
24 or regulation shall not be adopted by the department which
25 would deprive the state of Iowa, or any of its agencies or
26 institutions, of federal grants or other forms of financial
27 assistance. The rules shall provide:
28 Sec. 12. Section 8A.413, subsections 3, 13, 16, 19, and 20,
29 Code 2011, are amended to read as follows:
30 3. For pay plans covering all employees in the executive
31 branch, excluding employees of the state board of regents,
32 after consultation with the governor and appointing
33 authorities~~, and consistent with the terms of collective~~
34 ~~bargaining agreements negotiated under chapter 20~~.
35 13. For transfer from a position in one state agency

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to a similar position in the same state agency or another state agency involving similar qualifications, duties, responsibilities, and salary ranges. Whenever an employee transfers or is transferred from one state agency to another state agency, the employee's seniority rights, any accumulated sick leave, and accumulated vacation time, as provided in the law, shall be transferred to the new place of employment and credited to the employee. ~~Employees who are subject to contracts negotiated under chapter 20 which include transfer provisions shall be governed by the contract provisions.~~

16. For layoffs by reason of lack of funds or work, or reorganization, and for the recall of employees so laid off, giving consideration in layoffs to the employee's performance record and length of service. An employee who has been laid off may be on a recall list for one year, which list shall be exhausted by the organizational unit enforcing the layoff before selection of an employee may be made from the promotional or nonpromotional list in the employee's classification. ~~Employees who are subject to contracts negotiated under chapter 20 which include layoff and recall provisions shall be governed by the contract provisions.~~

19. For establishment of a uniform plan for resolving employee grievances and complaints. ~~Employees who are subject to contracts negotiated under chapter 20 which include grievance and complaint provisions shall be governed by the contract provisions.~~

20. *a.* For attendance regulations, and special leaves of absence, with or without pay, or reduced pay, in the various classes of positions in the executive branch, excluding positions under the state board of regents.

~~*a.* Employees who are subject to contracts negotiated under chapter 20 which include leave of absence provisions shall be governed by the contract provisions.~~

b. Annual sick leave and vacation time shall be granted in accordance with section 70A.1.

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1 Sec. 13. Section 8A.414, Code 2011, is amended to read as
2 follows:
3 **8A.414 Experimental research projects.**
4 The director may conduct experimental or research
5 personnel-related projects of limited duration designed
6 to improve the quality of the employment system. The
7 provisions of section 8A.413 or administrative rules adopted
8 pursuant to that section are waived for the purposes of
9 such projects. ~~Projects adopted under this authority shall~~
10 ~~not violate existing collective bargaining agreements. Any~~
11 ~~projects that relate to issues covered by such agreements or~~
12 ~~issues that are mandatory subjects of collective bargaining~~
13 ~~are subject to negotiations as applicable.~~ The director
14 shall notify the chairpersons of the standing committees on
15 appropriations of the senate and the house of representatives
16 and the chairpersons of the appropriate subcommittees of
17 those committees of the proposed projects. The notice from
18 the director shall include the purpose of the project, a
19 description of the project, and how the project will be
20 evaluated. Chairpersons notified shall be given at least two
21 weeks to review and comment on the proposal before the project
22 is implemented. The director shall report the results of the
23 experimental research projects conducted in the preceding
24 fiscal year to the legislative council by September 30 of each
25 year.
26 Sec. 14. Section 8A.415, subsection 1, paragraph a, Code
27 2011, is amended to read as follows:
28 *a.* An employee~~, except an employee covered by a collective~~
29 ~~bargaining agreement which provides otherwise,~~ who has
30 exhausted the available agency steps in the uniform grievance
31 procedure provided for in the department rules may, within
32 seven calendar days following the date a decision was received
33 or should have been received at the second step of the
34 grievance procedure, file the grievance at the third step
35 with the director. The director shall respond within thirty

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calendar days following receipt of the third step grievance.

Sec. 15. Section 8A.415, subsection 2, paragraph a, Code 2011, is amended to read as follows:

a. A merit system employee~~, except an employee covered by a collective bargaining agreement,~~ who is discharged, suspended, demoted, or otherwise receives a reduction in pay, except during the employee's probationary period, may bypass steps one and two of the grievance procedure and appeal the disciplinary action to the director within seven calendar days following the effective date of the action. The director shall respond within thirty calendar days following receipt of the appeal.

Sec. 16. Section 8A.459, Code 2011, is amended to read as follows:

8A.459 State employee pay and allowances — electronic funds transfer.

~~Effective July 1, 2011, notwithstanding~~ Notwithstanding any provision of law to the contrary, all pay and allowances to state employees shall be paid via electronic funds transfer~~, unless otherwise provided pursuant to a collective bargaining agreement~~. A state employee may elect to receive pay and allowances as paper warrants in lieu of electronic funds transfers, but the department shall charge an administrative fee for processing such paper warrants. However, the department may, for good cause shown, waive the administrative fee. The fee may be automatically deducted from the state employee's pay and allowances before the warrant is issued to the state employee.

Sec. 17. Section 8D.3, subsection 2, paragraph a, subparagraph (3), Code Supplement 2011, is amended to read as follows:

(3) The salary of the members of the commission shall be twelve thousand dollars per year, except that the salary of the chairperson shall be seventeen thousand dollars per year. Members of the commission shall also be reimbursed for all actual and necessary expenses incurred in the performance of

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1 duties as members. The benefits and salary paid to the members
2 of the commission ~~shall~~ may be adjusted annually ~~equal to the~~
3 ~~average of the annual pay adjustments, expense reimbursements,~~
4 ~~and related benefits provided under collective bargaining~~
5 ~~agreements negotiated pursuant to chapter 20~~.
6 Sec. 18. Section 13.13, subsection 2, Code 2011, is amended
7 to read as follows:
8 2. The farm assistance program coordinator shall contract
9 with a nonprofit organization chartered in this state to
10 provide mediation services as provided in chapters 654A, 654B,
11 and 654C. The contract may be terminated by the coordinator
12 upon written notice and for good cause. The organization
13 awarded the contract is designated as the farm mediation
14 service for the duration of the contract. The organization
15 may, upon approval by the coordinator, provide mediation
16 services other than as provided by law. The farm mediation
17 service is not a state agency for the purposes of chapter 8A,
18 subchapter IV, and ~~chapters 20 and~~ chapter 669.
19 Sec. 19. Section 13.22, subsection 6, Code 2011, is amended
20 to read as follows:
21 6. Cooperate to the fullest extent feasible with the
22 existing informational and referral networks among farmers,
23 farmer advocates, and others concerned with the economic crisis
24 in agricultural areas. The legal services provider is not a
25 state agency for the purposes of chapter 8A, subchapter IV, and
26 ~~chapters 20 and~~ chapter 669.
27 Sec. 20. Section 13.34, subsection 4, Code 2011, is amended
28 to read as follows:
29 4. The contracting nonprofit organization is not a state
30 agency for the purposes of chapter 8A, subchapter IV, and
31 ~~chapters 20 and~~ chapter 669.
32 Sec. 21. Section 15.106C, subsection 4, Code Supplement
33 2011, is amended to read as follows:
34 4. The director shall employ personnel as necessary to
35 carry out the duties and responsibilities of the authority.

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For nonprofessional employees, employment shall be consistent with chapter 8A, subchapter IV. The employment of professional employees shall be exempt from the provisions of chapter 8A, subchapter IV~~, and chapter 20~~.

Sec. 22. Section 19B.12, subsection 7, Code 2011, is amended by striking the subsection.

Sec. 23. Section 21.9, Code 2011, is amended to read as follows:

21.9 Employment conditions discussed.

A meeting of a governmental body to discuss strategy in matters relating to employment conditions of employees of the governmental body ~~who are not covered by a collective bargaining agreement under chapter 20 is exempt from this chapter~~. For the purpose of this section, *"employment conditions"* ~~mean areas included in the scope of negotiations listed in section 20.9~~ means wages, hours, vacations, insurance, holidays, leaves of absence, shift differentials, overtime compensation, supplemental pay, seniority, transfer procedures, job classifications, health and safety matters, evaluation procedures, procedures for staff reduction, and in-service training.

Sec. 24. Section 28J.7, subsection 2, Code 2011, is amended by striking the subsection.

Sec. 25. Section 70A.1, subsection 4, Code 2011, is amended to read as follows:

4. ~~Effective July 1, 2006, permanent~~ Permanent full-time and permanent part-time employees of state departments, boards, agencies, and commissions shall accrue sick leave as provided in this subsection which shall be credited to the employee's sick leave account. The sick leave accrual rate for part-time employees shall be prorated to the accrual rate for full-time employees. The sick leave accrual rate for each complete month of full-time employment~~, excluding employees covered under a collective bargaining agreement which provides for a different rate of accrual,~~ shall be as follows:

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1 *a.* For employees of the state board of regents, one and
2 one-half days.
3 ~~*b.* For employees who are peace officers employed within~~
4 ~~the department of public safety or department of natural~~
5 ~~resources and who are not covered under a collective bargaining~~
6 ~~agreement, the rate shall be the same as the rate provided~~
7 ~~under the state police officers council collective bargaining~~
8 ~~agreement.~~
9 ~~*c.*~~ *b.* For all other employees, the rate shall be as
10 follows:
11 (1) If the employee's accrued sick leave balance is seven
12 hundred fifty hours or less, one and one-half days.
13 (2) If the employee's accrued sick leave balance is one
14 thousand five hundred hours or less but more than seven hundred
15 fifty hours, one day.
16 (3) If the employee's accrued sick leave balance is more
17 than one thousand five hundred hours, one-half day.
18 Sec. 26. Section 70A.1, subsection 7, Code 2011, is amended
19 to read as follows:
20 7. State employees, excluding state board of regents'
21 faculty members with nine-month appointments, ~~and employees~~
22 ~~covered under a collective bargaining agreement negotiated~~
23 ~~with the public safety bargaining unit~~ who are eligible for
24 accrued vacation benefits and accrued sick leave benefits, who
25 have accumulated thirty days of sick leave, and who do not
26 use sick leave during a full month of employment may elect to
27 have up to one-half day of additional vacation added to the
28 employee's accrued vacation account. The additional vacation
29 time added to an employee's accrued vacation account for not
30 using sick leave during a month is in lieu of the accrual of
31 sick leave for that month. The amount of additional vacation
32 for part-time employees shall be prorated to the amount of
33 additional vacation authorized for full-time employees. The
34 director of the department of administrative services may adopt
35 the necessary rules and procedures for the implementation of

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this program for all state employees except employees of the state board of regents. The state board of regents may adopt necessary rules for the implementation of this program for its employees.

Sec. 27. Section 70A.20, subsection 4, Code 2011, is amended to read as follows:

4. All probationary and permanent full-time state employees shall be covered under the employees disability insurance program, except board members and members of commissions who are not full-time state employees, and state employees who on July 1, 1974, are under another disability program financed in whole or in part by the state~~, and state employees who have agreed to participation in another disability program through a collective bargaining agreement~~. For purposes of this section, members of the general assembly serving on or after January 1, 1989, are eligible for the plan during their tenure in office, on the basis of enrollment rules established for full-time state employees ~~excluded from collective bargaining as provided in chapter 20~~.

Sec. 28. Section 70A.23, subsections 2, 3, and 4, Code 2011, are amended to read as follows:

2. An eligible state employee~~, excluding an employee covered under a collective bargaining agreement which provides otherwise,~~ who retires and has applied for retirement benefits under an eligible retirement system, or who dies while in active employment, shall be credited with the number of accrued days of sick leave of the employee. The employee, or the employee's estate, shall receive a cash payment of the monetary value of the employee's accrued sick leave balance, not to exceed two thousand dollars. The value of the employee's accrued sick leave balance shall be calculated by multiplying the number of hours of accrued sick leave by the employee's regular hourly rate of pay at the time of retirement.

3. *a.* An eligible state employee, excluding ~~an employee covered under a collective bargaining agreement which provides~~

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1 ~~otherwise or~~ an employee of the state board of regents, who
2 retires and receives a payment as provided in subsection 2
3 shall be entitled to elect to have the employee's available
4 remaining value of sick leave used to pay the state share for
5 the employee's continuation of state group health insurance
6 coverage pursuant to the requirements of this subsection.
7 *b.* An eligible state employee's available remaining value of
8 sick leave shall be calculated as follows:
9 (1) If the employee's accrued sick leave balance prior to
10 payment as provided in subsection 2 is seven hundred fifty
11 hours or less, sixty percent of the value of the remaining
12 accrued sick leave balance.
13 (2) If the employee's accrued sick leave balance prior
14 to payment as provided in subsection 2 is one thousand five
15 hundred hours or less but more than seven hundred fifty hours,
16 eighty percent of the value of the remaining accrued sick leave
17 balance.
18 (3) If the employee's accrued sick leave balance prior to
19 payment as provided in subsection 2 is more than one thousand
20 five hundred hours, one hundred percent of the value of the
21 remaining accrued sick leave balance.
22 *c.* An eligible state employee's available remaining value
23 of sick leave shall be available to pay for that portion of
24 the employee's state group health insurance premium that would
25 otherwise be paid for by the state if the employee were still a
26 state employee. The benefits provided for in this subsection
27 have no cash value and are not transferable to any other
28 person, including the retiree's spouse. Payment of state group
29 health insurance premiums pursuant to this subsection continues
30 until the earliest of when the eligible state employee's
31 available remaining value of sick leave is exhausted, the
32 employee otherwise becomes eligible for federal Medicare
33 program benefits, or the employee dies. In addition, an
34 employee electing benefits pursuant to this subsection who is
35 reinstated or reemployed in a permanent full-time or permanent

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1 part-time position within state government forfeits any
2 remaining benefits for payment of state group health insurance
3 benefits, and such employee is not eligible for restoration
4 of the unused sick leave accrued during the employee's prior
5 employment with the state.
6 4. Notwithstanding any provision of this section to the
7 contrary, peace officers employed within the department of
8 public safety and the department of natural resources ~~that~~
9 ~~are not covered under a collective bargaining agreement~~ shall
10 have a sick leave conversion program extended to them ~~that is~~
11 ~~equivalent to the sick leave conversion program negotiated~~
12 ~~under chapter 20 between the state and the state police~~
13 ~~officers council labor union for peace officers~~ as determined
14 by the commissioner of public safety and the director of the
15 department of natural resources for their respective employees.
16 ~~In addition, an employee of the department of public safety or~~
17 ~~the department of natural resources who has earned benefits of~~
18 ~~payment of premiums under a collective bargaining agreement and~~
19 ~~who becomes a manager or supervisor and is no longer covered~~
20 ~~by the agreement shall not lose the benefits of payment of~~
21 ~~premiums earned while covered by the agreement. The payment~~
22 ~~shall be calculated by multiplying the number of hours of~~
23 ~~accumulated, unused sick leave by the employee's hourly rate of~~
24 ~~pay at the time of retirement.~~
25 Sec. 29. Section 70A.28, subsection 6, Code 2011, is amended
26 to read as follows:
27 6. Subsection 2 may also be enforced by an employee through
28 an administrative action pursuant to the requirements of this
29 subsection if the employee is not a merit system employee ~~or~~
30 ~~an employee covered by a collective bargaining agreement~~. An
31 employee eligible to pursue an administrative action pursuant
32 to this subsection who is discharged, suspended, demoted,
33 or otherwise receives a reduction in pay and who believes
34 the adverse employment action was taken as a result of the
35 employee's disclosure of information that was authorized

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pursuant to subsection 2, may file an appeal of the adverse employment action with the public employment relations board within thirty calendar days following the later of the effective date of the action or the date a finding is issued to the employee by the office of the citizens' aide pursuant to section 2C.11A. The findings issued by the citizens' aide may be introduced as evidence before the public employment relations board. The employee has the right to a hearing closed to the public, but may request a public hearing. The hearing shall otherwise be conducted in accordance with the rules of the public employment relations board and the Iowa administrative procedure Act, chapter 17A. If the public employment relations board finds that the action taken in regard to the employee was in violation of subsection 2, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies. Decisions by the public employment relations board constitute final agency action.

Sec. 30. Section 70A.30, unnumbered paragraph 2, Code 2011, is amended to read as follows:

The phased retirement incentive program ~~is a retirement system for purposes of section 20.9, but~~ is not retirement for purposes of chapter 97A, 97B, or 602 or for the employees who are members of the teachers insurance annuity association-college retirement equities fund (TIAA-CREF).

Sec. 31. Section 70A.39, subsection 2, unnumbered paragraph 1, Code 2011, is amended to read as follows:

~~Beginning July 1, 2003, state~~ State employees~~, excluding employees covered under a collective bargaining agreement which provides otherwise,~~ shall be granted leaves of absence in accordance with the following:

Sec. 32. Section 76.16A, unnumbered paragraph 1, Code 2011, is amended to read as follows:

A city, county, or other political subdivision may become a

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1 debtor under chapter nine of the federal bankruptcy code, 11
2 U.S.C. § 901 et seq., if it is rendered insolvent, as defined
3 in 11 U.S.C. § 101(32)(c), as a result of a debt involuntarily
4 incurred. As used herein, *"debt"* means an obligation to pay
5 money, other than pursuant to a ~~valid and binding collective~~
6 ~~bargaining agreement or~~ previously authorized bond issue, as
7 to which the governing body of the city, county, or other
8 political subdivision has made a specific finding set forth in
9 a duly adopted resolution of each of the following:
10 Sec. 33. Section 80.8, subsection 3, paragraphs a, c, d, and
11 e, Code 2011, are amended to read as follows:
12 *a.* The salaries of peace officers and employees of the
13 department and the expenses of the department shall be provided
14 for by a legislative appropriation. The compensation of peace
15 officers of the department shall be fixed according to grades
16 as to rank and length of service by the commissioner with the
17 approval of the department of administrative services~~, unless~~
18 ~~covered by a collective bargaining agreement that provides~~
19 ~~otherwise~~.
20 *c.* While on active duty, each peace officer shall also
21 receive a flat daily sum as fixed by the commissioner for
22 meals ~~unless the amount of the flat daily sum is covered by a~~
23 ~~collective bargaining agreement that provides otherwise~~.
24 ~~*d.* A collective bargaining agreement entered into between~~
25 ~~the state and a state employee organization under chapter~~
26 ~~20 made final after July 1, 1977, shall not include any pay~~
27 ~~adjustment to longevity pay authorized under this section.~~
28 ~~*e.*~~ *d.* Peace officers of the department ~~excluded from the~~
29 ~~provisions of chapter 20~~ who are injured in the line of duty
30 shall receive paid time off ~~in the same manner as provided~~
31 ~~to peace officers of the department covered by a collective~~
32 ~~bargaining agreement entered into between the state and the~~
33 ~~employee organization representing such covered peace officers~~
34 ~~under chapter 20~~ as fixed by the commissioner.
35 Sec. 34. Section 80.15, Code 2011, is amended to read as

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1 follows:
2 **80.15 Examination — oath — probation — discipline —**
3 **dismissal.**
4 An applicant to be a peace officer in the department shall
5 not be appointed as a peace officer until the applicant has
6 passed a satisfactory physical and mental examination. In
7 addition, the applicant must be a citizen of the United States
8 and be not less than twenty-two years of age. However, an
9 applicant applying for assignment to provide protection and
10 security for persons and property on the grounds of the state
11 capitol complex or a peace officer candidate shall not be
12 less than eighteen years of age. The mental examination
13 shall be conducted under the direction or supervision of
14 the commissioner and may be oral or written or both. An
15 applicant shall take an oath on becoming a peace officer
16 of the department, to uphold the laws and Constitution of
17 the United States and Constitution of the State of Iowa.
18 During the period of twelve months after appointment, a peace
19 officer of the department is subject to dismissal at the
20 will of the commissioner. After the twelve months' service,
21 a peace officer of the department, who was appointed after
22 having passed the examinations, is not subject to dismissal,
23 suspension, disciplinary demotion, or other disciplinary action
24 resulting in the loss of pay unless charges have been filed
25 with the department of inspections and appeals and a hearing
26 held by the employment appeal board created by section 10A.601,
27 if requested by the peace officer, at which the peace officer
28 has an opportunity to present a defense to the charges. The
29 decision of the appeal board is final, subject to the right
30 of judicial review in accordance with the terms of the Iowa
31 administrative procedure Act, chapter 17A. However, these
32 procedures as to dismissal, suspension, demotion, or other
33 discipline ~~do not apply to a peace officer who is covered by~~
34 ~~a collective bargaining agreement which provides otherwise,~~
35 ~~and~~ do not apply to the demotion of a division head to the

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rank which the division head held at the time of appointment as division head, if any. A division head who is demoted has the right to return to the rank which the division head held at the time of appointment as division head, if any. All rules~~,~~ ~~except employment provisions negotiated pursuant to chapter 20,~~ regarding the enlistment, appointment, and employment affecting the personnel of the department shall be established by the commissioner in consultation with the director of the department of administrative services, subject to approval by the governor.

Sec. 35. Section 80.18, unnumbered paragraph 2, Code 2011, is amended to read as follows:

The department may expend moneys from the support allocation of the department as reimbursement for replacement or repair of personal items of the department's peace officers or employees damaged or destroyed during a peace officer's or employee's course of employment. However, the reimbursement shall not exceed ~~the greater of~~ one hundred fifty dollars ~~or the amount agreed to under the collective bargaining agreement for each item~~. The department shall adopt rules in accordance with chapter 17A to administer this paragraph.

Sec. 36. Section 80.42, subsection 1, Code 2011, is amended to read as follows:

1. A sick leave benefits fund is established in the office of the treasurer of state under the control of the department of public safety. The moneys annually credited to the fund are appropriated to the department to pay health and life insurance monthly premium costs for retired departmental employees and beneficiaries who are eligible to receive benefits for accrued sick leave ~~under the collective bargaining agreement with the state police officers council or~~ pursuant to section 70A.23.

Sec. 37. Section 80F.1, subsections 5, 11, 17, and 19, Code 2011, are amended to read as follows:

5. An officer who is the subject of a complaint, shall at a minimum, be provided a written summary of the complaint prior

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1 to an interview. ~~If a collective bargaining agreement applies,~~
2 ~~the complaint or written summary shall be provided pursuant~~
3 ~~to the procedures established under the collective bargaining~~
4 ~~agreement.~~ If the complaint alleges domestic abuse, sexual
5 abuse, or sexual harassment, an officer shall not receive more
6 than a written summary of the complaint.
7 11. If an interview is conducted while an officer is off
8 duty, the officer shall be compensated as provided by law~~, or~~
9 ~~as provided in the applicable collective bargaining agreement~~.
10 17. The rights enumerated in this section are in addition to
11 any other rights granted pursuant to ~~a collective bargaining~~
12 ~~agreement or~~ other applicable law.
13 19. If a formal administrative investigation results
14 in removal, discharge, suspension, or disciplinary action
15 against an officer, and the officer alleges in writing a
16 violation of the provisions of this section, the municipality,
17 county, or state agency employing the officer shall hold in
18 abeyance for a period of ten days any punitive action taken
19 as a result of the investigation, including a reprimand. An
20 allegation of a violation of this section may be raised and
21 given due consideration in any properly authorized grievance
22 or appeal exercised by an officer, including but not limited
23 to ~~a grievance or appeal exercised pursuant to the terms of an~~
24 ~~applicable collective bargaining agreement and~~ an appeal right
25 exercised under section 341A.12 or 400.20.
26 Sec. 38. Section 84C.2, subsection 8, Code 2011, is amended
27 to read as follows:
28 8. *"Part-time employee"* means an employee who is employed
29 for an average of fewer than twenty hours per week or an
30 employee, including a full-time employee, who has been employed
31 for fewer than six of the twelve months preceding the date on
32 which notice is required. ~~However, if an applicable collective~~
33 ~~bargaining agreement defines a part-time employee, such~~
34 ~~definition shall supersede the definition in this subsection.~~
35 Sec. 39. Section 84C.3, subsection 1, paragraph a, Code

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2011, is amended to read as follows:

a. An employer who plans a business closing or a mass layoff shall not order such action until the end of a thirty-day period which begins after the employer serves written notice of such action to the affected employees or their representatives and to the department. ~~However, if an applicable collective bargaining agreement designates a different notice period, the notice period in the collective bargaining agreement shall govern. The employer shall provide notice to the department if the worker is covered by a collective bargaining agreement.~~

Sec. 40. Section 99D.6, Code 2011, is amended to read as follows:

99D.6 Chairperson — administrator — employees — duties — bond.

The commission shall elect in July of each year one of its members as chairperson for the succeeding year. The commission shall appoint an administrator of the commission subject to confirmation by the senate. The administrator shall serve a four-year term. The term shall begin and end in the same manner as set forth in section 69.19. A vacancy shall be filled for the unexpired portion of the term in the same manner as a full-term appointment is made. The administrator may hire other assistants and employees as necessary to carry out the commission's duties. Employees in the positions of equine veterinarian, canine veterinarian, and equine steward shall be exempt from the merit system provisions of chapter 8A, subchapter IV~~, and shall not be covered by a collective bargaining agreement~~. Some or all of the information required of applicants in section 99D.8A, subsections 1 and 2, may also be required of employees of the commission if the commission deems it necessary. The administrator shall keep a record of the proceedings of the commission and preserve the books, records, and documents entrusted to the administrator's care. The administrator shall be covered by the blanket surety bond of the state purchased pursuant to section 8A.321, subsection

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12. The compensation and employment terms of the administrator shall be set by the governor, taking into consideration the level of knowledge and experience of the administrator. The commission shall have its headquarters in the city of Des Moines and shall meet in July of each year and at other times and places as it finds necessary for the discharge of its duties.

Sec. 41. Section 99G.10, subsection 2, Code 2011, is amended to read as follows:

2. Subject to the approval of the board, the chief executive officer shall have the sole power to designate particular employees as key personnel, but may take advice from the department of administrative services in making any such designations. All key personnel shall be exempt from the merit system described in chapter 8A, subchapter IV. The chief executive officer and the board shall have the sole power to employ, classify, and fix the compensation of key personnel. All other employees shall be employed, classified, and compensated in accordance with chapter 8A, subchapter IV~~, and chapter 20~~.

Sec. 42. Section 135C.35, subsection 3, Code 2011, is amended by striking the subsection.

Sec. 43. Section 185.34, subsection 2, paragraph a, Code 2011, is amended to read as follows:

a. Except as provided in paragraph *"b"*, the board is not a state agency or a governmental entity as defined in section 8A.101, ~~public employer as defined in section 20.3,~~ or an authority or instrumentality of the state.

Sec. 44. Section 235A.15, subsection 5, Code Supplement 2011, is amended to read as follows:

5. Access to disposition data subject to placement in the central registry pursuant to section 232.71D is authorized to the department of administrative services ~~or to the personnel office of a public employer, as defined in section 20.3,~~ as necessary for presentation in grievance ~~or arbitration~~

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1 procedures provided for in ~~sections~~ section 8A.415 ~~and 20.18~~.
2 Disposition data introduced into a grievance ~~or arbitration~~
3 proceeding shall not be considered a part of the public record
4 of a case.
5 Sec. 45. Section 235E.2, subsection 13, paragraph a,
6 subparagraph (1), Code 2011, is amended to read as follows:
7 (1) The alleged dependent adult abuser is part of a
8 bargaining unit that is party to a collective bargaining
9 agreement under ~~chapter 20 or~~ any ~~other~~ applicable state or
10 federal law.
11 Sec. 46. Section 252B.27, subsection 2, paragraph b, Code
12 2011, is amended to read as follows:
13 *b.* Employees in full-time positions that transition
14 from county government to state government employment under
15 this subsection are exempt from testing, selection, and
16 appointment provisions of chapter 8A, subchapter IV~~, and from~~
17 ~~the provisions of collective bargaining agreements relating to~~
18 ~~the filling of vacant positions~~.
19 Sec. 47. Section 256.9, subsection 61, paragraph b, Code
20 Supplement 2011, is amended by striking the paragraph.
21 Sec. 48. Section 256.20, unnumbered paragraph 3, Code 2011,
22 is amended by striking the unnumbered paragraph.
23 Sec. 49. Section 256.21, subsection 2, paragraph a, Code
24 2011, is amended to read as follows:
25 *a.* A sabbatical grant to a teacher shall be equal to the
26 annual salary specified in a teacher's contract pursuant to the
27 salary schedule adopted by the board of directors ~~or negotiated~~
28 ~~under chapter 20~~ plus the cost to the district of the fringe
29 benefits of the teacher. The grant shall be paid to the school
30 district, and the district shall continue to pay the teacher's
31 regular compensation as well as the cost to the district
32 of the substitute teacher. Teachers and boards of school
33 districts are encouraged to seek funding from other sources to
34 pay the costs of sabbaticals for teachers. Grant moneys are
35 miscellaneous income for purposes of chapter 257.

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Sec. 50. Section 256F.4, subsection 2, paragraph h, Code 2011, is amended to read as follows:

h. Be subject to and comply with ~~chapters 20 and~~ chapter 279 relating to contracts with and discharge of teachers and administrators.

Sec. 51. Section 260C.18D, subsection 4, Code 2011, is amended to read as follows:

4. *Eligible instructors.* Moneys distributed to a community college under this section shall be allocated to all full-time, nonadministrative instructors and part-time instructors ~~covered by a collective bargaining agreement~~. ~~The moneys shall be allocated by negotiated agreements according to chapter 20. If no language exists, the~~ The moneys shall be allocated equally to all full-time, nonadministrative instructors with part-time instructors ~~covered by a collective bargaining agreement~~ receiving a prorated share of the fund.

Sec. 52. Section 260C.39, subsection 3, Code 2011, is amended to read as follows:

3. The terms of employment of personnel, for the academic year following the effective date of the agreement to combine the merged areas shall not be affected by the combination of the merged areas, except in accordance with the procedures under sections 279.15 to 279.18 and section 279.24, to the extent those procedures are applicable, or under the terms of the base bargaining agreement. The authority and responsibility to offer new contracts or to continue, modify, or terminate existing contracts pursuant to any applicable procedures under chapter 279, shall be transferred to the acting, and then to the new, board of the combined merged area upon certification of a favorable vote to each of the merged areas affected by the agreement. ~~The collective bargaining agreement of the merged area receiving the greatest amount of general state aid shall serve as the base agreement for the combined merged area and the employees of the merged areas which combined to form the new combined merged area shall~~

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1 ~~automatically be accreted to the bargaining unit from that~~
2 ~~former merged area for purposes of negotiating the contracts~~
3 ~~for the following years without further action by the public~~
4 ~~employment relations board. If only one collective bargaining~~
5 ~~agreement is in effect among the merged areas which are~~
6 ~~combining under this section, then that agreement shall serve~~
7 ~~as the base agreement, and the employees of the merged areas~~
8 ~~which are combining to form the new combined merged area shall~~
9 ~~automatically be accreted to the bargaining unit of that former~~
10 ~~merged area for purposes of negotiating the contracts for the~~
11 ~~following years without further action by the public employment~~
12 ~~relations board. The board of the combined merged area, using~~
13 ~~the base agreement as its existing contract, shall bargain with~~
14 ~~the combined employees of the merged areas that have agreed~~
15 ~~to combine for the academic year beginning with the effective~~
16 ~~date of the agreement to combine merged areas. The bargaining~~
17 ~~shall be completed by March 15 prior to the academic year in~~
18 ~~which the agreement to combine merged areas becomes effective~~
19 ~~or within one hundred eighty days after the organization of~~
20 ~~the acting board of the new combined merged area, whichever~~
21 ~~is later. If a bargaining agreement was already concluded in~~
22 ~~the former merged area which has the collective bargaining~~
23 ~~agreement that is serving as the base agreement for the new~~
24 ~~combined merged area, between the former merged area board~~
25 ~~and the employees of the former merged area, that agreement~~
26 ~~is void, unless the agreement contained multiyear provisions~~
27 ~~affecting academic years subsequent to the effective date of~~
28 ~~the agreement to form a combined merged area. If the base~~
29 ~~collective bargaining agreement contains multiyear provisions,~~
30 ~~the duration and effect of the agreement shall be controlled~~
31 ~~by the terms of the agreement. The provisions of the base~~
32 ~~agreement shall apply to the offering of new contracts, or~~
33 ~~the continuation, modification, or termination of existing~~
34 ~~contracts between the acting or new board of the combined~~
35 ~~merged area and the combined employees of the new combined~~

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1 ~~merged area.~~
2 Sec. 53. Section 262.9, subsection 16, Code Supplement
3 2011, is amended by striking the subsection.
4 Sec. 54. Section 262.9C, subsection 3, Code 2011, is amended
5 to read as follows:
6 3. For the purposes of this section, *"supervisory employee"*
7 means a public employee ~~who is not a member of a collective~~
8 ~~bargaining unit and~~ who has authority, in the interest of a
9 public employer, to hire, transfer, suspend, lay off, recall,
10 promote, discharge, assign, reward, or discipline other public
11 employees, to direct such public employees, or to adjust
12 the grievances of such public employees, or to effectively
13 recommend any such action.
14 Sec. 55. Section 273.22, subsection 2, Code 2011, is amended
15 by striking the subsection.
16 Sec. 56. Section 275.33, subsection 2, Code 2011, is amended
17 by striking the subsection.
18 Sec. 57. Section 279.10, subsection 3, paragraph c, Code
19 2011, is amended by striking the paragraph.
20 Sec. 58. Section 279.13, subsection 3, Code 2011, is amended
21 by striking the subsection.
22 Sec. 59. Section 279.14, Code 2011, is amended to read as
23 follows:
24 **279.14 Evaluation criteria and procedures.**
25 1. The board shall establish evaluation criteria and shall
26 implement evaluation procedures. ~~If an exclusive bargaining~~
27 ~~representative has been certified, the board shall negotiate~~
28 ~~in good faith with respect to evaluation procedures pursuant~~
29 ~~to chapter 20.~~
30 2. The determination of standards of performance expected
31 of school district personnel shall be reserved as an exclusive
32 management right of the school board ~~and shall not be subject~~
33 ~~to mandatory negotiations under chapter 20~~. ~~Notwithstanding~~
34 ~~chapter 20, objections to the procedures, use, or content of~~
35 ~~an evaluation in a teacher termination proceeding brought~~

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1 ~~before the school board in a hearing held in accordance with~~
2 ~~section 279.16 or 279.27 shall not be subject to the grievance~~
3 ~~procedures negotiated in accordance with chapter 20.~~ A school
4 district shall not be obligated to process any evaluation
5 grievance after service of a notice and recommendation to
6 terminate an individual's continuing teaching contract in
7 accordance with this chapter.
8 Sec. 60. Section 279.19, Code 2011, is amended to read as
9 follows:
10 **279.19 Probationary period.**
11 The first three consecutive years of employment of a
12 teacher in the same school district are a probationary
13 period. However, if the teacher has successfully completed a
14 probationary period of employment for another school district
15 located in Iowa, the probationary period in the current
16 district of employment shall not exceed one year. A board of
17 directors may waive the probationary period for any teacher who
18 previously has served a probationary period in another school
19 district and the board may extend the probationary period for
20 an additional year with the consent of the teacher.
21 In the case of the termination of a probationary teacher's
22 contract, the provisions of sections 279.15 and 279.16
23 shall apply. However, if the probationary teacher is a
24 beginning teacher who fails to demonstrate competence in the
25 Iowa teaching standards in accordance with chapter 284, the
26 provisions of sections 279.17 and 279.18 shall also apply.
27 The board's decision shall be final and binding unless
28 the termination was based upon an alleged violation of a
29 constitutionally guaranteed right of the teacher ~~or an alleged~~
30 ~~violation of public employee rights of the teacher under~~
31 ~~section 20.10~~.
32 ~~Notwithstanding any provision to the contrary, the grievance~~
33 ~~procedures of section 20.18 relating to job performance or job~~
34 ~~retention shall not apply to a teacher during the first two~~
35 ~~years of the teacher's probationary period. However, this~~

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1 ~~paragraph shall not apply to a teacher who has successfully~~
2 ~~completed a probationary period in a school district in Iowa.~~
3 Sec. 61. Section 279.19A, subsection 6, Code 2011, is
4 amended by striking the subsection.
5 Sec. 62. Section 279.23, subsection 4, Code 2011, is amended
6 to read as follows:
7 4. For purposes of this section and sections 279.23A,
8 279.24, and 279.25, the term *"administrator"* includes school
9 superintendents, assistant superintendents, educational
10 directors employed by school districts for grades kindergarten
11 through twelve, educational directors employed by area
12 education agencies under chapter 273, principals, assistant
13 principals, ~~other certified school supervisors employed~~
14 ~~by school districts for grades kindergarten through twelve~~
15 ~~as defined under section 20.4,~~ and other certified school
16 supervisors employed by area education agencies under chapter
17 273. For purposes of this section and sections 279.23A,
18 279.24, and 279.25, with regard to community college employees,
19 *"administrator"* includes the administrator of an instructional
20 division or an area of instructional responsibility, and the
21 administrator of an instructional unit, department, or section.
22 Sec. 63. Section 280.15, subsection 2, paragraph a, Code
23 2011, is amended to read as follows:
24 *a.* When a special education personnel pooling agreement,
25 which has been entered into between an area education agency
26 and a public school district pursuant to section 273.5,
27 is terminated, the public school district shall assume
28 the contractual obligations for any teachers assigned to
29 the district under the agreement. Teachers, for whom the
30 contractual obligations are assumed by a district, shall be
31 given credit for completion of any probationary status under
32 section 279.19, be placed on the salary schedule and retain all
33 leaves, benefits, and seniority rights accumulated as if the
34 teacher had been originally contractually employed ~~under the~~
35 ~~agreement which exists between~~ by the public school district

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1 ~~and the district's collective bargaining unit~~, consistent with
2 the teacher's education and experience.
3 Sec. 64. Section 284.3, subsection 2, paragraphs a and b,
4 Code 2011, are amended to read as follows:
5 *a.* For purposes of comprehensive evaluations for beginning
6 teachers required to allow beginning teachers to progress to
7 career teachers, standards and criteria that are the Iowa
8 teaching standards specified in subsection 1 and the criteria
9 for the Iowa teaching standards developed by the department in
10 accordance with section 256.9, subsection 46. These standards
11 and criteria shall be set forth in an instrument provided by
12 the department. The comprehensive evaluation and instrument
13 are not subject to ~~negotiations or grievance procedures~~
14 ~~pursuant to chapter 20 or~~ determinations made by the board of
15 directors under section 279.14. ~~A local school board and its~~
16 ~~certified bargaining representative may negotiate, pursuant to~~
17 ~~chapter 20, evaluation and grievance procedures for beginning~~
18 ~~teachers that are not in conflict with this chapter.~~ If, in
19 accordance with section 279.19, a beginning teacher appeals the
20 determination of a school board to an adjudicator under section
21 279.17, the adjudicator selected shall have successfully
22 completed training related to the Iowa teacher standards, the
23 criteria adopted by the state board of education in accordance
24 with subsection 3, and any additional training required under
25 rules adopted by the public employment relations board in
26 cooperation with the state board of education.
27 *b.* For purposes of performance reviews for teachers other
28 than beginning teachers, evaluations that contain, at a
29 minimum, the Iowa teaching standards specified in subsection
30 1, as well as the criteria for the Iowa teaching standards
31 developed by the department in accordance with section
32 256.9, subsection 46. ~~A local school board and its certified~~
33 ~~bargaining representative may negotiate, pursuant to chapter~~
34 ~~20, additional teaching standards and criteria. A local~~
35 ~~school board and its certified bargaining representative shall~~

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1 ~~negotiate, pursuant to chapter 20, evaluation and grievance~~
2 ~~procedures for teachers other than beginning teachers that are~~
3 ~~not in conflict with this chapter.~~
4 Sec. 65. Section 284.3A, subsections 1 and 2, Code 2011, are
5 amended to read as follows:
6 ~~1. *a.* For the school year beginning July 1, 2009, if the~~
7 ~~licensed employees of a school district or area education~~
8 ~~agency receiving funds pursuant to sections 257.10 and 257.37A~~
9 ~~are organized under chapter 20 for collective bargaining~~
10 ~~purposes, the school board and the certified bargaining~~
11 ~~representative for the licensed employees shall negotiate the~~
12 ~~distribution of the funds among the teachers employed by the~~
13 ~~school district or area education agency according to chapter~~
14 ~~20.~~
15 ~~*b.* If the licensed employees of a school district or area~~
16 ~~education agency are not organized for collective bargaining~~
17 ~~purposes, the board of directors shall determine the method of~~
18 ~~distribution of such funds.~~
19 ~~*c.* For the school years beginning July 1, 2008, and~~
20 ~~July 1, 2009, a school district or area education agency~~
21 ~~receiving funds pursuant to sections 257.10 and 257.37A, shall~~
22 ~~determine the amount to be paid to teachers in accordance with~~
23 ~~this subsection and the amount determined to be paid to an~~
24 ~~individual teacher shall be divided evenly by the appropriate~~
25 ~~number of pay periods and paid in each pay period of the fiscal~~
26 ~~year beginning with the October payroll.~~
27 2. *a.* For the school budget year beginning July 1, 2010,
28 and each succeeding school year, school districts and area
29 education agencies shall combine payments made to teachers
30 under sections 257.10 and 257.37A with regular wages to
31 create a combined salary. The teacher contract issued under
32 section 279.13 must include the combined salary. If a school
33 district or area education agency uses a salary schedule, a
34 combined salary schedule shall be used for regular wages and
35 for distribution of payments under sections 257.10 and 257.37A,

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1 incorporating the salary minimums required in section 284.7.
2 The combined salary schedule must use only the combined salary
3 and cannot differentiate regular salaries and distribution of
4 payments under sections 257.10 and 257.37A.
5 ~~*b.* If the licensed employees of a school district or area~~
6 ~~education agency are organized under chapter 20 for collective~~
7 ~~bargaining purposes, the creation of the new combined salary~~
8 ~~shall be subject to the scope of negotiations specified in~~
9 ~~section 20.9. A reduction in the teacher salary supplement per~~
10 ~~pupil amount shall also be subject to the scope of negotiations~~
11 ~~specified in section 20.9.~~
12 ~~*c.*~~ *b.* ~~If the licensed employees of a school district~~
13 ~~or area education agency are not organized for collective~~
14 ~~bargaining purposes, the~~ The board of directors shall create
15 the new combined salary. The board of directors shall
16 determine adjustments in salaries resulting from a reduction in
17 the teacher salary supplement per pupil amount.
18 Sec. 66. Section 284.4, subsection 1, paragraph c,
19 subparagraphs (1) and (5), Code 2011, are amended to read as
20 follows:
21 (1) Monitor the implementation of the requirements of
22 statutes and administrative code provisions relating to this
23 chapter~~, including requirements that affect any agreement~~
24 ~~negotiated pursuant to chapter 20~~.
25 ~~(5) Ensure the agreement negotiated pursuant to chapter 20~~
26 ~~determines the compensation for teachers on the committee for~~
27 ~~work responsibilities required beyond the normal work day.~~
28 Sec. 67. Section 284.8, subsection 2, Code 2011, is amended
29 to read as follows:
30 2. If a supervisor or an evaluator determines, at any time,
31 as a result of a teacher's performance that the teacher is not
32 meeting district expectations under the Iowa teaching standards
33 specified in section 284.3, subsection 1, paragraphs *"a"*
34 through *"h"*, and the criteria for the Iowa teaching standards
35 developed by the department in accordance with section 256.9,

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1 subsection 46, ~~and any other standards or criteria established~~
2 ~~in the collective bargaining agreement,~~ the evaluator shall,
3 at the direction of the teacher's supervisor, recommend to
4 the district that the teacher participate in an intensive
5 assistance program. ~~The intensive assistance program and~~
6 ~~its implementation are subject to negotiation and grievance~~
7 ~~procedures established pursuant to chapter 20.~~ All school
8 districts shall be prepared to offer an intensive assistance
9 program.
10 Sec. 68. Section 314.1A, subsection 3, Code 2011, is amended
11 to read as follows:
12 3. The rules shall include definitions concerning types
13 of projects and uniform requirements and definitions that
14 cities and counties under subsection 1 and governmental
15 entities under subsection 2 shall use in determining costs
16 for such projects. The department shall establish horizontal
17 and vertical infrastructure advisory committees composed of
18 representatives of public sector agencies~~,~~ and private sector
19 vertical and horizontal contractor organizations~~, and certified~~
20 ~~public employee collective bargaining organizations~~ to make
21 recommendations for such rules.
22 Sec. 69. Section 331.324, subsection 1, paragraph a, Code
23 2011, is amended by striking the paragraph.
24 Sec. 70. Section 400.8A, Code 2011, is amended to read as
25 follows:
26 **400.8A Guidelines for ongoing fitness for police officers and**
27 **fire fighters.**
28 The board of trustees of the fire and police retirement
29 system established by section 411.5, in consultation with the
30 medical board established in section 411.5, shall establish
31 and maintain protocols and guidelines for ongoing wellness
32 and fitness for police officers and fire fighters while in
33 service. The board of trustees may change the protocols and
34 guidelines at any time the board so determines. The protocols
35 and guidelines shall be established by the board of trustees

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for the consideration of cities covered by this chapter and may be applied by a city for the purpose of determining continued wellness and fitness for members of the city's police and fire departments. ~~However, the protocols and guidelines shall not be applied to members of a police or fire department of a city who are covered by chapter 20 except through the collective bargaining process as provided under chapter 20.~~ The medical board established in section 411.5 shall provide to cities and fire and police departments assistance regarding the possible implementation and operation of the protocols and guidelines for ongoing wellness and fitness provided by this section. For purposes of this section, *"wellness and fitness"* means the process by which police officers and fire fighters maintain fitness for duty.

Sec. 71. Section 400.18, subsection 3, Code 2011, is amended to read as follows:

3. A person subject to a hearing has the right to be represented by counsel at the person's expense ~~or by the person's authorized collective bargaining representative~~.

Sec. 72. Section 400.26, Code 2011, is amended to read as follows:

400.26 Public trial.

The trial of all appeals shall be public, and the parties may be represented by counsel ~~or by the parties' authorized collective bargaining representative~~.

Sec. 73. Section 411.39, subsection 4, Code 2011, is amended to read as follows:

4. Participating employees shall be exempted from preexisting medical condition waiting periods. Participating employees may change programs or coverage under the state health or medical service group insurance plan subject to the enrollment rules established for full-time state employees ~~excluded from collective bargaining as provided in chapter 20~~. A participating employee or the participating employee's surviving spouse shall have the same rights upon final

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1 termination of employment or death as are afforded full-time
2 state employees and the employees' surviving spouses ~~excluded~~
3 ~~from collective bargaining as provided in chapter 20~~.
4 Sec. 74. Section 412.2, subsection 1, Code 2011, is amended
5 to read as follows:
6 1. From the proceeds of the assessments on the wages
7 and salaries of employees, of any such waterworks system,
8 or other municipally owned and operated public utility,
9 eligible to receive the benefits thereof. ~~Notwithstanding~~
10 ~~any provisions of section 20.9 to the contrary, a council,~~
11 ~~board of waterworks, or other board or commission which~~
12 ~~establishes a pension and annuity retirement system pursuant to~~
13 ~~this chapter, shall negotiate in good faith with a certified~~
14 ~~employee organization as defined in section 20.3, which is the~~
15 ~~collective bargaining representative of the employees, with~~
16 ~~respect to the amount or rate of the assessment on the wages~~
17 ~~and salaries of employees and the method or methods for payment~~
18 ~~of the assessment by the employees.~~
19 Sec. 75. Section 602.1401, subsections 3 and 6, Code 2011,
20 are amended by striking the subsections.
21 Sec. 76. Section 905.4, subsection 2, Code 2011, is amended
22 to read as follows:
23 2. Employ a director having the qualifications required by
24 section 905.6 to head the district department's community-based
25 correctional program and, within a range established by the
26 Iowa department of corrections, fix the compensation of and
27 have control over the director and the district department's
28 staff. ~~For purposes of collective bargaining under chapter~~
29 ~~20, employees of the district board who are not exempt from~~
30 ~~chapter 20 are employees of the state, and the employees of all~~
31 ~~of the district boards shall be included within one collective~~
32 ~~bargaining unit.~~
33 Sec. 77. 2011 Iowa Acts, chapter 118, section 19, subsection
34 1, is amended to read as follows:
35 1. All employees of the department of economic development

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1 shall be considered employees of the economic development
2 authority upon the elimination of the former and creation of
3 the latter. ~~If an employee of the department is an employee~~
4 ~~covered under the collective bargaining provisions of chapter~~
5 ~~20, then that employee shall also be covered under chapter 20~~
6 ~~upon employment with the authority.~~
7 Sec. 78. 2011 Iowa Acts, chapter 118, section 51, subsection
8 5, is amended by striking the subsection.
9 Sec. 79. 2011 Iowa Acts, chapter 129, section 115,
10 subsection 2, paragraph b, is amended by striking the
11 paragraph.
12 Sec. 80. 2011 Iowa Acts, chapter 130, section 69, subsection
13 2, is amended by striking the subsection.
14 Sec. 81. 2011 Iowa Acts, chapter 131, section 48, is amended
15 to read as follows:
16 SEC. 48. SALARY MODEL ADMINISTRATOR. The salary model
17 administrator shall work in conjunction with the legislative
18 services agency to maintain the state's salary model used for
19 analyzing, comparing, and projecting state employee salary
20 and benefit information, including information relating to
21 employees of the state board of regents. The department of
22 revenue, the department of administrative services, the five
23 institutions under the jurisdiction of the state board of
24 regents, the judicial district departments of correctional
25 services, and the state department of transportation shall
26 provide salary data to the department of management and the
27 legislative services agency to operate the state's salary
28 model. The format and frequency of provision of the salary
29 data shall be determined by the department of management and
30 the legislative services agency. The information shall be
31 used ~~in collective bargaining processes under chapter 20 and~~
32 in calculating the funding needs contained within the annual
33 salary adjustment legislation. ~~A state employee organization~~
34 ~~as defined in section 20.3, subsection 4, may request~~
35 ~~information produced by the model, but the information provided~~

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~~shall not contain information attributable to individual employees.~~

Sec. 82. 2011 Iowa Acts, chapter 132, section 15, is amended by striking the section and inserting in lieu thereof the following:

SEC. 15. Section 261E.9, subsections 1 through 3, Code 2011, are amended to read as follows:

1. *a.* A regional academy is a program established by a school district to which multiple school districts send students in grades ~~nine~~ seven through twelve~~, and which may include internet-based coursework and courses delivered via the Iowa communications network. A regional academy shall include in its curriculum advanced level courses and may include in its curriculum career and technical courses~~. A school district establishing a regional academy may collaborate and partner with, enter into an agreement pursuant to chapter 28E with, or enter into a contract with, one or more school districts, area education agencies, community colleges, accredited public and private postsecondary institutions, accredited nonpublic schools, businesses, and private agencies located within or outside of the state.

b. The purpose of a regional academy established pursuant to this section shall be to build a culture of innovation for students and community, to diversify educational and economic opportunities by engaging in learning experiences that involve students in complex, real-world projects, and to develop regional or global innovation networks.

c. If a school district establishing a regional academy in accordance with this section submits a plan to the department for approval that demonstrates how the regional academy will increase and assess student achievement or increase and assess competency-based learning opportunities for students, the department may waive or modify any statutory or regulatory provision applicable to school districts except the department shall not waive or modify any statutory or regulatory provision

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relating to requirements applicable to school districts under chapters 11, 21, 22, 216, 216A, 256B, 279, 284, and 285; or relating to contracts with and discharge of teachers and administrators under chapter 279; or relating to audit requirements under section 256.9, subsection 20, and section 279.29.

2. *a.* A regional academy ~~course~~ shall ~~not qualify as a concurrent enrollment course~~ include in its curriculum advanced level courses.

b. A regional academy may include in its curriculum virtual or internet-based coursework and courses delivered via the Iowa communications network, career and technical courses, core curriculum coursework, courses required pursuant to section 256.7, subsection 26, or section 256.11, subsections 4 and 5, and asynchronous learning networks.

3. School districts participating in regional academies are eligible for supplementary weighting as provided in section 257.11, subsection 2. The school districts participating in the regional academy shall enter into an agreement on how the funding generated by the supplementary weighting received shall be used and shall submit the agreement to the department for approval.

Sec. 83. 2011 Iowa Acts, chapter 134, section 14, subsection 7, is amended to read as follows:

7. For deposit in the sick leave benefits fund established under section 80.42 for all departmental employees eligible to receive benefits for accrued sick leave ~~under the collective bargaining agreement~~:

..... $ 279,517

Sec. 84. REPEAL. Sections 12.9, 70A.17A, 70A.19, 70A.37, 100B.8, 273.12, and 602.11108, Code 2011, are repealed.

Sec. 85. REPEAL. Chapter 20, Code 2011, is repealed.

Sec. 86. REPEAL. 2011 Iowa Acts, chapter 131, section 47, is repealed.

Sec. 87. RENEWAL OR MODIFICATION OF AGREEMENTS

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1 PROHIBITED. On and after the effective date of this division
2 of this Act, the state of Iowa, its agencies, departments,
3 boards, commissions, and its political subdivisions are
4 prohibited from renewing or modifying any collective bargaining
5 agreement entered into pursuant to chapter 20 as codified prior
6 to the effective date of this division of this Act.
7 Sec. 88. REPORT ON CHANGES IN LAW. By December 3, 2012,
8 any agency, department, board, or commission of this state
9 or a political subdivision affected by this division of this
10 Act may submit a report to the general assembly recommending
11 any transition provisions and any changes to the Code,
12 administrative rules, or other law that may be necessary to
13 fully implement this division of this Act.
14 Sec. 89. EFFECTIVE UPON ENACTMENT. This division of this
15 Act, being deemed of immediate importance, takes effect upon
16 enactment.
17 Sec. 90. APPLICABILITY. This division of this Act does not
18 apply to those collective bargaining agreements entered into
19 before the effective date of this division of this Act.
20 DIVISION II
21 PUBLIC EMPLOYMENT RELATIONS BOARD TRANSITION
22 Sec. 91. NEW SECTION. **8B.1 Purposes.**
23 The purposes of the public employment relations board
24 established by this chapter are to implement provisions of the
25 Code relating to the board. For these purposes the powers
26 and duties of the board include but are not limited to the
27 following:
28 1. Adjudicating and serving as arbitrators regarding state
29 merit system grievances.
30 2. Collecting and disseminating information concerning the
31 wages, hours, and other conditions of employment of public
32 employees.
33 3. Preparing legal briefs and presenting oral arguments in
34 the district court, the court of appeals, and the supreme court
35 in cases affecting the board.

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1 Sec. 92. NEW SECTION. **8B.2 Definitions.**
2 As used in this chapter, unless the context otherwise
3 requires:
4 1. *"Board"* means the public employment relations board
5 established under section 8B.4.
6 2. *a. "Confidential employee"* means any public employee who
7 works in the personnel offices of a public employer or who has
8 access to information subject to use by the public employer
9 in negotiating or who works in a close continuing working
10 relationship with public officers or representatives associated
11 with negotiating on behalf of the public employer.
12 *b. "Confidential employee"* also includes the personal
13 secretary of any of the following: Any elected official or
14 person appointed to fill a vacancy in an elective office,
15 member of any board or commission, the administrative officer,
16 director, or chief executive officer of a public employer or
17 major division thereof, or the deputy or first assistant of any
18 of the foregoing.
19 3. *"Professional employee"* means any one of the following:
20 *a.* An employee engaged in work meeting all of the following
21 criteria:
22 (1) Predominantly intellectual and varied in character as
23 opposed to routine mental, manual, mechanical, or physical
24 work.
25 (2) Involving the consistent exercise of discretion and
26 judgment in its performance.
27 (3) Of such a character that the output produced or the
28 result accomplished cannot be standardized in relation to a
29 given period of time.
30 (4) Requiring knowledge of an advanced type in a field
31 of science or learning customarily acquired by a prolonged
32 course of specialized intellectual instruction and study in an
33 institution of higher learning or a hospital, as distinguished
34 from a general academic education or from an apprenticeship or
35 from training in the performance of routine mental, manual, or

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1 physical processes.
2 *b.* An employee who meets all of the following criteria:
3 (1) Has completed the courses of specialized intellectual
4 instruction and study described in paragraph *"a"*, subparagraph
5 (4).
6 (2) Is performing related work under the supervision of
7 a professional person to qualify the employee to become a
8 professional employee as defined in paragraph *"a"*.
9 4. *"Public employee"* means an individual employed by
10 a public employer, except individuals exempted under the
11 provisions of section 8B.3.
12 5. *"Public employer"* means the state of Iowa, its boards,
13 commissions, agencies, departments, and its political
14 subdivisions, including school districts and other special
15 purpose districts.
16 Sec. 93. NEW SECTION. **8B.3 Exclusions.**
17 The following public employees shall be excluded from the
18 provisions of this chapter:
19 1. Elected officials and persons appointed to fill
20 vacancies in elective offices, and members of any board or
21 commission.
22 2. Representatives of a public employer, including the
23 administrative officer, director or chief executive officer
24 of a public employer or major division thereof as well as
25 the officer's or director's deputy, first assistant, and
26 any supervisory employees. *"Supervisory employee"* means
27 any individual having authority in the interest of the
28 public employer to hire, transfer, suspend, lay off, recall,
29 promote, discharge, assign, reward, or discipline other public
30 employees, or the responsibility to direct them, or to adjust
31 their grievances, or effectively to recommend such action, if,
32 in connection with the foregoing, exercise of such authority
33 is not of a merely routine or clerical nature, but requires
34 the use of independent judgment. All school superintendents,
35 assistant superintendents, principals, and assistant principals

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1 shall be deemed to be supervisory employees.
2 3. Confidential employees.
3 4. Students working as part-time public employees twenty
4 hours per week or less, except graduate or other postgraduate
5 students in preparation for a profession who are engaged in
6 academically related employment as a teaching, research, or
7 service assistant.
8 5. Temporary public employees employed for a period of four
9 months or less.
10 6. Commissioned and enlisted personnel of the Iowa national
11 guard.
12 7. Judicial officers, and confidential, professional, or
13 supervisory employees of the judicial branch.
14 8. Patients and inmates employed, sentenced, or committed
15 to any state or local institution.
16 9. Persons employed by the department of justice, except
17 nonsupervisory employees of the consumer advocate division who
18 are employed primarily for the purpose of performing technical
19 analysis of nonlegal issues.
20 10. Persons employed by the credit union division of the
21 department of commerce.
22 11. Persons employed by the banking division of the
23 department of commerce.
24 12. The appointee serving as the coordinator of the office
25 of renewable fuels and coproducts, as provided in section
26 159A.3.
27 Sec. 94. NEW SECTION. **8B.4 Public employment relations**
28 **board.**
29 1. A board to be known as the public employment relations
30 board is established.
31 *a.* The board shall consist of three members appointed by the
32 governor, subject to confirmation by the senate. In selecting
33 the members of the board, consideration shall be given to their
34 knowledge, ability, and experience. No more than two members
35 shall be of the same political affiliation, no member shall

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1 engage in any political activity while holding office, and the
2 members shall devote full time to their duties.
3 *b.* The members shall be appointed for staggered terms of
4 four years beginning and ending as provided in section 69.19.
5 *c.* The member first appointed for a term of four years shall
6 serve as chairperson and each of the member's successors shall
7 also serve as chairperson.
8 *d.* Any vacancy occurring shall be filled in the same manner
9 as regular appointments are made.
10 2. The board may employ such persons as are necessary for
11 the performance of its functions. Personnel of the board
12 shall be employed pursuant to the provisions of chapter 8A,
13 subchapter IV.
14 3. The chairperson and the remaining two members shall be
15 compensated as provided in section 7E.6, subsection 5. Members
16 of the board and employees of the board shall be allowed their
17 actual and necessary expenses incurred in the performance of
18 their duties. All expenses and salaries shall be paid from
19 appropriations for such purposes and the board shall be subject
20 to the budget requirements of chapter 8.
21 Sec. 95. NEW SECTION. **8B.5 General powers and duties of**
22 **the board.**
23 The board shall do all of the following:
24 1. Interpret, apply, and administer the provisions of this
25 chapter.
26 2. Collect, for public employers other than the state and
27 its boards, commissions, departments, and agencies, data and
28 conduct studies relating to wages, hours, benefits, and other
29 terms and conditions of public employment and make the same
30 available to any interested person or organization.
31 3. Hold hearings and administer oaths, examine witnesses
32 and documents, take testimony and receive evidence, issue
33 subpoenas to compel the attendance of witnesses and the
34 production of records, and delegate such power to a member
35 of the board, persons appointed or employed by the board,

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1 including administrative law judges, or administrative law
2 judges employed by the division of administrative hearings
3 created by section 10A.801, for the performance of its
4 functions. The board may petition the district court at the
5 seat of government or of the county where a hearing is held to
6 enforce a board order compelling the attendance of witnesses
7 and production of records.
8 4. Adopt rules in accordance with the provisions of chapter
9 17A as it may deem necessary to carry out the purposes of this
10 chapter.
11 Sec. 96. NEW SECTION. **8B.6 REPEAL.**
12 This chapter is repealed on June 30, 2017.
13 Sec. 97. CONTINUITY OF DUTIES. The public employment
14 relations board shall continue to carry out all duties of
15 the board relating to public employee collective bargaining
16 under chapter 20 as codified prior to the effective date of
17 division I of this Act, until the expiration or termination of
18 all collective bargaining agreements entered into pursuant to
19 chapter 20 as codified prior to the effective date of division
20 I of this Act.
21 Sec. 98. REPORT ON CHANGES IN LAW. By December 3, 2012, the
22 public employment relations board shall submit a report to the
23 general assembly recommending any transition provisions and any
24 changes to the Code, administrative rules, or other law that
25 may be necessary to fully implement this Act.
26 Sec. 99. EFFECTIVE UPON ENACTMENT. This division of this
27 Act, being deemed of immediate importance, takes effect upon
28 enactment.
29 EXPLANATION
30 Division I of this bill repeals Code chapter 20, the "Public
31 Employment Relations Act". Code chapter 20 regulates public
32 employees who are eligible to collectively bargain, establishes
33 a process for public employee collective bargaining,
34 establishes the public employment relations board, and
35 provides for related matters. Division I strikes references

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1 to collective bargaining relating to Code chapter 20 from the
2 Iowa Code.
3 Division I prohibits the state, its agencies, departments,
4 boards, commissions, and its political subdivisions from
5 renewing or modifying after the effective date of division I
6 any collective bargaining agreement entered into pursuant to
7 Code chapter 20 as codified prior to the effective date of
8 division I. Division I provides that any agency, department,
9 board, or commission of the state or a political subdivision
10 affected by division I may submit a report to the general
11 assembly recommending any transition provisions and any changes
12 to the Code, administrative rules, or other law that may be
13 necessary to fully implement division I. Division I does not
14 apply to collective bargaining agreements entered into before
15 the effective date of division I. Division I takes effect upon
16 enactment.
17 Division II of the bill transfers provisions of Code chapter
18 20 establishing the public employment relations board which do
19 not concern public employee collective bargaining to new Code
20 chapter 8B. Division II sets out certain duties of the board,
21 including adjudicating grievances under the state merit system
22 and collecting and disseminating information concerning the
23 wages, hours, and other conditions of employment of certain
24 public employees. Code chapter 8B is repealed June 30, 2017.
25 Division II directs the public employment relations board to
26 continue to carry out all duties relating to public employee
27 collective bargaining under Code chapter 20 as codified prior
28 to the effective date of division I, until the expiration or
29 termination of all collective bargaining agreements entered
30 into pursuant to Code chapter 20 as codified prior to the
31 effective date of division I. Division II directs the public
32 employment relations board to submit a report to the general
33 assembly recommending any transition provisions and any changes
34 to the Code, administrative rules, or other law that may be
35 necessary to fully implement the bill. Division II takes

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1 effect upon enactment.

Senate File 2188 - Introduced

SENATE FILE 2188
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 3080)

A BILL FOR

1 An Act relating to the renewal period for foster care
2 licensing.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5680SV (2) 84
ad/nh

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1 Section 1. Section 237.5, subsection 1, Code 2011, is
2 amended to read as follows:
3 1. An individual or an agency shall apply for a license
4 by completing an application to the administrator upon forms
5 furnished by the administrator. The administrator shall issue
6 or reissue a license if the administrator determines that the
7 applicant or licensee is or upon commencing operation will
8 provide child foster care in compliance with this chapter. ~~A~~
9 An initial license for an individual is valid for one year from
10 the date of issuance. After the first two years of licensure,
11 a license for an individual is valid for two years from the
12 most recent date of issuance except that the administrator,
13 within the administrator's discretion and based upon the
14 performance of the licensee, may require annual renewal of
15 the license or may issue a provisional license pursuant to
16 subsection 3. A license for an agency is valid for up to three
17 years from the date of issuance for the period determined by
18 the administrator in accordance with administrative rules
19 providing criteria for making the determination. The license
20 shall state on its face the name of the licensee, the type of
21 facility, the particular premises for which the license is
22 issued, and the number of children who may be cared for by
23 the facility on the premises at one time. The license shall
24 be posted in a conspicuous place in the physical plant of the
25 facility, except that if the facility is in a single-family
26 home the license may be kept where it is readily available for
27 examination upon request.
28 Sec. 2. Section 237.5A, Code 2011, is amended to read as
29 follows:
30 **237.5A Foster parent training.**
31 1. As a condition for initial licensure, each individual
32 licensee shall complete thirty hours of foster parent
33 training offered or approved by the department. However,
34 if the licensee has completed relevant training or has a
35 combination of completed relevant training and experience,

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1 and the department deems such training or combination to be
2 an acceptable equivalent to all or a portion of the initial
3 licensure training requirement, or based upon the circumstances
4 of the child and the licensee the department finds there is
5 other good cause, the department may waive all or a portion
6 of the training requirement. Prior to ~~annual~~ renewal of
7 licensure, each individual licensee shall also annually
8 complete six hours of foster parent training. The training
9 shall include but is not limited to physical care, education,
10 learning disabilities, referral to and receipt of necessary
11 professional services, behavioral assessment and modification,
12 self-assessment, self-living skills, and biological parent
13 contact. An individual licensee may complete the training as
14 part of an approved training program offered by a public or
15 private agency with expertise in the provision of child foster
16 care or in related subject areas. The department shall adopt
17 rules to implement and enforce this training requirement.
18 2. A licensee who is unable to complete six hours of foster
19 parent training annually prior to ~~annual~~ licensure renewal
20 because the licensee is engaged in active duty in the military
21 service shall be considered to be in compliance with the
22 training requirement for ~~annual~~ licensure renewal.
23 Sec. 3. RULES. The department of human services shall adopt
24 rules to implement the provisions of this Act.
25 EXPLANATION
26 This bill relates to the renewal period for foster care
27 licensing. The bill amends Code section 237.5 to increase
28 the time period a foster care license for an individual is
29 valid from one year to two years after the individual has been
30 licensed for an initial two-year period. However, the bill
31 provides that an administrator of the department of human
32 services, as defined by Code chapter 237, may require annual
33 renewal of the individual license or may issue a provisional
34 license even after the initial two-year period of licensure
35 within the administrator's discretion based upon performance of

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1 the licensee. The bill provides that an individual licensee
2 shall complete six hours of foster parent training prior to
3 licensure renewal rather than completing six hours of training
4 prior to the annual licensure renewal.
5 The bill requires the department of human services to adopt
6 rules to implement the Act.

Senate File 2189 - Introduced

SENATE FILE 2189
BY ERNST, ZAUN, HAHN, JOHNSON, McKINLEY, WHITVER, CHELGREN, BARTZ, WARD, FEENSTRA, BERTRAND, ANDERSON, and SORENSON

A BILL FOR

1 An Act relating to reserve peace officers approved and
2 certified to carry weapons in the line of duty and
3 nonprofessional permits to carry weapons.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5755XS (3) 84
rh/sc

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1 Section 1. NEW SECTION. **80D.7A Nonprofessional permit to**
2 **carry weapons.**
3 Notwithstanding sections 724.7 through 724.11, a member
4 of a reserve force who is approved by the governing body and
5 certified by the Iowa law enforcement academy council to carry
6 weapons in the line of duty shall be issued a nonprofessional
7 permit to carry weapons.
8 EXPLANATION
9 This bill provides that a reserve peace officer who is
10 approved by the appropriate governing body and certified by the
11 Iowa law enforcement academy council to carry weapons in the
12 line of duty shall be issued a nonprofessional permit to carry
13 weapons.
14 Under current law, a person who is not disqualified
15 under Code section 724.8 who satisfies the firearm training
16 requirements of Code section 724.9 and who files an application
17 pursuant to Code sections 724.10 and 724.11 shall be issued
18 a nonprofessional permit to carry weapons under Code section
19 724.7.

Senate File 2190 - Introduced

SENATE FILE 2190
BY ERNST

A BILL FOR

1 An Act relating to county commissions of veteran affairs.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5657XS (5) 84
aw/sc

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Section 1. Section 35B.4, Code 2011, is amended to read as follows:

35B.4 Appointment — vacancies.

1. Members of the commission of veteran affairs shall be appointed by the board of supervisors, as recommended by the current commission members and the executive director or administrator, to staggered three-year terms at the regular meeting in June. However, a member shall serve until a successor has been appointed and qualifies. The board may remove an appointee at any time for neglect of duty or maladministration. A vacancy on the commission shall be filled for the unexpired portion of the regular term in the same manner as regular appointments are made.

2. If the board of supervisors increases the commission of veteran affairs membership to five members, the initial terms of the two new members shall be two and three years respectively. However, the new members shall serve until their successors are appointed and qualify.

Sec. 2. Section 35B.6, subsection 1, paragraphs a and c, Code 2011, are amended to read as follows:

a. The members of the commission shall qualify by taking the usual oath of office~~, and give bond in the sum of five hundred dollars each, conditioned for the faithful discharge of their duties with sureties to be approved by the county auditor~~. The commission shall organize by the selection of one of their members as chairperson and one as secretary. The commission, subject to the approval of the board of supervisors, shall employ an executive director or administrator and shall have the power to employ other necessary employees when needed, including administrative or clerical assistants, but no member of the commission shall be so employed. ~~The compensation of such employees shall be fixed by the board of supervisors.~~ The state department of veterans affairs shall recognize the executive director or administrator as a county veterans service officer of a local veterans' service organization

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1 recognized pursuant to 38 C.F.R. 14.628(c) for the purposes
2 of assisting veterans and their dependents in obtaining
3 federal benefits. The commission shall recommend the annual
4 compensation of the executive director or administrator to the
5 board of supervisors. The board of supervisors shall consider
6 the recommendation and shall determine and approve the annual
7 compensation of the executive director or administrator. The
8 executive director must possess the same qualifications as
9 provided in section 35B.3 for commission members. However,
10 this qualification requirement shall not apply to a person
11 employed as an executive director prior to July 1, 1989.
12 *c.* Upon the employment of an executive director or
13 administrator, the executive director or administrator shall
14 complete a course of certification training provided by the
15 department of veterans affairs pursuant to section 35A.5.
16 If an executive director or administrator fails to obtain
17 certification within one year of being employed, the executive
18 director or administrator shall be removed from office. ~~A~~
19 ~~commissioner or other commission employee may also complete~~
20 ~~the course of certification training.~~ The department shall
21 issue the executive director~~,~~ or administrator~~, commissioner,~~
22 ~~or employee~~ a certificate of training after completion of the
23 certification training course. To maintain certification, the
24 executive director~~,~~ or administrator~~, commissioner, or employee~~
25 shall satisfy the continuing education requirements established
26 by the national association of county ~~veteran~~ veterans service
27 officers. Failure of an executive director or administrator
28 to maintain certification shall be cause for removal from
29 office. The expenses of training the executive director or
30 administrator shall be paid from the appropriation authorized
31 in section 35B.14.
32 Sec. 3. Section 35B.6, subsection 1, paragraph d, Code 2011,
33 is amended by adding the following new subparagraph:
34 NEW SUBPARAGRAPH. (3) Complete and submit all forms
35 required for federal, state, and county benefits.

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1 Sec. 4. Section 35B.6, subsection 2, Code 2011, is amended
2 to read as follows:
3 2. *a.* Two or more boards of supervisors may agree,
4 pursuant to chapter 28E, to share the services of an executive
5 director or administrator. The agreement shall provide for the
6 establishment of a commission of veteran affairs office in each
7 of the counties participating in the agreement.
8 *b.* It shall be unlawful for any county board of supervisors
9 or any county commission of veteran affairs to place the
10 administration of the duties of the county commission of
11 veteran affairs under any other agency of any county, or to
12 publish the names of the veterans or their families who receive
13 benefits under the provisions of this chapter.
14 Sec. 5. Section 35B.6, subsection 3, Code 2011, is amended
15 by striking the subsection.
16 Sec. 6. Section 35B.6, subsection 4, paragraph a, Code 2011,
17 is amended to read as follows:
18 *a.* Each county commission of veteran affairs shall maintain
19 an office in a public building owned, operated, or leased by
20 the county.
21 Sec. 7. Section 35B.7, Code 2011, is amended to read as
22 follows:
23 **35B.7 Meetings — report — budget.**
24 The commission shall meet monthly and at other times as
25 necessary. At the monthly meeting it shall determine who are
26 entitled to county benefits and the probable amount required to
27 be expended. The commission shall meet annually to prepare an
28 estimated budget for all expenditures to be made in the next
29 fiscal year and certify the budget to the board of supervisors.
30 The board may approve or reduce the budget for valid reasons
31 shown and entered of record and the board's decision is final.
32 Sec. 8. Section 35B.10, Code 2011, is amended to read as
33 follows:
34 **35B.10 Disbursements — inspection of records.**
35 1. ~~All claims certified by the commission shall be reviewed~~

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1 ~~by the board of supervisors and the county auditor shall~~
2 ~~issue warrants in payment of the claims.~~ All applications,
3 investigation reports, and case records are privileged
4 communications and ~~shall be held~~ confidential, subject to use
5 and inspection only by persons authorized by law in connection
6 with their official duties relating to financial audits and the
7 administration of this chapter or as authorized by order of
8 a district court. ~~However, the county commission of veteran~~
9 ~~affairs shall prepare and file in the office of the county~~
10 ~~auditor on or before the thirtieth day of each January, April,~~
11 ~~July, and October a report showing the case numbers of all~~
12 ~~recipients receiving assistance under this chapter, together~~
13 ~~with the amount paid to each during the preceding quarter.~~
14 ~~Each report so filed shall be securely fixed in a record book~~
15 ~~to be used only for such reports made under this chapter.~~ A
16 person may sign a release to authorize the examination of that
17 person's applications, reports, or records.
18 ~~The record book shall be and the same is hereby declared~~
19 ~~to be a public record, open to public inspection at all times~~
20 ~~during the regular office hours of the county auditor. Each~~
21 ~~person who desires to examine said records, other than in~~
22 ~~pursuance of official duties as hereinbefore provided, shall~~
23 ~~sign a written request to examine the same, which shall contain~~
24 ~~an agreement on the part of the signer that the signer will~~
25 ~~not utilize any information gained therefrom for commercial or~~
26 ~~political purposes.~~
27 2. It shall be unlawful for any person, body, association,
28 firm, corporation or any other agency to solicit, disclose,
29 receive, make use of or to authorize, knowingly permit,
30 participate in or acquiesce in the use of any lists, names or
31 other information obtained from the reports above provided for,
32 for commercial or political purposes, and a violation of this
33 provision shall constitute a serious misdemeanor.
34 Sec. 9. Section 35B.14, Code 2011, is amended by adding the
35 following new subsections:

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1 NEW SUBSECTION. 3. The commission is responsible for
2 the interment in a suitable cemetery of the body of any
3 veteran, as defined in section 35.1, or the spouse, surviving
4 spouse, or child of the person, if the person has died without
5 leaving sufficient means to defray the funeral expenses. The
6 commission may pay the expenses in a sum not exceeding an
7 amount established by the board of supervisors.
8 NEW SUBSECTION. 4. Burial expenses shall be paid by the
9 county in which the person died. If the person is a resident
10 of a different county at the time of death, the county of
11 residence shall reimburse the county where the person died for
12 the cost of burial. In either case, the board of supervisors
13 of the respective counties shall audit and pay the account from
14 the funds provided for in this chapter in the manner as other
15 claims are audited and paid.
16 Sec. 10. Section 35B.16, Code 2011, is amended to read as
17 follows:
18 **35B.16 Markers for graves.**
19 The county commission of veteran affairs may furnish a
20 suitable and appropriate ~~metal~~ marker for the grave of each
21 veteran, as defined in section 35.1, who is buried within
22 the limits of the county. The marker shall be placed at the
23 individual's grave to permanently mark and designate the grave
24 for memorial purposes. The expenses shall be paid from any
25 funds raised as provided in this chapter.
26 Sec. 11. Section 35B.17, Code 2011, is amended to read as
27 follows:
28 **35B.17 Maintenance of graves.**
29 1. The county boards of supervisors shall each year
30 appropriate and pay to the owners of, or to the public board or
31 officers having control of cemeteries within the state in which
32 any such deceased service person is buried, a sum sufficient
33 to pay for the care and maintenance of the lots on which they
34 are buried in all cases in which provision for such care is
35 not otherwise made, or may conclude their responsibility by

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paying a mutually agreed to fee for perpetual care when the cemetery authority has established a perpetual care fund for the cemetery, to be paid either as a lump sum, or in not to exceed five installments in a manner agreed to by the parties.

2. Payment under subsection 1 shall be made at the rate charged for like care and maintenance of other lots of similar size in the same cemetery, upon the affidavit of the superintendent or other person in charge of such cemetery, that the same has not been otherwise paid or provided for.

Sec. 12. Section 35B.19, Code 2011, is amended to read as follows:

35B.19 Burial records.

The ~~county commission of veteran affairs~~ executive director or administrator shall be charged with securing the information requested by the department of veterans affairs of every person having a military service record and buried in ~~that~~ the county. Such information shall be secured from the undertaker in charge of the burial or cremation and shall be transmitted by the undertaker to the ~~commission of~~ county veteran affairs office of the county where burial or disposition of cremated remains is made. This information shall be recorded alphabetically and by description of location in the cemetery where the veteran is buried or the place of disposition of the cremated remains of the veteran. This recording shall conform to the directives of the department of veterans affairs and shall be kept in a book by the ~~county commission~~ executive director or administrator.

Sec. 13. Section 64.11, Code 2011, is amended to read as follows:

64.11 Expense of bonds paid by county.

If a county treasurer, county attorney, recorder, auditor, sheriff, medical examiner, ~~member of the veterans affairs commission,~~ member of the board of supervisors, engineer, steward, or matron elects to furnish a bond with an association or incorporation as surety as provided in this chapter, the reasonable cost of the bond shall be paid by the county where

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1 the bond is filed.
2 Sec. 14. Section 331.381, subsection 6, Code 2011, is
3 amended to read as follows:
4 6. Audit and pay the burial expense for indigent veterans,
5 as provided in section ~~35B.15~~ 35B.14, subsection 4.
6 Sec. 15. Section 331.502, subsections 14 and 15, Code 2011,
7 are amended by striking the subsections.
8 Sec. 16. Section 331.508, subsection 5, Code 2011, is
9 amended by striking the subsection.
10 Sec. 17. REPEAL. Sections 35B.8, 35B.9, 35B.12, 35B.13,
11 35B.15, and 35B.18, Code 2011, are repealed.
12 EXPLANATION
13 This bill relates to the duties and responsibilities of the
14 county commissions of veteran affairs.
15 The bill requires that the members of a county commission of
16 veteran affairs be appointed by the board of supervisors upon
17 the recommendation of the current members of the commission
18 and the executive director or administrator. The bill removes
19 a requirement that members of the commission give a bond of
20 $500 and makes conforming changes to Code sections 64.11 and
21 331.502.
22 The bill requires that the state department of veterans
23 affairs shall recognize the executive director or administrator
24 as a county veterans service officer of a local veterans'
25 service organization recognized by the federal secretary of
26 veterans affairs for purposes of assisting veterans and their
27 dependents in obtaining federal benefits. The bill requires
28 that the annual compensation of an executive director or
29 administrator be recommended by the county commission to the
30 county board of supervisors which shall determine and approve
31 the compensation. Current law requires that the county board
32 of supervisors fix the compensation for the executive director
33 or administrator and other necessary employees.
34 The bill strikes language allowing a county commissioner
35 and certain commission employees to complete a course of

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1 certification training provided by the department of veterans
2 affairs.
3 The bill requires that the duties of the executive director,
4 administrator, and employees shall include the submission of
5 all forms required for federal, state, and county benefits.
6 The bill also removes language requiring a commission to
7 appoint a deputy county auditor as an administrative assistant
8 to the commission, and requires that a commission office be
9 located in a public building. The bill also specifies that
10 the commission shall only need to determine eligibility of
11 individuals for county benefits at monthly meetings of the
12 commission and removes requirements that the commission submit
13 certain information to the board of supervisors.
14 The bill removes certain disbursement, reporting,
15 recording, accounting system, and filing requirements and makes
16 certain conforming amendments to Code sections 331.502 and
17 331.508. The bill permits the examination of an individual's
18 applications, reports, and records only upon the individual's
19 authorization.
20 The bill also makes certain changes to provisions related to
21 the provision of grave markers for veterans and the filing and
22 maintenance of certain burial records.
23 The bill repeals Code section 35B.12, relating to
24 confidentiality of benefit information, but the substance
25 of the Code section is transferred to Code section 35B.6,
26 subsection 2.
27 The bill repeals Code section 35B.13, relating to burial
28 expenses, but the substance of the Code section is transferred
29 to Code section 35B.14, subsection 3.
30 The bill repeals Code section 35B.15, relating to audit
31 and payment of burial expenses, but the substance of the Code
32 section is transferred to Code section 35B.14, subsection 4.
33 The bill repeals Code section 35B.18, relating to care
34 and maintenance of gravesites, but the substance of the Code
35 section is transferred to Code section 35B.17, subsection 2.

Senate Joint Resolution 2002 - Introduced

SENATE JOINT RESOLUTION 2002
BY DANIELSON

SENATE JOINT RESOLUTION

1 A Joint Resolution requesting the proposal of an amendment to
2 the Constitution of the United States relating to Citizens
3 United v. Federal Election Commission.
4 WHEREAS, the protections afforded by the First Amendment
5 of the Constitution of the United States to the people of our
6 nation are fundamental to our democracy; and
7 WHEREAS, the First Amendment of the Constitution of the
8 United States was designed to protect the free speech rights of
9 people regardless of wealth, and not corporations; and
10 WHEREAS, corporations are not people who are entitled to
11 constitutional rights of citizenship but instead are entities
12 created by the laws of states and nations; and
13 WHEREAS, for the past three decades, a divided United States
14 Supreme Court has transformed the First Amendment into a
15 powerful tool for corporations seeking to evade and invalidate
16 democratically enacted reforms; and
17 WHEREAS, this corporate misuse of the First Amendment and
18 the Constitution of the United States has reached an extreme
19 conclusion in the United States Supreme Court´s ruling in
20 Citizens United v. Federal Election Commission, 130 S. Ct. 876
21 (2010); and
22 WHEREAS, the Supreme Court´s ruling in Citizens United v.
23 Federal Election Commission overturned long-standing precedent
24 prohibiting corporations from spending their general treasury
25 funds in our elections; and
26 WHEREAS, the opinion of the four dissenting justices in
27 Citizens United v. Federal Election Commission noted that
28 corporations have special advantages not enjoyed by natural
29 persons, such as limited liability, perpetual life, and
30 favorable treatment of the accumulation and distribution of
31 assets, that allow them to spend prodigious sums on campaign

TLSB 5818SS (4) 84
jr/sc

Senate Joint Resolution 2002 - Introduced

32 messages that have little or no correlation with the beliefs
33 held by natural persons; and
34 WHEREAS, the majority opinion of the Supreme Court in Austin
35 v. Michigan Chamber of Commerce, 494 U.S. 652 (1990), ruled
36 that the people have a compelling interest in preventing the
37 corrosive and distorting effects of immense aggregations of
38 wealth that are accumulated with the help of the corporate form
39 and that have little or no correlation to the public's support
40 for the corporation's political ideas from unduly influencing
41 our political process; and
42 WHEREAS, the Supreme Court's ruling in Citizens United
43 v. Federal Election Commission will now unleash a torrent of
44 corporate money into our political process unmatched by any
45 campaign expenditure totals in United States history; and
46 WHEREAS, Citizens United v. Federal Election Commission
47 purports to invalidate state laws and even state constitutional
48 provisions separating corporate money from elections; and
49 WHEREAS, the Supreme Court's ruling in Citizens United v.
50 Federal Election Commission represents a serious and direct
51 threat to our democracy; and
52 WHEREAS, the general public and political leaders in the
53 United States have recognized, since the founding of our
54 country, that the interests of corporations do not always
55 correspond with the public interest and that, therefore, the
56 political influence of corporations should be limited; and
57 WHEREAS, in 1816, Thomas Jefferson wrote, "I hope ...
58 we shall crush in its birth the aristocracy of our moneyed
59 corporations, which dare already to challenge our government
60 to a trial of strength and bid defiance to the laws of our
61 country"; and
62 WHEREAS, Article V of the Constitution of the United States
63 empowers and obligates the people and states of the United
64 States of America to use the constitutional amendment process
65 to correct those egregiously wrong decisions of the United
66 States Supreme Court that go to the heart of our democracy and
67 republican self-government; and
68 WHEREAS, notwithstanding the decision in Citizens United

Senate Joint Resolution 2002 - Introduced

69 v. Federal Election Commission, legislators have a duty to
70 protect democracy, and our Constitution and defend them from
71 the potentially detrimental effects of corporate spending in
72 local, state, and federal elections; NOW THEREFORE,
73 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5818SS (4) 84
jr/sc

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1 That the General Assembly respectfully disagrees with the
2 majority opinion and decision of the United States Supreme
3 Court in Citizens United v. Federal Election Commission; and
4 BE IT FURTHER RESOLVED, That the Congress of the United
5 States is hereby petitioned to propose an amendment to the
6 Constitution of the United States, for submission to the states
7 for ratification, to overturn Citizens United v. Federal
8 Election Commission and to restore constitutional rights and
9 fair elections to the people; and
10 BE IT FURTHER RESOLVED, That, alternatively, pursuant to
11 Article V of the Constitution of the United States, the General
12 Assembly, as the Legislature of the State of Iowa, makes
13 application to the Congress of the United States to call a
14 convention for the specific and exclusive purpose of proposing
15 an amendment to the Constitution of the United States, for
16 submission to the states for ratification, to overturn
17 Citizens United v. Federal Election Commission and to restore
18 constitutional rights and fair elections to the people; and
19 BE IT FURTHER RESOLVED, That if, within sixty days after the
20 legislatures of two-thirds of the states make application for
21 such convention, Congress proposes and submits to the states
22 for ratification an amendment to the Constitution of the United
23 States which overturns Citizens United v. Federal Election
24 Commission, then this application for a convention shall no
25 longer be of any force and effect; and
26 BE IT FURTHER RESOLVED, That this application constitutes
27 a continuing application in accordance with Article V of the
28 Constitution of the United States, until at least two-thirds of
29 the legislatures of the several states have made application
30 for a similar convention under Article V, or the Congress has
31 proposed the amendment called for by this Joint Resolution, or
32 the General Assembly acts to withdraw this application; and
33 BE IT FURTHER RESOLVED, That, upon passage, the Secretary
34 of State shall transmit certified copies of this Joint
35 Resolution to the President and Secretary of the United States

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1 Senate, the Speaker and Clerk of the United States House
2 of Representatives, each member of the Iowa congressional
3 delegation, and the presiding officer of each house of each
4 state legislature in the United States.
5 EXPLANATION
6 Citizens United v. Federal Election Commission, 130 S. Ct.
7 876 (2010), is a United States Supreme Court decision holding
8 that the First Amendment prohibits government from placing
9 limits on independent spending for political purposes by
10 corporations and labor unions. This joint resolution petitions
11 Congress to propose an amendment to the Constitution of the
12 United States, for submission to the states for ratification,
13 to reverse Citizens United v. Federal Election Commission.
14 Alternatively, the resolution is an application to the
15 Congress from the State of Iowa, as required by Article V of
16 the Constitution of the United States, calling upon Congress
17 to convene a constitutional convention concerning the proposed
18 amendment.

Senate Resolution 105 - Introduced

SENATE RESOLUTION NO. 105
BY GRONSTAL, KIBBIE, and BEHN

A Resolution welcoming His Excellency Xi Jinping, Vice President of the People's Republic of China on his visit to the State of Iowa.

WHEREAS, in 1983, Iowa Governor Terry E. Branstad signed the Hebei Province, People's Republic of China and State of Iowa Iowa Sister State agreement resulting in the exchange of visitors; and

WHEREAS, in 1985, Iowa Sister States, State of Iowa officials, and citizens of Iowa welcomed and hosted an agricultural delegation from Hebei Province, People's Republic of China, led by His Excellency Vice President Xi Jinping, then Party Secretary; and

WHEREAS, the resulting goodwill, cooperation, and understanding on the part of Iowans and the Hebei Province have helped to expand economic cooperation; and

WHEREAS, the relationship enjoyed by His Excellency Xi Jinping, Vice President of the People's Republic of China and the citizens of the State of Iowa has encouraged China to become Iowa's fourth largest export market and to become Iowa's partner in agriculture; and

WHEREAS, the relationship enjoyed by His Excellency Xi Jinping, Vice President of the People's Republic of China and the citizens of the State of Iowa will encourage opportunities to further strengthen and enhance the lives of citizens in both the United States of America and the People's Republic of China; NOW THEREFORE,

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1 BE IT RESOLVED BY THE SENATE, That on behalf of the
2 citizens of Iowa, the Senate welcomes His Excellency
3 Xi Jinping, Vice President of the People's Republic of
4 China to our state.

Senate Study Bill 3155 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BUDGET BILL)

A BILL FOR

1 An Act relating to appropriations to certain state departments,
2 agencies, funds, and certain other entities, providing for
3 regulatory authority, and other properly related matters
4 and including effective date and retroactive applicability
5 provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5103XG (9) 84
ec/tm

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1 Section 1. 2011 Iowa Acts, chapter 127, section 9,
2 subsection 2, paragraph c, is amended by adding the following
3 new subparagraph:
4 NEW SUBPARAGRAPH. (3) Notwithstanding section 8.33 or
5 any other provision to the contrary, any unencumbered or
6 unobligated balance of the appropriation made in this paragraph
7 for the insurance division or any other appropriation made
8 for operational purposes for the fiscal year beginning July
9 1, 2011, and ending June 30, 2012, that remains unused,
10 unencumbered, or unobligated at the close of the fiscal year
11 shall not revert but shall remain available to be used for any
12 relocation costs of the division in the succeeding fiscal year.
13 Sec. 2. 2011 Iowa Acts, chapter 127, section 61, is amended
14 to read as follows:
15 SEC. 61. DEPARTMENT OF ADMINISTRATIVE SERVICES.
16 1. There is appropriated from the general fund of the state
17 to the department of administrative services for the fiscal
18 year beginning July 1, 2012, and ending June 30, 2013, the
19 following amounts, or so much thereof as is necessary, to be
20 used for the purposes designated, and for not more than the
21 following full-time equivalent positions:
22 a. For salaries, support, maintenance, and miscellaneous
23 purposes:
24 ..... $ ~~2,010,172~~
25 4,020,344
26 ..... FTEs ~~84.18~~
27 78.00
28 b. For the payment of utility costs:
29 ..... $ ~~1,313,230~~
30 2,626,460
31 ..... FTEs 1.00
32 Notwithstanding section 8.33, any excess funds appropriated
33 for utility costs in this lettered paragraph shall not revert
34 to the general fund of the state at the end of the fiscal year
35 but shall remain available for expenditure for the purposes of

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1 this lettered paragraph during the succeeding fiscal year.
2 c. For Terrace Hill operations:
3 ..... $ ~~202,957~~
4 499,025
5 ..... FTEs ~~6.88~~
6 9.00
7 d. For the I3 distribution account:
8 ..... $ ~~1,638,973~~
9 3,277,946
10 e. For operations and maintenance of the Iowa building:
11 ..... $ ~~497,768~~
12 995,535
13 ..... FTEs 7.00
14 2. Members of the general assembly serving as members of
15 the deferred compensation advisory board shall be entitled
16 to receive per diem and necessary travel and actual expenses
17 pursuant to section 2.10, subsection 5, while carrying out
18 their official duties as members of the board.
19 3. Any funds and premiums collected by the department for
20 workers' compensation shall be segregated into a separate
21 workers' compensation fund in the state treasury to be used
22 for payment of state employees' workers' compensation claims
23 and administrative costs. Notwithstanding section 8.33,
24 unencumbered or unobligated moneys remaining in this workers'
25 compensation fund at the end of the fiscal year shall not
26 revert but shall be available for expenditure for purposes of
27 the fund for subsequent fiscal years.
28 Sec. 3. 2011 Iowa Acts, chapter 127, section 65, is amended
29 to read as follows:
30 SEC. 65. AUDITOR OF STATE.
31 1. There is appropriated from the general fund of the
32 state to the office of the auditor of state for the fiscal
33 year beginning July 1, 2012, and ending June 30, 2013, subject
34 to subsection 3 of this section, the following amount, or so
35 much thereof as is necessary, to be used for the purposes

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1 designated, and for not more than the following full-time
2 equivalent positions:
3 For salaries, support, maintenance, and miscellaneous
4 purposes:
5 ..... $ ~~452,734~~
6 905,468
7 ..... FTEs 103.00
8 2. The auditor of state may retain additional full-time
9 equivalent positions as is reasonable and necessary to
10 perform governmental subdivision audits which are reimbursable
11 pursuant to section 11.20 or 11.21, to perform audits which are
12 requested by and reimbursable from the federal government, and
13 to perform work requested by and reimbursable from departments
14 or agencies pursuant to section 11.5A or 11.5B. The auditor
15 of state shall notify the department of management, the
16 legislative fiscal committee, and the legislative services
17 agency of the additional full-time equivalent positions
18 retained.
19 3. The auditor of state shall allocate resources from the
20 appropriation in this section solely for audit work related to
21 the comprehensive annual financial report, federally required
22 audits, and investigations of embezzlement, theft, or other
23 significant financial irregularities until the audit of the
24 comprehensive annual financial report is complete.
25 Sec. 4. 2011 Iowa Acts, chapter 127, section 66, is amended
26 to read as follows:
27 SEC. 66. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There
28 is appropriated from the general fund of the state to the
29 Iowa ethics and campaign disclosure board for the fiscal year
30 beginning July 1, 2012, and ending June 30, 2013, the following
31 amount, or so much thereof as is necessary, for the purposes
32 designated:
33 For salaries, support, maintenance, and miscellaneous
34 purposes, and for not more than the following full-time
35 equivalent positions:

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1 ..... $ ~~237,500~~
2 510,000
3 ..... FTEs 5.00
4 Sec. 5. 2011 Iowa Acts, chapter 127, section 67, subsection
5 1, is amended to read as follows:
6 1. There is appropriated from the general fund of the
7 state to the department of commerce for the fiscal year
8 beginning July 1, 2012, and ending June 30, 2013, the following
9 amounts, or so much thereof as is necessary, for the purposes
10 designated:
11 a. ALCOHOLIC BEVERAGES DIVISION
12 For salaries, support, maintenance, and miscellaneous
13 purposes, and for not more than the following full-time
14 equivalent positions:
15 ..... $ ~~610,196~~
16 1, 220,391
17 ..... FTEs ~~21.00~~
18 19.00
19 b. PROFESSIONAL LICENSING AND REGULATION BUREAU
20 For salaries, support, maintenance, and miscellaneous
21 purposes, and for not more than the following full-time
22 equivalent positions:
23 ..... $ ~~300,177~~
24 600,353
25 ..... FTEs 12.00
26 Sec. 6. 2011 Iowa Acts, chapter 127, section 67, subsection
27 2, paragraphs a, b, and c, are amended to read as follows:
28 a. BANKING DIVISION
29 For salaries, support, maintenance, and miscellaneous
30 purposes, and for not more than the following full-time
31 equivalent positions:
32 ..... $ ~~4,425,835~~
33 9,098,170
34 ..... FTEs ~~80.00~~
35 71.00

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b. CREDIT UNION DIVISION

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ ~~863,998~~
1,792,995

..... FTEs ~~19.00~~
14.00

c. INSURANCE DIVISION

(1) For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ ~~2,491,622~~
4,983,244

..... FTEs ~~106.50~~
100.00

(2) The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements. The insurance division expenditures for examination purposes may exceed the projected receipts, refunds, and reimbursements, estimated pursuant to section 505.7, subsection 7, including the expenditures for retention of additional personnel, if the expenditures are fully reimbursable and the division first does both of the following:

(a) Notifies the department of management, the legislative services agency, and the legislative fiscal committee of the need for the expenditures.

(b) Files with each of the entities named in subparagraph division (a) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

Sec. 7. 2011 Iowa Acts, chapter 127, section 67, subsection 2, paragraph d, subparagraphs (1) and (2), are amended to read as follows:

(1) For salaries, support, maintenance, and miscellaneous

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1 purposes, and for not more than the following full-time
2 equivalent positions:
3 ..... $ ~~4,086,535~~
4 8,173,070
5 ..... FTEs 79.00
6 (2) The utilities division may expend additional funds,
7 including funds for additional personnel, if those additional
8 expenditures are actual expenses which exceed the funds
9 budgeted for utility regulation and the expenditures are fully
10 reimbursable. Before the division expends or encumbers an
11 amount in excess of the funds budgeted for regulation, the
12 division shall first do both of the following:
13 (a) Notify the department of management, the legislative
14 services agency, and the legislative fiscal committee of the
15 need for the expenditures.
16 (b) File with each of the entities named in subparagraph
17 division (a) the legislative and regulatory justification for
18 the expenditures, along with an estimate of the expenditures.
19 Sec. 8. 2011 Iowa Acts, chapter 127, section 67, subsection
20 2, paragraph d, subparagraph (4), is amended to read as
21 follows:
22 (4) In addition to the funds otherwise appropriated to
23 the division in subparagraph (1), and contingent upon the
24 enactment of legislation during the ~~2011~~ 2012 legislative
25 session relating to the permitting, licensing, construction,
26 and operation of nuclear generation facilities and establishing
27 rate-making principles in relation thereto, for salaries,
28 support, consulting, maintenance, and miscellaneous purposes,
29 and for not more than the following full-time equivalent
30 positions:
31 ..... $ 425,000
32 ..... FTEs 3.50
33 Sec. 9. 2011 Iowa Acts, chapter 127, section 68, is amended
34 to read as follows:
35 SEC. 68. DEPARTMENT OF COMMERCE — PROFESSIONAL LICENSING

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1 AND REGULATION BUREAU. There is appropriated from the housing
2 trust fund of the Iowa finance authority created in section
3 16.181, to the bureau of professional licensing and regulation
4 of the banking division of the department of commerce for the
5 fiscal year beginning July 1, 2012, and ending June 30, 2013,
6 the following amount, or so much thereof as is necessary, to be
7 used for the purposes designated:
8 For salaries, support, maintenance, and miscellaneous
9 purposes:
10 ..... $ ~~31,159~~
11 62,317
12 Sec. 10. 2011 Iowa Acts, chapter 127, section 69, is amended
13 to read as follows:
14 SEC. 69. GOVERNOR AND LIEUTENANT GOVERNOR. There is
15 appropriated from the general fund of the state to the offices
16 of the governor and the lieutenant governor for the fiscal year
17 beginning July 1, 2012, and ending June 30, 2013, the following
18 amounts, or so much thereof as is necessary, to be used for the
19 purposes designated:
20 For salaries, support, maintenance, and miscellaneous
21 purposes:
22 ..... $ ~~1,144,013~~
23 2,194,914
24 ..... FTEs ~~22.88~~
25 22.00
26 Sec. 11. 2011 Iowa Acts, chapter 127, section 70, is amended
27 to read as follows:
28 SEC. 70. GOVERNOR'S OFFICE OF DRUG CONTROL POLICY. There
29 is appropriated from the general fund of the state to the
30 governor's office of drug control policy for the fiscal year
31 beginning July 1, 2012, and ending June 30, 2013, the following
32 amount, or so much thereof as is necessary, to be used for the
33 purposes designated:
34 For salaries, support, maintenance, and miscellaneous
35 purposes, including statewide coordination of the drug abuse

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1 resistance education (D.A.R.E.) programs or similar programs,
2 and for not more than the following full-time equivalent
3 positions:
4 ..... $ ~~145,000~~
5 346,213
6 ..... FTEs 8.00
7 Sec. 12. 2011 Iowa Acts, chapter 127, section 71, is amended
8 to read as follows:
9 SEC. 71. DEPARTMENT OF HUMAN RIGHTS. There is appropriated
10 from the general fund of the state to the department of human
11 rights for the fiscal year beginning July 1, 2012, and ending
12 June 30, 2013, the following amounts, or so much thereof as is
13 necessary, to be used for the purposes designated:
14 1. CENTRAL ADMINISTRATION DIVISION
15 For salaries, support, maintenance, and miscellaneous
16 purposes, and for not more than the following full-time
17 equivalent positions:
18 ..... $ ~~103,052~~
19 206,103
20 ..... FTEs ~~7.00~~
21 5.00
22 2. COMMUNITY ADVOCACY AND SERVICES DIVISION
23 For salaries, support, maintenance, and miscellaneous
24 purposes, and for not more than the following full-time
25 equivalent positions:
26 ..... $ ~~514,039~~
27 1,028,077
28 ..... FTEs ~~17.00~~
29 9.00
30 3. CRIMINAL AND JUVENILE JUSTICE PLANNING DIVISION
31 For salaries, support, maintenance, and miscellaneous
32 purposes, and for not more than the following full-time
33 equivalent positions:
34 ..... $ ~~511,946~~
35 1,023,892

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1 ..... FTEs 10.00
2 The criminal and juvenile justice planning advisory council
3 and the juvenile justice advisory council shall coordinate
4 their efforts in carrying out their respective duties relative
5 to juvenile justice.
6 Sec. 13. 2011 Iowa Acts, chapter 127, section 72, is amended
7 to read as follows:
8 SEC. 72. DEPARTMENT OF INSPECTIONS AND APPEALS. There
9 is appropriated from the general fund of the state to the
10 department of inspections and appeals for the fiscal year
11 beginning July 1, 2012, and ending June 30, 2013, the following
12 amounts, or so much thereof as is necessary, for the purposes
13 designated:
14 1. ADMINISTRATION DIVISION
15 For salaries, support, maintenance, and miscellaneous
16 purposes, and for not more than the following full-time
17 equivalent positions:
18 ..... $ ~~763,870~~
19 248,409
20 ..... FTEs ~~37.40~~
21 14.00
22 2. ADMINISTRATIVE HEARINGS DIVISION
23 For salaries, support, maintenance, and miscellaneous
24 purposes, and for not more than the following full-time
25 equivalent positions:
26 ..... $ ~~264,377~~
27 678,942
28 ..... FTEs 23.00
29 3. INVESTIGATIONS DIVISION
30 a. For salaries, support, maintenance, and miscellaneous
31 purposes, and for not more than the following full-time
32 equivalent positions:
33 ..... $ ~~584,320~~
34 2,172,971
35 ..... FTEs ~~58.50~~

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1 59.00
2 b. The department, in coordination with the investigations
3 division, shall provide a report to the general assembly by
4 January 10, 2013, concerning the fiscal impact of additional
5 full-time equivalent positions on the department's efforts
6 relative to the Medicaid divestiture program under chapter
7 249F.
8 4. HEALTH FACILITIES DIVISION
9 a. For salaries, support, maintenance, and miscellaneous
10 purposes, and for not more than the following full-time
11 equivalent positions:
12 ..... $ ~~1,777,664~~
13 5,763,146
14 ..... FTEs ~~134.75~~
15 122.00
16 b. The department shall, in coordination with the health
17 facilities division, make the following information available
18 to the public ~~in a timely manner, to include providing the~~
19 ~~information on~~ as part of the department's development efforts
20 to revise the department's internet website~~, during the fiscal~~
21 ~~year beginning July 1, 2012, and ending June 30, 2013~~:
22 (1) The number of inspections conducted by the division
23 annually by type of service provider and type of inspection.
24 (2) The total annual operations budget for the division,
25 including general fund appropriations and federal contract
26 dollars received by type of service provider inspected.
27 (3) The total number of full-time equivalent positions in
28 the division, to include the number of full-time equivalent
29 positions serving in a supervisory capacity, and serving as
30 surveyors, inspectors, or monitors in the field by type of
31 service provider inspected.
32 (4) Identification of state and federal survey trends,
33 cited regulations, the scope and severity of deficiencies
34 identified, and federal and state fines assessed and collected
35 concerning nursing and assisted living facilities and programs.

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c. It is the intent of the general assembly that the department and division continuously solicit input from facilities regulated by the division to assess and improve the division's level of collaboration and to identify new opportunities for cooperation.

5. EMPLOYMENT APPEAL BOARD

a. For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ ~~21,108~~
42,215
..... FTEs 14.00

b. The employment appeal board shall be reimbursed by the labor services division of the department of workforce development for all costs associated with hearings conducted under chapter 91C, related to contractor registration. The board may expend, in addition to the amount appropriated under this subsection, additional amounts as are directly billable to the labor services division under this subsection and to retain the additional full-time equivalent positions as needed to conduct hearings required pursuant to chapter 91C.

6. CHILD ADVOCACY BOARD

a. For foster care review and the court appointed special advocate program, including salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ ~~1,340,145~~
2,680,290
..... FTEs ~~40.80~~
32.00

b. The department of human services, in coordination with the child advocacy board and the department of inspections and appeals, shall submit an application for funding available pursuant to Tit. IV-E of the federal Social Security Act for claims for child advocacy board administrative review costs.

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c. The court appointed special advocate program shall investigate and develop opportunities for expanding fund-raising for the program.

d. Administrative costs charged by the department of inspections and appeals for items funded under this subsection shall not exceed 4 percent of the amount appropriated in this subsection.

Sec. 14. 2011 Iowa Acts, chapter 127, section 72, is amended by adding the following new subsection:

NEW SUBSECTION. 7. FOOD AND CONSUMER SAFETY

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... $ 1,279,311
..... FTEs 21.00

Sec. 15. 2011 Iowa Acts, chapter 127, section 73, is amended to read as follows:

SEC. 73. DEPARTMENT OF INSPECTIONS AND APPEALS — MUNICIPAL CORPORATION FOOD INSPECTIONS. For the fiscal year beginning July 1, 2012, and ending June 30, 2013, the department of inspections and appeals shall retain any license fees generated during the fiscal year as a result of actions under section 137F.3A occurring during the period beginning July 1, 2009, and ending June 30, ~~2011~~ 2013, for the purpose of enforcing the provisions of chapters 137C, 137D, and 137F.

Sec. 16. 2011 Iowa Acts, chapter 127, section 78, is amended to read as follows:

SEC. 78. RACING AND GAMING COMMISSION.

1. RACETRACK REGULATION

There is appropriated from the gaming regulatory revolving fund established in section 99F.20 to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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1 For salaries, support, maintenance, and miscellaneous
2 purposes for the regulation of pari-mutuel racetracks, and for
3 not more than the following full-time equivalent positions:
4 ..... $ ~~1,255,720~~
5 2,898,925
6 ..... FTEs ~~28.53~~
7 32.00
8 2. EXCURSION BOAT AND GAMBLING STRUCTURE REGULATION
9 There is appropriated from the gaming regulatory revolving
10 fund established in section 99F.20 to the racing and gaming
11 commission of the department of inspections and appeals for the
12 fiscal year beginning July 1, 2012, and ending June 30, 2013,
13 the following amount, or so much thereof as is necessary, to be
14 used for the purposes designated:
15 For salaries, support, maintenance, and miscellaneous
16 purposes for administration and enforcement of the excursion
17 boat gambling and gambling structure laws, and for not more
18 than the following full-time equivalent positions:
19 ..... $ ~~1,539,050~~
20 2,923,838
21 ..... FTEs ~~44.22~~
22 41.00
23 Sec. 17. 2011 Iowa Acts, chapter 127, section 79, is amended
24 to read as follows:
25 SEC. 79. ROAD USE TAX FUND APPROPRIATION — DEPARTMENT OF
26 INSPECTIONS AND APPEALS. There is appropriated from the road
27 use tax fund created in section 312.1 to the administrative
28 hearings division of the department of inspections and appeals
29 for the fiscal year beginning July 1, 2012, and ending June 30,
30 2013, the following amount, or so much thereof as is necessary,
31 for the purposes designated:
32 For salaries, support, maintenance, and miscellaneous
33 purposes:
34 ..... $ ~~811,949~~
35 1,623,897

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1 Sec. 18. 2011 Iowa Acts, chapter 127, section 80, is amended
2 to read as follows:
3 SEC. 80. DEPARTMENT OF MANAGEMENT.
4 1. There is appropriated from the general fund of the state
5 to the department of management for the fiscal year beginning
6 July 1, 2012, and ending June 30, 2013, the following amounts,
7 or so much thereof as is necessary, to be used for the purposes
8 designated:
9 For salaries, support, maintenance, and miscellaneous
10 purposes, and for not more than the following full-time
11 equivalent positions:
12 ..... $ ~~1,196,999~~
13 2,393,998
14 ..... FTEs ~~25.00~~
15 20.00
16 2. Of the moneys appropriated in this section, the
17 department shall use a portion for enterprise resource
18 planning, providing for a salary model administrator,
19 conducting performance audits, and for the department's LEAN
20 process.
21 Sec. 19. 2011 Iowa Acts, chapter 127, section 81, is amended
22 to read as follows:
23 SEC. 81. ROAD USE TAX APPROPRIATION — DEPARTMENT OF
24 MANAGEMENT. There is appropriated from the road use tax fund
25 created in section 312.1 to the department of management for
26 the fiscal year beginning July 1, 2012, and ending June 30,
27 2013, the following amount, or so much thereof as is necessary,
28 to be used for the purposes designated:
29 For salaries, support, maintenance, and miscellaneous
30 purposes:
31 ..... $ ~~28,000~~
32 56,000
33 Sec. 20. 2011 Iowa Acts, chapter 127, section 82, is amended
34 to read as follows:
35 SEC. 82. DEPARTMENT OF REVENUE.

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1 1. There is appropriated from the general fund of the state
2 to the department of revenue for the fiscal year beginning July
3 1, 2012, and ending June 30, 2013, the following amounts, or
4 so much thereof as is necessary, to be used for the purposes
5 designated:
6 For salaries, support, maintenance, and miscellaneous
7 purposes, and for not more than the following full-time
8 equivalent positions:
9 ..... $ ~~8,829,742~~
10 17,659,484
11 ..... FTEs ~~303.48~~
12 400.00
13 2. Of the funds appropriated pursuant to this section,
14 $400,000 shall be used to pay the direct costs of compliance
15 related to the collection and distribution of local sales and
16 services taxes imposed pursuant to chapters 423B and 423E.
17 3. The director of revenue shall prepare and issue a state
18 appraisal manual and the revisions to the state appraisal
19 manual as provided in section 421.17, subsection 17, without
20 cost to a city or county.
21 Sec. 21. 2011 Iowa Acts, chapter 127, section 83, is amended
22 to read as follows:
23 SEC. 83. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is
24 appropriated from the motor fuel tax fund created by section
25 452A.77 to the department of revenue for the fiscal year
26 beginning July 1, 2012, and ending June 30, 2013, the following
27 amount, or so much thereof as is necessary, to be used for the
28 purposes designated:
29 For salaries, support, maintenance, miscellaneous purposes,
30 and for administration and enforcement of the provisions of
31 chapter 452A and the motor vehicle use tax program:
32 ..... $ ~~652,888~~
33 1,305,776
34 Sec. 22. 2011 Iowa Acts, chapter 127, section 84, is amended
35 to read as follows:

S.F. _____ H.F. _____

1 SEC. 84. SECRETARY OF STATE.
2 1. There is appropriated from the general fund of the state
3 to the office of the secretary of state for the fiscal year
4 beginning July 1, 2012, and ending June 30, 2013, the following
5 amounts, or so much thereof as is necessary, to be used for the
6 purposes designated:
7 For salaries, support, maintenance, and miscellaneous
8 purposes, and for not more than the following full-time
9 equivalent positions:
10 ..... $ ~~1,447,793~~
11 2,895,585
12 ..... FTEs ~~45.00~~
13 34.00
14 2. The state department or state agency which provides
15 data processing services to support voter registration file
16 maintenance and storage shall provide those services without
17 charge.
18 Sec. 23. 2011 Iowa Acts, chapter 127, section 86, is amended
19 to read as follows:
20 SEC. 86. TREASURER.
21 1. There is appropriated from the general fund of the
22 state to the office of treasurer of state for the fiscal year
23 beginning July 1, 2012, and ending June 30, 2013, the following
24 amount, or so much thereof as is necessary, to be used for the
25 purposes designated:
26 For salaries, support, maintenance, and miscellaneous
27 purposes, and for not more than the following full-time
28 equivalent positions:
29 ..... $ ~~427,145~~
30 854,289
31 ..... FTEs ~~28.80~~
32 29.00
33 2. The office of treasurer of state shall supply clerical
34 and secretarial support for the executive council.
35 Sec. 24. 2011 Iowa Acts, chapter 127, section 87, is amended

S.F. _____ H.F. _____

1 to read as follows:
2 SEC. 87. ROAD USE TAX APPROPRIATION — OFFICE OF TREASURER
3 OF STATE. There is appropriated from the road use tax fund
4 created in section 312.1 to the office of treasurer of state
5 for the fiscal year beginning July 1, 2012, and ending June 30,
6 2013, the following amount, or so much thereof as is necessary,
7 to be used for the purposes designated:
8 For enterprise resource management costs related to the
9 distribution of road use tax funds:
10 ..... $ ~~46,574~~
11 93,148
12 Sec. 25. 2011 Iowa Acts, chapter 127, section 88, is amended
13 to read as follows:
14 SEC. 88. IPERS — GENERAL OFFICE. There is appropriated
15 from the Iowa public employees' retirement system fund to the
16 Iowa public employees' retirement system for the fiscal year
17 beginning July 1, 2012, and ending June 30, 2013, the following
18 amount, or so much thereof as is necessary, to be used for the
19 purposes designated:
20 For salaries, support, maintenance, and other operational
21 purposes to pay the costs of the Iowa public employees'
22 retirement system, and for not more than the following
23 full-time equivalent positions:
24 ..... $ ~~8,843,484~~
25 17,686,968
26 ..... FTEs ~~90.13~~
27 90.00
28 Sec. 26. REPEAL. 2011 Iowa Acts, chapter 127, section 74,
29 is repealed.
30 Sec. 27. EFFECTIVE UPON ENACTMENT. The following
31 provision or provisions of this Act, being deemed of immediate
32 importance, take effect upon enactment:
33 1. The section of this Act amending 2011 Iowa Acts, chapter
34 127, section 9, subsection 2, paragraph c.
35 Sec. 28. RETROACTIVE APPLICABILITY. The following

S.F. _____ H.F. _____

1 provision or provisions of this Act apply retroactively to July
2 1, 2011:
3 1. The section of this Act amending 2011 Iowa Acts, chapter
4 127, section 9, subsection 2, paragraph c.
5 EXPLANATION
6 This bill relates to moneys appropriated to various state
7 departments, agencies, and funds for the fiscal year beginning
8 July 1, 2012, and ending June 30, 2013. The bill relates to
9 appropriations to state departments and agencies including
10 the department of administrative services, auditor of state,
11 Iowa ethics and campaign disclosure board, department of
12 commerce, offices of governor and lieutenant governor, the
13 governor's office of drug control policy, department of human
14 rights, department of inspections and appeals, department
15 of management, department of revenue, secretary of state,
16 treasurer of state, and Iowa public employees' retirement
17 system.

Senate Study Bill 3156 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON VETERANS AFFAIRS BILL BY CHAIRPERSON BEALL)

A BILL FOR

1 An Act permitting the temporary allocation and use of moneys
2 in the veterans trust fund for cemetery grant development
3 purposes.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6060SC (1) 84
aw/sc

S.F. _____

1 Section 1. Section 35A.13, subsection 3, Code Supplement
2 2011, is amended to read as follows:
3 3. Moneys credited to the trust fund shall not be
4 transferred, used, obligated, appropriated, or otherwise
5 encumbered, except as provided in this section. Moneys in the
6 trust fund may be used for cash flow purposes during a fiscal
7 year provided that any moneys so allocated are returned to the
8 trust fund by the end of that fiscal year. Moneys in the trust
9 fund may also be used for cemetery grant development purposes
10 during a fiscal year provided that any moneys so allocated
11 are returned to the trust fund upon receipt of federal funds
12 received for such purposes.
13 EXPLANATION
14 This bill permits the commission of veterans affairs
15 to allocate and use moneys in the veterans trust fund for
16 cemetery grant development purposes, provided that such moneys
17 eventually be returned to the trust fund upon receipt of
18 federal funds received for such cemetery development purposes.

Senate Study Bill 3157 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON BEALL)

A BILL FOR

1 An Act requiring that a veteran be seriously injured or very
2 seriously injured in order to be eligible to receive a grant
3 under the injured veterans grant program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6058SC (2) 84
aw/nh

S.F. _____

1 Section 1. Section 35A.14, subsection 4, Code Supplement
2 2011, is amended to read as follows:
3 4. Moneys appropriated to or received by the department for
4 providing injured veterans grants under this section may be
5 expended for grants of up to ten thousand dollars to a veteran
6 who is seriously injured ~~veteran~~ or very seriously injured, as
7 defined in the most recently published United States department
8 of defense joint publication 1-02, to provide financial
9 assistance to the veteran so that family members of the veteran
10 may be with the veteran during the veteran's recovery from an
11 injury received in the line of duty in a combat zone or in a
12 zone where the veteran was receiving hazardous duty pay after
13 September 11, 2001.
14 EXPLANATION
15 This bill requires that a veteran be seriously injured
16 or very seriously injured in order to be eligible to receive
17 a grant under the injured veterans grant program. The bill
18 provides that the terms "seriously injured" and "very seriously
19 injured" shall be as defined in the most recently published
20 United States department of defense joint publication 1-02.
21 The United States department of defense joint publication
22 1-02, as published on January 15, 2012, defines "seriously
23 injured" as the casualty status of a person whose injury is
24 classified by medical authority to be of such severity that
25 there is cause for immediate concern, but there is not imminent
26 danger to life. The joint publication defines "very seriously
27 injured" as the casualty status of a person whose injury is
28 classified by medical authority to be of such severity that
29 life is imminently endangered.

Senate Study Bill 3158 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act relating to boiler inspections.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5599SC (3) 84
je/sc

S.F. _____

1 Section 1. Section 89.3, subsection 5, paragraph a,
2 subparagraph (4), Code Supplement 2011, is amended to read as
3 follows:
4 (4) Either of the following:
5 (a) The owner or user is a participant in good standing in
6 the Iowa occupational safety and health voluntary protection
7 program and has achieved star status within the program, which
8 is administered by the division of labor in the department of
9 workforce development.
10 (b) The object is part of or integral to the continuous
11 operation of a process covered by the occupational safety
12 and health administration process safety management standard
13 contained in 29 C.F.R. § 1910.119, and the object is included
14 as process safety management process equipment in the owner of
15 the object's process safety management program.
16 EXPLANATION
17 This bill modifies the criteria for boilers or pressure
18 vessels which must be inspected by the labor commissioner or
19 a designee at least once each year externally while under
20 pressure and at least once every four years internally while
21 not under pressure, unless the commissioner determines an
22 earlier inspection is warranted.
23 One of the criteria is that the owner or user is a
24 participant in good standing in the Iowa occupational safety
25 and health voluntary protection program administered by the
26 division of labor in the department of workforce development
27 and has achieved star status within the program. The bill
28 provides an alternative to that criterion, which is that
29 the boiler or pressure vessel is part of or integral to the
30 continuous operation of a process covered by the federal
31 occupational safety and health administration's process
32 safety management standard contained in 29 C.F.R. § 1910.119,
33 and the object is included as process safety management
34 process equipment in the owner of the object's process safety
35 management program.

Senate Study Bill 3159 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act requiring a commercial breeder of dogs and cats to file
2 evidence of financial responsibility with the department
3 of agriculture and land stewardship, and making penalties
4 applicable.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5668XC (3) 84
da/nh

S.F. _____

1 Section 1. Section 162.2, subsection 8, Code 2011, is
2 amended to read as follows:
3 8. *a.* *"Commercial breeder"* means a person, engaged in the
4 business of breeding dogs or cats, who sells, exchanges, or
5 leases dogs or cats in return for consideration, or who offers
6 to do so, whether or not the ~~animals~~ dogs or cats are raised,
7 trained, groomed, or boarded by the person. A person who owns
8 or harbors three or fewer breeding ~~males~~ dogs or ~~females~~ cats
9 is not a commercial breeder. However, a person who breeds
10 any number of breeding male or female greyhounds for the
11 purposes of using them for pari-mutuel wagering at a racetrack
12 as provided in chapter 99D shall be considered a commercial
13 breeder irrespective of whether the person sells, leases, or
14 exchanges the greyhounds for consideration or offers to do so.
15 *b.* A dog or cat used for breeding includes either a female
16 or male.
17 Sec. 2. Section 162.2, Code 2011, is amended by adding the
18 following new subsections:
19 NEW SUBSECTION. 15A. *"Financial institution"* means
20 a state bank as defined in section 524.103, a state bank
21 chartered under the laws of any other state, a national
22 banking association, a federally chartered savings and loan
23 association, an out-of-state state chartered savings bank, a
24 financial institution chartered by the federal home loan bank
25 board, a non-Iowa chartered savings and loan association, or
26 an association incorporated or authorized to do business under
27 chapter 534.
28 NEW SUBSECTION. 15B. *"Government entity"* means the
29 federal government, including the United States department of
30 agriculture; the state, including the department; or a local
31 government, including a city as defined in section 362.2 or a
32 county as provided in chapter 331.
33 Sec. 3. NEW SECTION. **162.8A Commercial breeder — evidence**
34 **of financial responsibility.**
35 A person applying for the issuance of an authorization as a

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1 commercial breeder as provided in section 162.8 shall provide
2 the department with evidence of financial responsibility
3 as required in this section. The evidence of financial
4 responsibility shall be provided to the department before the
5 authorization is issued.
6 1. *a.* The evidence of financial responsibility shall
7 consist of a surety bond furnished by a surety authorized to
8 do business in this state or an irrevocable letter of credit
9 issued by a financial institution.
10 *b.* The evidence of financial responsibility shall be
11 continuous in nature. The surety shall provide at least ninety
12 days' notice in writing to the person and the department
13 indicating the surety's intent to cancel the surety bond and
14 the effective date of the cancellation. The person shall have
15 sixty days from the date of receipt of the surety's notice of
16 cancellation to file a replacement.
17 2. The amount of the evidence of financial responsibility
18 shall be based on information included in the application as
19 certified by the person seeking to obtain the authorization.
20 *a.* The amount shall be based on the number of breeding dogs
21 and breeding cats owned by the person, calculated as follows:
22 (1) For a person who does not currently hold an
23 authorization as a commercial breeder, the calculation shall
24 be based on the greatest number of breeding dogs or breeding
25 cats owned by the person at any one time in the previous twelve
26 months or the greatest number of breeding dogs or breeding cats
27 that the person expects to own at any one time during the term
28 of the authorization, whichever is more.
29 (2) For a person who currently holds an authorization as
30 a commercial breeder, the calculation shall be based on the
31 greatest number of breeding dogs or breeding cats that the
32 person owned at any point during the term of the authorization.
33 *b.* Based on the calculation provided in paragraph *"a"*, the
34 amount of the evidence of financial responsibility shall be as
35 follows:

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1 (1) For owning twenty or more but not more than fifty
2 breeding dogs or breeding cats, ten thousand dollars.
3 (2) For owning more than fifty but not more than one hundred
4 breeding dogs or breeding cats, twenty thousand dollars.
5 (3) For owning more than one hundred but not more than two
6 hundred fifty breeding dogs or breeding cats, forty thousand
7 dollars.
8 (4) For owning more than two hundred fifty breeding dogs or
9 breeding cats, one hundred thousand dollars.
10 *c.* For purposes of paragraphs *"a"* and *"b"*, a person is
11 deemed to own a breeding dog or breeding cat even if the person
12 does not hold title to the breeding dog or breeding cat so long
13 as the person otherwise possesses or controls the breeding dog
14 or breeding cat.
15 3. The evidence of financial responsibility shall be
16 conditioned upon the person's compliance with the provisions
17 of this chapter applicable to commercial breeders operating
18 pursuant to an authorization, during the term of the
19 authorization.
20 4. The surety's or issuer's liability extends to any
21 person who serves as the custodian of the dog or cat for all
22 actual and necessary expenses incurred by providing for care
23 or disposition of a breeding dog or breeding cat obtained as
24 provided in this subsection.
25 *a.* The custodian incurring the expense must have obtained
26 the dog as a direct result of an enforcement action taken
27 by a government entity against the person, or a criminal or
28 civil action in which a government entity is a party. The
29 enforcement action must be brought under any of the following:
30 (1) The federal Animal Welfare Act, 7 U.S.C. § 2131 et seq.
31 (2) This chapter or chapter 717B, including section 717B.4
32 or section 717B.5.
33 *b.* A person authorized as a commercial breeder may
34 relinquish the breeding dog or breeding cat to a government
35 entity or a custodian designated or approved by the government

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1 entity. The government entity may seize the breeding dog or
2 breeding cat pursuant to an enforcement action or court order
3 as provided by federal or state law.
4 *c.* The actual or necessary expenses incurred by a custodian
5 designated or approved to provide for the care or disposition
6 of the breeding dog or breeding cat as provided in this
7 subsection include all of the following:
8 (1) Maintenance, including but not limited to providing
9 veterinary examinations or treatment, sterilization,
10 transportation, housing, and sustenance.
11 (2) Disposition, including transfer of title to another
12 person or humane destruction in the same manner as provided in
13 section 162.13.
14 *d.* Any private or public entity other than the state
15 government or the United States government may be a custodian.
16 A local government may be a custodian.
17 5. A custodian may bring a legal action in order to be
18 indemnified for all actual and necessary expenses incurred when
19 the custodian provides for the care and disposition of the dog
20 or cat as provided in subsection 4.
21 *a.* The legal action may be taken against the surety on the
22 bond or issuer of the irrevocable letter of credit in district
23 court. The custodian may also be awarded court costs and
24 reasonable attorney fees, which shall be taxed as part of the
25 costs of the legal action.
26 *b.* The surety or issuer shall not be liable to pay for the
27 amount received by the custodian as a result of an order to pay
28 for dispositional expenses as provided in section 717B.4.
29 *c.* The aggregate liability of the surety or issuer shall not
30 exceed the amount of the evidence of financial responsibility.
31 6. *a.* The department shall adopt rules as required
32 to administer this section, including but not limited to
33 rules providing for qualifications for a surety or financial
34 institution, procedures for filing evidence of financial
35 responsibility, including replacement bonds or letters of

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1 credit, requirements for the cancellation of the evidence of
2 financial responsibility, and the liability of a surety or
3 issuer after cancellation.
4 *b.* The form and submission of the evidence of financial
5 responsibility shall be prescribed by the department.
6 Sec. 4. Section 162.12, Code 2011, is amended to read as
7 follows:
8 **162.12 Denial or revocation of license or registration.**
9 1. ~~A certificate of registration may be denied~~ The
10 department may deny an application for the issuance of an
11 authorization to ~~any animal shelter, pound, or research~~
12 ~~facility and a state license may be denied to any public~~
13 ~~auction, boarding kennel, commercial kennel, pet shop,~~
14 ~~commercial breeder, or dealer, or an existing certificate of~~
15 ~~registration or state license~~ a commercial establishment and
16 the department may ~~be revoked by the secretary if, after public~~
17 ~~hearing, it is determined~~ suspend or revoke an authorization
18 issued to a commercial establishment if the department
19 determines that the housing facilities or primary enclosures
20 are inadequate under this chapter or if the feeding, watering,
21 cleaning, and housing practices ~~at the pound, animal shelter,~~
22 ~~public auction, pet shop, boarding kennel, commercial kennel,~~
23 ~~research facility, or those practices by the commercial breeder~~
24 ~~or dealer,~~ employed by the commercial establishment are not in
25 compliance with this chapter or with the rules adopted pursuant
26 to this chapter. The premises of each registrant or state
27 licensee shall be open for inspection during normal business
28 hours.
29 2. The department shall deny an application for the issuance
30 of an authorization to operate as a commercial breeder and
31 shall revoke an authorization issued to a person operating as a
32 commercial breeder, if the person fails to comply with evidence
33 of financial responsibility requirements as provided in section
34 162.8A.
35 Sec. 5. Section 717B.1, Code 2011, is amended by adding the

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1 following new subsection:
2 NEW SUBSECTION. 3A. *"Department"* means the department of
3 agriculture and land stewardship.
4 Sec. 6. Section 717B.4, subsection 2, Code 2011, is amended
5 to read as follows:
6 2. The hearing to determine if the animal is a threatened
7 animal for purposes of disposition shall be a civil proceeding.
8 The hearing may be part of a hearing to determine the liability
9 of a surety who issued a surety bond or a financial institution
10 who issued an irrevocable letter of credit pursuant to
11 section 162.8A. ~~If~~ However, if the case is related to a
12 criminal proceeding, the disposition shall not be part of that
13 proceeding and shall not be considered a criminal penalty
14 imposed on a person found in violation of this chapter.
15 Sec. 7. Section 717B.4, subsection 3, Code 2011, is amended
16 by adding the following new paragraph:
17 NEW PARAGRAPH. *0c.* A local authority shall be
18 indemnified under this section prior to bringing a claim for
19 indemnification on a surety bond or irrevocable letter of
20 credit submitted to the department as evidence of financial
21 responsibility pursuant to section 162.8A.
22 EXPLANATION
23 GENERAL. Commercial breeders of dogs or cats are required
24 to obtain a state license, or alternatively a permit if
25 federally licensed, from the department of agriculture and land
26 stewardship (Code section 162.2A). A license or permit is
27 generally referred to as an authorization.
28 EVIDENCE OF FINANCIAL RESPONSIBILITY —— APPLICATION AS
29 A COMMERCIAL BREEDER. This bill requires that a person
30 who applies for an authorization to operate as a commercial
31 breeder (either issuance or renewal of a license or permit)
32 must provide the department with evidence of financial
33 responsibility in the form of a surety bond or irrevocable
34 letter of credit issued by a financial institution (e.g., a
35 bank).

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1 FINANCIAL CONDITIONS ASSOCIATED WITH MAINTAINING AN
2 AUTHORIZATION. The bill requires a commercial breeder to
3 maintain the evidence of financial responsibility, including
4 by replacing any evidence that is canceled by the surety or
5 issuer. The amount of the evidence is based on the greatest
6 number of breeding dogs or cats owned or controlled by the
7 person at any one time during the past 12 months, ranging from
8 $10,000 to $100,000.
9 USE OF THE EVIDENCE OF FINANCIAL RESPONSIBILITY —
10 CUSTODIANS. The evidence is used when the commercial breeder
11 transfers custody of the animal to another person designated
12 as the animal's custodian. The purpose of the evidence of
13 financial responsibility is to reimburse the custodian for
14 the actual and necessary expenses incurred when providing for
15 the care and disposition of the dog or cat as a result of a
16 federal or state enforcement action. A custodian entitled
17 to be reimbursed for expenses includes any private or public
18 entity other than the state government or the United States
19 government.
20 DISPOSITIONAL PROCEEDINGS INVOLVING THREATENED ANIMALS.
21 The bill provides for cases in which there is a dispositional
22 proceeding in which a local government and the owner are
23 parties to determine the disposition of a threatened dog or cat
24 subject to alleged neglect or abuse (Code section 717B.5). The
25 dispositional proceeding may be joined with the proceeding to
26 determine the liability of the surety or issuer of irrevocable
27 letter of credit. In any case, the owner who is a party in a
28 dispositional proceeding is required to pay for the disposition
29 of the dog or cat prior to the surety or issuer.
30 DISCIPLINARY ACTION. The department is required to revoke
31 an authorization issued to a person operating as a commercial
32 breeder for failing to comply with financial responsibility
33 requirements.
34 CIVIL PENALTIES. A person who fails to maintain evidence
35 of financial responsibility is subject to a civil penalty as

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1 determined by the department, not to exceed $500, with each day
2 that a violation continues constituting a separate offense.

Senate Study Bill 3160 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON MCCOY)

A BILL FOR

1 An Act relating to security interests in farm products,
2 providing for fees and their expenditure, and including
3 contingent applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5583XC (5) 84
da/rj

S.F. _____

1 Section 1. Section 554.9102, subsection 4, Code 2011, is
2 amended by striking the subsection.
3 Sec. 2. Section 554.9302, Code 2011, is amended to read as
4 follows:
5 **554.9302 Law governing perfection and priority of**
6 **agricultural liens.**
7 1. While farm products are located in a jurisdiction,
8 the local law of that jurisdiction governs perfection, the
9 effect of perfection or nonperfection, and the priority of an
10 agricultural lien on the farm products.
11 2. Subsection 1 does not apply to buyers of farm products as
12 provided in chapter 554E.
13 Sec. 3. NEW SECTION. **554E.1 Definitions.**
14 As used in this chapter, unless the context otherwise
15 requires:
16 1. *"Buyer"* means a person who, in the ordinary course of
17 business, buys farm products from a person engaged in farming
18 operations who is in the business of selling farm products. A
19 buyer includes a commission merchant and selling agent.
20 2. *"Central filing system"* means a system for filing
21 effective financing statements, and statements amending,
22 continuing, or terminating effective financing statements as
23 provided in section 554E.4.
24 3. *"Commission merchant"* means a person engaged in the
25 business of receiving any farm product for sale, on commission,
26 or for or on behalf of another person.
27 4. *"Crop year"* means the calendar year in which a crop is or
28 will be harvested, animals are born or acquired, or poultry or
29 eggs are or will be sold.
30 5. *"Effective financing statement"* means a financing
31 statement required to be filed as part of the central filing
32 system as provided in section 554E.6.
33 6. *"Knows"* means having actual knowledge. *"Knowledge"* means
34 actual knowledge.
35 7. *"Secretary"* means the secretary of state.

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1 8. *"Security interest"* means an interest in farm products
2 that secures payment or performance of an obligation in the
3 same manner as provided in chapter 554.
4 9. *"Selling agent"* means a person, other than a commission
5 merchant, who is engaged in the business of negotiating the
6 sale and purchase of a farm product on behalf of a person
7 engaged in farming operations.
8 10. *"Signature"* means to sign, execute, or otherwise adopt a
9 symbol, or encrypt or similarly process a record in whole or in
10 part, with the present intent of authenticating for purposes of
11 identifying the person and adopting or accepting a record.
12 Sec. 4. NEW SECTION. **554E.2 Special definitions.**
13 To every extent consistent with the application of federal
14 law, unless the context otherwise requires:
15 1. *"Agricultural lien"* means the same as defined in section
16 554.9102.
17 2. *"Debtor"* means a debtor as defined in section 554.9102
18 who has an interest other than a security interest or lien in a
19 farm product, or any other person who owns a farm product and
20 subjects it to a security interest whether or not that person
21 owes a debt to the secured party.
22 3. *"Farm products"* means the same as defined in section
23 554.9102.
24 4. *"Farming operation"* means the same as defined in section
25 554.9102.
26 5. *"Secured party"* means a secured party as defined in
27 section 554.9102 in whose favor a security interest in farm
28 products is created.
29 6. *"Security interest"* means an interest in farm products
30 that secures payment or performance of an obligation in the
31 same manner as provided in chapter 554.
32 Sec. 5. NEW SECTION. **554E.3 Uniform commercial code.**
33 This chapter shall be interpreted in conjunction with
34 chapter 554, and terms and phrases used in this chapter shall,
35 to every extent practicable, be interpreted consistently with

S.F. _____

1 chapter 554, article 9.
2 Sec. 6. NEW SECTION. **554E.4 Central filing system —**
3 **establishment and certification.**
4 The secretary of state shall establish and administer a
5 central filing system for filing effective financing statements
6 or statements amending, continuing, or terminating effective
7 financing statements on a statewide basis.
8 1. The central filing system shall provide for the
9 electronic filing and examining of effective financing
10 statements, or statements amending, continuing, or terminating
11 effective financing statements.
12 2. The central filing system shall be designed to allow
13 persons to file and examine these documents using the internet.
14 The secretary may provide for the filing and examining of the
15 documents in a paper format.
16 3. The central financing system must comply with the
17 requirements set forth in 7 U.S.C. § 1631 which has been
18 certified by the United States secretary of agriculture prior
19 to implementation.
20 Sec. 7. NEW SECTION. **554E.5 Effective financing statements**
21 **— filing requirements.**
22 The secretary of state shall provide for filing effective
23 financing statements, and statements amending, continuing, or
24 terminating effective financing statements, as provided in this
25 section. The secretary shall prescribe all forms to be used
26 for filing. Presentation for filing of a statement and the
27 acceptance of the statement by the secretary constitutes filing
28 under this section.
29 1. An effective financing statement shall be valid if it
30 substantially complies with the requirements of this section
31 even though it contains minor errors that are not seriously
32 misleading.
33 2. An effective financing statement must be an original or
34 reproduced copy which is signed by the secured party and the
35 debtor. If filed electronically, the debtor is not required to

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1 sign the effective financing statement. The statement must be
2 filed with the secretary by the secured party. The secretary
3 shall record the date and hour of the filing of the effective
4 financing statement. The statement must contain information
5 that the secretary requires to comply with 7 U.S.C. § 1631 or
6 to administer this section.
7 3. An effective financing statement must contain all of the
8 following:
9 *a.* The name and address of the secured party.
10 *b.* The name and address of the debtor.
11 *c.* The social security number of the debtor or, in the case
12 of a debtor doing business other than as an individual, the
13 internal revenue service taxpayer identification number of the
14 debtor.
15 *d.* A description of the farm products subject to the
16 security interest, the county in Iowa where the farm products
17 are produced or will be produced, the crop year unless
18 every crop of the farm product in question for the duration
19 of the effective financing statement is to be subject to
20 the particular security interest, further details of the
21 farm product subject to the security interest if needed to
22 distinguish it from other quantities of the farm product owned
23 by the same person or persons but not subject to the particular
24 security interest, and other information that the secretary
25 requires to administer this section. The effective financing
26 statement may cover more than one farm product located in more
27 than one county.
28 4. A continuation statement shall be signed by the secured
29 party, identify the original effective financing statement by
30 file number, and state that the original financing statement
31 is still effective.
32 Sec. 8. NEW SECTION. **554E.6 Effective financing statements**
33 **— effectiveness.**
34 The following shall apply to an effective financing
35 statement:

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1 1. The effective financing statement shall remain effective
2 for a period of five years from the date of filing, subject to
3 extensions for additional periods of five years each by filing
4 or refiling a continuation statement within six months before
5 the expiration of the five-year period.
6 2. Upon timely filing of a continuation statement, the
7 effectiveness of the original financing statement shall be
8 continued for five years after the last date to which the prior
9 filing was effective, whereupon it shall lapse unless another
10 continuation statement is filed prior to the lapse. Succeeding
11 continuation statements may be filed in the same manner to
12 continue the effectiveness of the original effective financing
13 statement.
14 3. The effective financing statement shall be amended in
15 writing to reflect a material change within three months of the
16 material change. The amendment shall be signed and filed as
17 required for an original effective financing statement.
18 4. The effective financing statement lapses upon the
19 expiration of the effective period of the effective financing
20 statement or is terminated upon the filing of a statement
21 signed by the secured party that the effective financing
22 statement is terminated.
23 *a.* If the effective financing statement has not lapsed or is
24 not terminated and there are no outstanding secured obligation
25 and no commitment to make advances, incur obligations, or
26 otherwise give value, the debtor may notify the secured party
27 in writing to terminate the effective financing statement.
28 *b.* Until the debtor instructs the secured party in writing
29 to terminate the effective financing statement, the secured
30 party has no obligation to terminate the effective financing
31 statement.
32 *c.* Within thirty days after receipt by the secured party
33 of the statement from the debtor to terminate the effective
34 financing statement, the secured party shall file with the
35 secretary a termination statement with respect to the effective

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1 financing statement.
2 Sec. 9. NEW SECTION. **554E.7 Master list — organization and**
3 **contents.**
4 The secretary shall compile the effective financing
5 statements into a master list subject to all of the following:
6 1. The master list shall be organized according to farm
7 products. The master list shall contain information required
8 to be contained in effective financing statements filed with
9 the secretary. The secretary shall arrange the master list for
10 each farm product as follows:
11 *a.* In alphabetical order according to the last name of the
12 individual debtors or, in the case of debtors doing business
13 other than as individuals, the first word in the name of such
14 debtors.
15 *b.* In numerical order according to the social security
16 numbers of the individual debtors or, in the case of debtors
17 doing business other than as individuals, the internal revenue
18 service taxpayer identification numbers of the debtors.
19 *c.* Geographically by county.
20 *d.* By crop year.
21 2. The master list shall include information regarding
22 buyers who register with the secretary on forms prescribed by
23 the secretary as provided in this section.
24 3. The secretary shall maintain a list of all buyers of farm
25 products who register with the secretary. A buyer registering
26 with the secretary shall complete forms requiring all of the
27 following information, as prescribed by the secretary:
28 *a.* The name and address of the buyer.
29 *b.* The interest of the buyer in receiving the list.
30 *c.* The farm products in which the buyer has an interest.
31 Sec. 10. NEW SECTION. **554E.8 Master list — distribution**
32 **and inquiries.**
33 1. The secretary shall distribute to each registered buyer a
34 copy in written, printed, or electronic form of those portions
35 of the master list relating to farm products in which the buyer

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1 has registered an interest. The secretary may provide for the
2 distribution of the master list or portions of the list on any
3 other medium requested by a registered buyer. If a registered
4 buyer so requests, the information provided to the buyer may be
5 limited to a county or group of counties where the farm product
6 is produced or to a crop year or crop years or to a combination
7 of those identifiers.
8 2. Distribution is subject to all of the following:
9 *a.* The distribution shall be by first class or electronic
10 mail.
11 *b.* The secretary shall, by rule, establish the dates upon
12 which the quarterly distributions will be made, the dates after
13 which a filing of an effective financing statement will not be
14 reflected on the next quarterly distribution of lists, and the
15 dates by which a buyer must complete a registration to receive
16 the next quarterly list.
17 3. The secretary shall remove information pertaining to
18 lapsed and terminated effective financing statements from the
19 master list prior to preparation of the lists required to be
20 distributed.
21 4. Upon written notice to the secretary by a registered
22 buyer requesting termination of the distribution of the
23 list to the registered buyer, the secretary shall terminate
24 distribution of the list to the registered buyer.
25 5. Oral and written inquiries by a buyer not registered
26 pursuant to section 554E.7 may be made to the secretary during
27 hours determined by the secretary.
28 *a.* The secretary may provide for a computerized system
29 for inquiry and confirmation which may be used in lieu of the
30 inquiry and confirmation system otherwise provided for in this
31 section.
32 *b.* Written confirmation of the information provided orally
33 in response to the inquiry shall be delivered by first class
34 mail or electronic mail to the buyer, at an address provided
35 by the buyer, by the secretary not later than the second

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1 regular business day following the day on which the inquiry was
2 received.
3 6. In order to verify the existence or nonexistence of a
4 security interest, a buyer may request a seller to disclose the
5 seller's social security number or, in the case of a seller
6 doing business other than as an individual, the internal
7 revenue service taxpayer identification number of the seller.
8 Sec. 11. NEW SECTION. **554E.9 Perfection — creation of**
9 **superior interests.**
10 1. The following shall apply:
11 *a.* A buyer who is engaged in farming operations and who
12 buys farm products from a seller who is also engaged in farming
13 operations shall take free of a security interest created by
14 the seller, even though the security interest is perfected and
15 the buyer knows of the existence of the security interest.
16 *b.* Except as provided in this section, a buyer who is
17 not engaged in farming operations and who buys farm products
18 from a seller engaged in farming operations shall take free
19 of a security interest created by the seller, even though the
20 security interest is perfected and the buyer knows of the
21 existence of the security interest.
22 2. As of the date the secretary establishes an electronic
23 central filing system as provided in section 554E.4, the
24 following shall apply:
25 *a.* If the buyer fails to register with the secretary prior
26 to the purchase of farm products, the buyer takes subject
27 to a security interest in the farm products only if the
28 secured party has filed an effective financing statement that
29 covers the farm products being sold, and the buyer could have
30 discovered the existence of the effective financing statement
31 prior to the purchase by accessing the database containing
32 effective financing statements filed electronically with the
33 secretary.
34 *b.* If the buyer registers with the secretary prior to the
35 purchase of the farm products, the buyer takes subject to a

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1 security interest in the farm products only if the secured
2 party has filed an effective financing statement that covers
3 the farm products being sold, and the buyer does not secure a
4 waiver or release of the security interest as specified in the
5 effective financing statement.
6 Sec. 12. NEW SECTION. **554E.10 Fees.**
7 The secretary shall establish fees for initially filing
8 effective financing statements, or a statement amending,
9 continuing, or terminating an effective financing statement.
10 The fees shall not be more than provided for filing financing
11 statements as provided in section 554.9525. Notwithstanding
12 section 22.3, the secretary may charge a buyer a fee for
13 registering to receive a master list or for receiving responses
14 to inquiries which are accessed in a printed format. The
15 secretary shall not charge a buyer a fee for registering to
16 receive a master list or for responding to buyer inquiries,
17 including by examining or printing effective financing
18 statements, and statements amending, continuing, or terminating
19 effective financing statements which are accessed in an
20 electronic format. All moneys received by the secretary under
21 this section shall be handled in the same manner as repayment
22 receipts as defined in section 8.2, and shall be used by the
23 secretary exclusively for the administration of this chapter.
24 Sec. 13. DIRECTIONS TO THE SECRETARY OF STATE.
25 Notwithstanding the date that all provisions of this Act
26 become applicable, the secretary of state shall adopt rules
27 necessary to implement this Act. If necessary to obtain
28 federal certification of the central filing system, additional
29 or alternative requirements made in conformity with 7 U.S.C. §
30 1631 may be imposed by the secretary of state by rule.
31 Sec. 14. CONTINGENT APPLICABILITY. The applicability
32 of the requirements of this Act are contingent upon federal
33 certification of a central filing system as provided in
34 this Act pursuant to 7 U.S.C. § 1631. The provisions of
35 this Act shall apply three months after the date of such

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1 certification. The secretary of state shall provide notice
2 of the applicability date in the Iowa administrative bulletin
3 in three consecutive issues prior to the applicability date.
4 Until that date, persons shall take subject to or free of a
5 security interest in the same manner and according to the same
6 procedures applicable immediately prior to the applicability
7 date.
8 EXPLANATION
9 This bill creates a centralized, statewide filing system
10 for security interests in farm products. The system is
11 administered by the secretary of state, who must provide
12 for filing effective financing statements on a statewide
13 basis. The secretary of state must produce a master list
14 of information required to be contained in the effective
15 financing statements. The bill provides requirements for the
16 contents and duration of an effective financing statement.
17 The bill provides for the distribution of information by the
18 secretary of state regarding effective financing statements
19 to interested persons by sending the information to buyers
20 registered with the secretary of state. The bill provides that
21 the secretary of state must establish an electronic system for
22 filing and accessing effective financing statements and related
23 statements.
24 The bill authorizes the secretary of state to establish
25 fees for filing effective financing statements. The bill
26 authorizes the secretary of state to establish fees for
27 distributing printed versions of the master list and responding
28 to inquiries.
29 The bill provides special contingency and applicability
30 provisions. The secretary of state is required to establish
31 the centralized filing system and obtain federal certification.
32 Once the system is certified, the bill's provisions become
33 applicable three months after that date. Until that date the
34 current version of the direct notice procedures will continue
35 to apply.