



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
February 23, 2012

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House File 2330

H-8029

- 1 Amend House File 2330 as follows:  
2 1. Page 1, after line 16 by inserting:  
3 <Sec. \_\_\_\_\_. Section 321.194, subsection 1, Code  
4 Supplement 2011, is amended by adding the following new  
5 paragraph:  
6 NEW PARAGRAPH. *Ob.* Unless accompanied in  
7 accordance with section 321.180B, subsection 1, a  
8 person issued a driver's license under this section  
9 shall not operate a motor vehicle transporting  
10 unrelated minor passengers. For purposes of this  
11 section, "*unrelated minor passenger*" means a passenger  
12 who is under twenty-one years of age and is not a  
13 sibling or stepsibling of the licensee who resides in  
14 the same household as the licensee.>  
15 2. Title page, by striking lines 1 through 3 and  
16 inserting <An Act relating to driving restrictions  
17 for a person with a special minor's driver's license  
18 to drive to and from school and school-related  
19 activities.>  
20 3. By renumbering as necessary.

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HEATON of Henry



Iowa General Assembly  
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House File 2361

H-8030

- 1 Amend House File 2361 as follows:
- 2 1. Page 3, by striking lines 21 through 27.

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WINDSCHITL of Harrison



Iowa General Assembly  
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House File 2355 - Introduced

HOUSE FILE 2355  
BY KELLEY

A BILL FOR

- 1 An Act providing for the conducting of a wireless communication
- 2 mapping survey.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5715YH (5) 84  
rn/sc



**Iowa General Assembly**  
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H.F. 2355

1 Section 1. WIRELESS COMMUNICATION MAPPING SURVEY. The  
 2 economic development authority, with the assistance of the  
 3 utilities board of the utilities division of the department  
 4 of commerce, shall conduct a wireless communication mapping  
 5 survey. For purposes of this section, "wireless communication"  
 6 means communication pursuant to a mobile or cellular telephone  
 7 apparatus or device. The objectives of the survey shall be  
 8 to identify on a statewide basis areas of current wireless  
 9 communication service coverage and to ascertain areas  
 10 throughout the state where wireless communication service is  
 11 either nonexistent or where signal strength and reliability  
 12 is inconsistent or subject to interruption. Based upon  
 13 the results of the survey, the authority shall develop  
 14 recommendations for expanding and improving coverage in those  
 15 areas identified as requiring such expansion and improvement.  
 16 In conducting the survey and developing recommendations,  
 17 the authority and the board shall enlist the assistance of  
 18 telecommunications service providers of varying sizes and  
 19 with varying numbers of customers currently operating within  
 20 this state. The authority shall submit a report to the  
 21 general assembly regarding the results of the survey and  
 22 recommendations by January 1, 2013.

23 EXPLANATION

24 This bill directs the economic development authority,  
 25 with the assistance of the Iowa utilities board, to conduct  
 26 a wireless communication mapping survey. The bill defines  
 27 "wireless communication" to refer to a mobile or cellular  
 28 telephone apparatus or device. The bill states that the  
 29 objectives of the survey are to identify on a statewide basis  
 30 areas of current wireless communication service coverage  
 31 and to ascertain areas throughout the state where wireless  
 32 communication service is either nonexistent or where signal  
 33 strength and reliability is inconsistent or subject to  
 34 interruption. Based upon the results of the survey, the bill  
 35 requires the authority to develop recommendations to expand

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1 and improve coverage in those areas identified as requiring  
2 it. The bill provides that the survey and recommendations  
3 shall be conducted and developed with the assistance of  
4 telecommunications service providers of varying sizes and with  
5 varying numbers of customers currently operating in Iowa. The  
6 bill provides that the authority shall submit a report to  
7 the general assembly regarding the results of the survey and  
8 legislative recommendations by January 1, 2013.



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House File 2356 - Introduced

HOUSE FILE 2356  
BY WESSEL-KROESCHELL, BYRNES,  
and HEDDENS

A BILL FOR

- 1 An Act relating to postsecondary student financial assistance
- 2 and graduation rates.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5931HH (4) 84  
kh/nh



Iowa General Assembly  
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H.F. 2356

1 Section 1. NEW SECTION. 261.115 Public service loan  
2 repayment program.  
3 1. A public service loan repayment program is established to  
4 be administered by the commission.  
5 2. An individual is eligible for the program if the  
6 individual is a resident of Iowa and is employed full-time by  
7 a public service organization located in Iowa. For purposes  
8 of this section, "public service organization" includes a state  
9 agency, an institution of higher education governed by the  
10 state board of regents, an area education agency, a school  
11 district, a public child or family service agency, a nonprofit  
12 organization that is exempt from taxation under section  
13 501(a) of the Internal Revenue Code, or a private organization  
14 that is a not-for-profit business, a labor union, a partisan  
15 political organization, or an organization engaged in religious  
16 activities that provides any of the following secular services:  
17 a. Emergency management.  
18 b. Military service.  
19 c. Public safety.  
20 d. Law enforcement.  
21 e. Public interest law services.  
22 f. Early childhood education.  
23 g. Public service for individuals with disabilities and the  
24 elderly.  
25 h. Public health.  
26 i. Public education.  
27 j. Public library services.  
28 k. School library or other school-based services.  
29 3. Each applicant for loan repayment shall submit  
30 information requested by the commission in the manner required  
31 by the commission, including but not limited to an affidavit of  
32 employment verifying that the applicant meets the requirements  
33 of subsection 2.  
34 4. The annual amount of loan repayment shall not exceed  
35 twenty percent of the individual's total federally guaranteed

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1 Stafford loan amount under the federal family education loan  
2 program or the federal direct loan program, including principal  
3 and interest, whichever amount is less. The total amount of  
4 loan repayment to an individual pursuant to this subsection  
5 shall not exceed fifty thousand dollars. An individual shall  
6 be eligible to apply for the loan repayment program for not  
7 more than five years, but the individual has ten years to  
8 complete the employment requirements.

9 5. A public service loan repayment fund is created in the  
10 state treasury as a separate fund under the control of the  
11 commission. The fund shall consist of any moneys appropriated  
12 by the general assembly and any other moneys available to  
13 and obtained or accepted by the commission from the federal  
14 government or private sources for placement in the fund.  
15 Notwithstanding section 8.33, moneys deposited in the fund  
16 shall not revert to any fund of the state at the end of any  
17 fiscal year but shall remain in the fund and be continuously  
18 available for purposes of this section. Notwithstanding  
19 section 12C.7, subsection 2, interest or earnings on moneys  
20 deposited in the fund shall be credited to the fund.

21 6. The commission shall submit by January 1 annually  
22 a report to the general assembly listing the number of  
23 individuals who received loan repayment pursuant to this  
24 section during the most recent fiscal year, the types of public  
25 service organizations by which the program participants were  
26 employed, the amount paid to each program participant, and  
27 other information identified by the commission as indicators  
28 of outcomes from the program.

29 Sec. 2. Section 262.9, subsection 9, Code Supplement 2011,  
30 is amended to read as follows:

31 9. Accept and administer trusts and may authorize nonprofit  
32 foundations acting solely for the support of institutions  
33 governed by the board to accept and administer trusts deemed  
34 by the board to be beneficial. Notwithstanding the provisions  
35 of section 633.63, the board and such nonprofit foundations

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1 This bill establishes a public service loan repayment  
2 program for Iowa residents who are employed full-time by a  
3 public service organization located in the state. The bill  
4 also directs the state board of regents to require, beginning  
5 July 1, 2013, the nonprofit foundations which act solely  
6 for the support of its universities to ask each foundation  
7 donor to permit 5 percent of the donation to be set aside  
8 for scholarships; to develop and implement by July 1, 2014,  
9 a policy addressing the measures that its universities shall  
10 take to provide financial literacy information, tools, and  
11 skills to their students; and to include in the report the  
12 board submits biennially to the governor and the legislature,  
13 beginning July 1, 2013, reports submitted by the institutions'  
14 presidents regarding their institution's four-year, five-year,  
15 and six-year graduation rates.

16 For purposes of the public service loan repayment program,  
17 the term "public service organization" includes a state  
18 agency, an institution of higher education governed by the  
19 state board of regents, an area education agency, a school  
20 district, a public child or family service agency, a nonprofit  
21 organization that is exempt from taxation under section  
22 501(a) of the Internal Revenue Code, or a private organization  
23 that is a not-for-profit business, a labor union, a partisan  
24 political organization, or an organization engaged in religious  
25 activities that provides any of the following secular services:  
26 emergency management, military service, public safety, law  
27 enforcement, public interest law services, early childhood  
28 education, public service for individuals with disabilities and  
29 the elderly, public health, public education, public library  
30 services, or school library or other school-based services.

31 The annual amount of loan repayment shall not exceed 20  
32 percent of the individual's total federally guaranteed Stafford  
33 loan amount under the federal family education loan program  
34 or the federal direct loan program, including principal and  
35 interest, whichever amount is less. The total amount of loan

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1 repayment an individual may be eligible to receive shall not  
2 exceed \$50,000. An individual shall be eligible to apply  
3 for the loan repayment program for not more than five years,  
4 but the individual has 10 years to complete the employment  
5 requirements.

6 The bill creates a public service loan repayment fund in the  
7 state treasury under the control of the college student aid  
8 commission for deposit of moneys appropriated to or received by  
9 the commission for purposes of the program. Moneys in the fund  
10 do not revert to any fund of the state at the end of any fiscal  
11 year but shall remain continuously available for loan repayment  
12 under the program. Interest or earnings on moneys deposited in  
13 the fund shall be credited to the fund.

14 The commission shall submit by January 1 annually a report  
15 to the general assembly listing the number of individuals who  
16 received loan repayment during the most recent fiscal year,  
17 the types of public service organizations by which the program  
18 participants were employed, the amount paid to each program  
19 participant, and other information identified by the commission  
20 as indicators of outcomes from the program.



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House File 2357 - Introduced

HOUSE FILE 2357  
BY SHAW

A BILL FOR

1 An Act limiting the authority of a governing board of an  
2 accredited public or private college or university in Iowa  
3 from adopting or enforcing any policy or rule that prohibits  
4 the carrying, transportation, or possession of any dangerous  
5 weapon in the buildings or on the grounds of such colleges  
6 or universities and including penalties.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5812YH (3) 84  
rh/rj



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H.F. 2357

1 Section 1. NEW SECTION. **260C.14A** Limitation on authority —  
 2 **dangerous weapons.**

3 The board of directors of a community college shall comply  
 4 with the requirements of section 724.8A regarding policies and  
 5 rules relating to the carrying, transportation, or possession  
 6 of dangerous weapons in the building or on the grounds of the  
 7 community college.

8 Sec. 2. NEW SECTION. **262.9D** Limitation on authority —  
 9 **dangerous weapons.**

10 The state board of regents shall comply with the  
 11 requirements of section 724.8A regarding policies and rules  
 12 relating to the carrying, transportation, or possession of  
 13 dangerous weapons in the building or on the grounds of a  
 14 university under the control of the state board of regents.

15 Sec. 3. NEW SECTION. **724.8A** Limitation on authority —  
 16 **dangerous weapons — colleges and universities.**

17 1. The governing board of an accredited public or  
 18 private college or university, including but not limited to  
 19 a university under the control of the state board of regents  
 20 as provided in chapter 262, or a community college under  
 21 the jurisdiction of a board of directors for a merged area  
 22 as provided in chapter 260C, shall not adopt or enforce any  
 23 policy or rule that prohibits the carrying, transportation,  
 24 or possession of any dangerous weapon, as defined in section  
 25 702.7, in the buildings or on the grounds of such colleges or  
 26 universities by a person who possesses a valid permit to carry  
 27 weapons pursuant to section 724.6 or 724.7.

28 2. A governing board found to be in violation of subsection  
 29 1 shall be assessed a civil penalty of between two thousand  
 30 five hundred dollars and five thousand dollars and shall be  
 31 ordered to pay the plaintiff's reasonable attorney fees and  
 32 court costs.

33 **EXPLANATION**

34 This bill provides that the governing board of an accredited  
 35 public or private college or university, including but not

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1 limited to a university under the control of the state board  
2 of regents as provided in Code chapter 262, or a community  
3 college under the jurisdiction of a board of directors for a  
4 merged area as provided in Code chapter 260C, shall not adopt  
5 or enforce any policy or rule that prohibits the carrying,  
6 transportation, or possession of any dangerous weapon, as  
7 defined in Code section 702.7, in the buildings or on the  
8 grounds of such colleges or universities by a person who  
9 possesses a valid permit to carry weapons pursuant to Code  
10 section 724.6 (professional permit to carry weapons) or Code  
11 section 724.7 (nonprofessional permit to carry weapons).

12 The bill provides that a governing board found to be in  
13 violation of the bill shall be assessed a civil penalty  
14 of between \$2,500 and \$5,000 and shall pay the plaintiff's  
15 reasonable attorney fees and court costs.

16 A dangerous weapon is any instrument or device designed  
17 primarily for use in inflicting death or injury upon a human  
18 being or animal, and which is capable of inflicting death  
19 upon a human being when used in the manner for which it was  
20 designed, except a bow and arrow when possessed and used  
21 for hunting or any other lawful purpose. Additionally, any  
22 instrument or device of any sort whatsoever which is actually  
23 used in such a manner as to indicate that the defendant intends  
24 to inflict death or serious injury upon the other, and which,  
25 when so used, is capable of inflicting death upon a human  
26 being, is a dangerous weapon. Dangerous weapons include but  
27 are not limited to any offensive weapon, pistol, revolver, or  
28 other firearm, dagger, razor, stiletto, switchblade knife,  
29 knife having a blade exceeding five inches in length, or any  
30 portable device or weapon directing an electric current,  
31 impulse, wave, or beam that produces a high-voltage pulse  
32 designed to immobilize a person.



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House File 2358 - Introduced

HOUSE FILE 2358  
BY WINCKLER, MURPHY, and  
LENSING

A BILL FOR

1 An Act relating to the authority of a liquor control licensee  
2 to keep certain mixed drinks or cocktails on the licensed  
3 premises.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5185HH (3) 84  
ec/nh



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H.F. 2358

1 Section 1. Section 123.49, subsection 2, paragraphs d and e,  
 2 Code Supplement 2011, are amended to read as follows:

3 *d.* Keep on premises covered by a liquor control license  
 4 any alcoholic liquor in any container except the original  
 5 package purchased from the division, and except mixed drinks  
 6 or cocktails mixed on the premises for ~~immediate~~ consumption  
 7 on the licensed premises. This prohibition does not apply to  
 8 common carriers holding a class "D" liquor control license.

9 *e.* Reuse for packaging alcoholic liquor or wine any  
 10 container or receptacle used originally for packaging  
 11 alcoholic liquor or wine; or adulterate, by the addition of any  
 12 substance, the contents or remaining contents of an original  
 13 package of an alcoholic liquor or wine; or knowingly possess  
 14 any original package which has been so reused or adulterated.  
 15 This paragraph "e" shall not apply to mixed drinks or cocktails  
 16 mixed on the premises for consumption on the licensed premises  
 17 as authorized under paragraph "d".

18 EXPLANATION

19 This bill concerns the authority of a liquor control  
 20 licensee to keep any alcoholic liquor in any container except  
 21 the original package purchased from the alcoholic beverages  
 22 division of the department of commerce. Under current law,  
 23 a liquor control licensee can only permit mixed drinks or  
 24 cocktails mixed on the premises if they are for immediate  
 25 consumption. The bill allows drinks or cocktails to be mixed  
 26 on the premises and kept in a separate container or in the  
 27 original container of alcohol or wine so long as the mixed  
 28 drink or cocktail is consumed on the licensed premises.



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**House File 2359 - Introduced**

HOUSE FILE 2359  
BY COMMITTEE ON ECONOMIC  
GROWTH/REBUILD IOWA

(SUCCESSOR TO HSB 604)

**A BILL FOR**

1 An Act relating to economic development by providing an  
2 adjustment to net income for certified suppliers of anchor  
3 manufacturers for purposes of state taxation and including  
4 retroactive applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5279HV (4) 84  
mm/sc



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H.F. 2359

1     Section 1. NEW SECTION. 15.226 **Definitions.**  
2     For purposes of this part:  
3     1. "*Anchor manufacturer*" means a business that meets all of  
4 the following:  
5     a. Manufactures tangible personal property at a facility in  
6 Iowa.  
7     b. Exports at least fifty percent of the tangible personal  
8 property produced at the facility to markets outside of the  
9 state.  
10    2. "*Certified supplier*" means a business certified pursuant  
11 to section 15.227.  
12    3. "*Facility*" means a building or buildings located in the  
13 state at which tangible personal property is manufactured for  
14 sale within or without the state of Iowa.  
15    4. "*Manufactured*" or "*Manufactures*" means adding value to  
16 personal property through a process of manufacturing, refining,  
17 purifying, combining of different materials, the packaging of  
18 meats, extracting and recovering natural resources, and all  
19 processes of fabricating and curing, with a view to selling the  
20 property for gain or profit.  
21    5. "*Tangible personal property*" means the same as defined in  
22 section 422.33, subsection 2, unnumbered paragraph 2.  
23    Sec. 2. NEW SECTION. 15.227 **Certification of suppliers.**  
24    1. A business meeting the requirements of subsection 2 may  
25 apply to the authority, no later than ninety days after the  
26 end of a tax year of the business, for certification under  
27 this section. If a business applying to the authority meets  
28 the requirements of subsection 2, the authority shall issue  
29 a certificate to the business stating that the business is a  
30 certified supplier.  
31    2. To receive certification as a certified supplier, a  
32 business must meet all of the following for the tax year  
33 immediately preceding the tax year for which the requested  
34 certificate will be valid:  
35    a. The business manufactures tangible personal property at a

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1 facility in Iowa.

2 *b.* The business derives more than ten percent of its gross  
3 sales of tangible personal property manufactured at a facility  
4 in Iowa from sales to anchor manufacturers. For purposes of  
5 the requirement in this paragraph, a business may aggregate  
6 gross sales to more than one anchor manufacturer.

7 *c.* The business provides a statement from an anchor  
8 manufacturer, signed by an officer or authorized representative  
9 of the anchor manufacturer, attesting that the anchor  
10 manufacturer meets the definition of anchor manufacturer under  
11 section 15.226, and provides supporting documentation in a form  
12 prescribed by the authority.

13 *d.* The business meets one of the following criteria:

14 (1) At least ten percent of the total payroll of the  
15 business is located in the state.

16 (2) The business employs at least fifty employees at a  
17 facility in the state.

18 *e.* The business agrees to annually provide to the authority  
19 information and data on jobs created and capital investments  
20 made in the state by the business. The information and data  
21 shall be in a form prescribed by the authority.

22 3. A certificate is valid for one tax year and shall include  
23 an expiration date. Reapplication may be made each year for  
24 certification under this part. The department of revenue shall  
25 accept a validly issued, unexpired certificate issued under  
26 this section.

27 4. The authority shall not issue certificates pursuant  
28 to this section for tax years beginning on or after January  
29 1, 2015. On or after January 1, 2015, the authority and the  
30 department of revenue shall coordinate with the chairpersons  
31 of the senate and house standing committees on economic  
32 growth and rebuild Iowa to evaluate the effectiveness of this  
33 certification process and the related adjustments to net income  
34 provided in chapter 422, and the feasibility of continuing both  
35 into the future.

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1     Sec. 3. NEW SECTION. 15.228 Eligibility for adjustment to  
2 net income of certified suppliers.

3     1. A certified supplier shall be eligible to make the  
4 adjustment to net income in section 422.35, subsection 26, for  
5 a tax year if all the following apply:

6     a. The certified supplier's net business income for the tax  
7 year, allocated and apportioned to this state under section  
8 422.33, subsection 2, paragraph "b", computed without regard  
9 to section 422.35, subsection 26, increased by more than five  
10 percent over the certified supplier's net business income in  
11 the prior year, allocated and apportioned to this state under  
12 section 422.33, subsection 2, paragraph "b".

13     b. The certified supplier attaches a copy of a valid,  
14 unexpired certificate issued under section 15.227 to the  
15 certified supplier's tax return required under chapter 422.

16     2. A taxpayer who is a shareholder in a subchapter S  
17 corporation that is a certified supplier shall be eligible to  
18 make the adjustment to net income in section 422.7, subsection  
19 57, for a tax year if all the following apply:

20     a. The certified supplier's net business income for the tax  
21 year, allocated and apportioned to this state under section  
22 422.33, subsection 2, paragraph "b", computed without regard  
23 to section 422.35, subsection 26, increased by more than five  
24 percent over the certified supplier's net business income in  
25 the prior year, allocated and apportioned to this state under  
26 section 422.33, subsection 2, paragraph "b", computed with  
27 regard to section 422.35, subsection 26, if the subchapter S  
28 corporation was a certified supplier in the previous tax year  
29 and met the eligibility requirements in this paragraph "a".

30     b. The shareholder attaches a copy of a valid, unexpired  
31 certificate issued under section 15.227 to the shareholder's  
32 tax return required under chapter 422.

33     Sec. 4. NEW SECTION. 15.229 Rules.

34     The authority and the department of revenue may adopt rules  
35 for the implementation of this part.

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1     Sec. 5. Section 422.7, Code Supplement 2011, is amended by  
 2 adding the following new subsection:

3     NEW SUBSECTION. 57. If the adjusted gross income includes  
 4 income from a subchapter S corporation for which the taxpayer  
 5 is a shareholder, which subchapter S corporation is a certified  
 6 supplier that meets the requirements in section 15.228,  
 7 subsection 2, paragraph `a`, the taxpayer may subtract an amount  
 8 based on the taxpayer's pro rata share of the profits or losses  
 9 from the subchapter S corporation equal to the difference  
 10 between the subchapter S corporation's net business income for  
 11 the tax year, allocated and apportioned to this state under  
 12 section 422.33, subsection 2, paragraph `b`, computed without  
 13 regard to section 422.35, subsection 26, and one hundred five  
 14 percent of the subchapter S corporation's net business income  
 15 for the prior tax year, allocated and apportioned under section  
 16 422.33, subsection 2, paragraph `b`, computed with regard to  
 17 section 422.35, subsection 26, if the subchapter S corporation  
 18 was a certified supplier in the previous tax year and met the  
 19 requirements in section 15.228, subsection 2, paragraph `a`.  
 20 A taxpayer who is a resident shall not make the subtraction  
 21 provided in this subsection unless the taxpayer also makes an  
 22 election pursuant to section 422.5, subsection 1, paragraph  
 23 `j`, subparagraph (2).

24     Sec. 6. Section 422.35, Code Supplement 2011, is amended by  
 25 adding the following new subsection:

26     NEW SUBSECTION. 26. If the taxpayer is a certified supplier  
 27 that meets the requirements in section 15.228, subsection  
 28 1, subtract an amount equal to the difference between the  
 29 taxpayer's net business income for the tax year, allocated and  
 30 apportioned under section 422.33, subsection 2, paragraph `b`,  
 31 computed without regard to this subsection, and one hundred  
 32 five percent of the taxpayer's net business income for the  
 33 prior tax year, allocated and apportioned under section 422.33,  
 34 subsection 2, paragraph `b`.

35     Sec. 7. **RETROACTIVE APPLICABILITY.** This Act applies



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1 retroactively to January 1, 2012, for tax years beginning on  
2 or after that date.

3 EXPLANATION

4 This bill creates an economic development program that  
5 allows a certified supplier to make an adjustment to net income  
6 for state individual and corporate income tax purposes. The  
7 adjustment is available for corporations and shareholders of  
8 subchapter S corporations.

9 To qualify as a certified supplier under the bill, a business  
10 must manufacture tangible personal property in Iowa, derive  
11 more than 10 percent of its gross sales from sales to anchor  
12 manufacturers, supply the authority with a signed statement  
13 from the anchor manufacturer attesting that the anchor  
14 manufacturer qualifies as an anchor manufacturer, and must  
15 either maintain at least 10 percent of its payroll in Iowa or  
16 employ at least 50 employees in Iowa. "Anchor manufacturer"  
17 is defined as a business that manufactures tangible personal  
18 property in Iowa and exports at least 50 percent of the  
19 tangible personal property produced in Iowa outside of the  
20 state.

21 A business that meets all of the qualifications of a  
22 certified supplier may annually apply to the authority to  
23 receive a certificate labeling the business as a certified  
24 supplier. A business must apply for a certificate no later  
25 than 90 days after the end of its tax year. The certificate is  
26 valid for one year and shall include an expiration date.

27 The certified supplier will be entitled to make an  
28 adjustment to its net income if it attaches the valid,  
29 unexpired certificate to its tax return, and if its net  
30 business income allocated and apportioned to this state,  
31 computed without regard to the adjustment to net income  
32 provided in the bill, increased by more than 5 percent over  
33 its prior year net business income allocated and apportioned  
34 to this state.

35 If both requirements are met, the certified supplier is

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mm/sc



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1 entitled to subtract from its net income an amount equal to  
2 the difference between its current year net business income  
3 allocated and apportioned to this state, computed without  
4 regard to the adjustment to net income provided in the bill,  
5 and 105 percent of its prior year net business income allocated  
6 and apportioned to this state. The economic development  
7 authority shall not issue certificates for tax years beginning  
8 on or after January 1, 2015. After that date, the economic  
9 development authority and the department are both required to  
10 coordinate with the chairpersons of each committee on economic  
11 growth/rebuild Iowa to evaluate the certification program.

12 The bill provides the authority and department of revenue  
13 with rulemaking authority.

14 The bill applies retroactively to January 1, 2012, for tax  
15 years beginning on or after that date.



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House File 2360 - Introduced

HOUSE FILE 2360  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 572)

A BILL FOR

1 An Act relating to the authorized activities of a real estate  
2 broker or real estate salesperson and the authorized  
3 activities of auctioneers in relation thereto.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5648HV (2) 84  
rn/nh



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H.F. 2360

1 Section 1. Section 543B.7, subsection 5, Code 2011, is  
2 amended to read as follows:

3 5. a. The acts of an auctioneer in conducting a public  
4 sale or auction. The auctioneer's role must be limited  
5 to establishing the time, place, and method of an auction;  
6 advertising the auction ~~including~~ which shall be limited to  
7 a brief description of the property for auction and the time  
8 and place for the auction; and crying the property at the  
9 auction. The auctioneer shall provide in any advertising the  
10 name and address of the real estate broker who is providing  
11 brokerage services for the transaction and the name of the  
12 real estate broker, ~~or attorney, or closing company~~ who is  
13 responsible for closing the sale of the property. The real  
14 estate broker providing brokerage services shall be present at  
15 the time of the auction and, if found to be in violation of this  
16 subsection, shall be subject to a civil penalty of two thousand  
17 five hundred dollars. If the auctioneer closes or attempts to  
18 close the sale of the property or otherwise engages in acts  
19 defined in sections 543B.3 and 543B.6, then the requirements of  
20 this chapter do apply to the auctioneer. If an investigation  
21 pursuant to this chapter reveals that an auctioneer has  
22 violated this subsection or has assumed to act in the capacity  
23 of a real estate broker or real estate salesperson, the real  
24 estate commission ~~may~~ shall issue a cease and desist order,  
25 ~~and shall issue a warning letter notifying the auctioneer of~~  
26 ~~the violation~~ impose a penalty of two thousand five hundred  
27 dollars for the first offense, and impose a penalty of up to  
28 the greater of ten thousand dollars or ten percent of the real  
29 estate sales price for each subsequent violation.

30 b. An auctioneer conducting a real property auction shall  
31 not do any of the following:

32 (1) Contact the public by telephone or in person for the  
33 purpose of securing prospects for real property auctions,  
34 listings, leasing, sales, exchanges, or property management.

35 (2) Independently host open houses.



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1 (3) Prepare promotional materials or advertisements beyond  
2 a brief description of the real property and the time and place  
3 for the auction, unless approved by a supervising licensed real  
4 estate broker.

5 (4) Independently show real property.

6 (5) Answer any questions regarding real property  
7 title, financing, or closings other than time and location  
8 information.

9 (6) Answer any questions regarding a real property auction  
10 listing except for information regarding price and amenities  
11 expressly provided in writing by the owner or a supervising  
12 real estate broker.

13 (7) Discuss or explain a real property contract, lease,  
14 agreement, or other real estate document.

15 (8) Negotiate or agree to any commission, partial  
16 commission, management fee, or referral fee on behalf of a  
17 supervising real estate broker.

18 (9) Discuss with the owner of real property the terms and  
19 conditions of the real property offered for sale or lease.

20 (10) Collect or hold deposit moneys, rent, other moneys, or  
21 anything of value received from the owner of real property or  
22 from a prospective buyer or tenant.

23 (11) Provide owners of real property or prospective buyers  
24 or tenants with any advice, recommendations, or suggestions  
25 regarding the sale, purchase, exchange, rental, or leasing of  
26 real property that is listed, anticipated to be listed, or  
27 currently available for auction, sale, or lease.

28 (12) Represent in any manner, orally or in writing, that  
29 the auctioneer is licensed or affiliated with a particular real  
30 estate firm or real estate broker as a licensee under this  
31 chapter.

32 Sec. 2. Section 543B.34, Code Supplement 2011, is amended by  
33 adding the following new subsection:

34 NEW SUBSECTION. 1A. For the purposes of subsection 1,  
35 a complaint which would otherwise be considered a verified

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1 complaint shall not be disqualified from verification on the  
 2 basis of being received anonymously or in an unsigned form.

3 EXPLANATION

4 This bill relates to licensing provisions governing real  
 5 estate brokers and real estate salespersons contained in Code  
 6 chapter 543B.

7 The bill modifies provisions in Code section 543B.7 which  
 8 exclude the acts of an auctioneer in conducting a public  
 9 sale or auction from the provisions of the Code chapter  
 10 under specified circumstances. Currently, to qualify for the  
 11 exclusion an auctioneer's role must be limited to establishing  
 12 the time, place, and method of an auction; advertising the  
 13 auction including a brief description of the property for  
 14 auction and the time and place for the auction; and crying  
 15 the property at the auction. The bill changes this provision  
 16 such that advertising the auction shall be limited to a brief  
 17 description of the property for auction and the time and place  
 18 for the auction. The bill also adds providing the name of  
 19 the closing company to individuals or entities required to be  
 20 identified by an auctioneer in advertisements.

21 The bill mandates issuance of a cease and desist order by  
 22 the real estate commission if an investigation reveals that an  
 23 auctioneer has violated provisions governing exclusion from the  
 24 Code chapter or has assumed to act in the capacity of a real  
 25 estate broker or real estate salesperson. Currently, issuance  
 26 of an order is optional. The bill deletes a current provision  
 27 that the commission issue a warning letter notifying the  
 28 auctioneer of the violation, substituting this with imposition  
 29 of a penalty in the amount of \$2,500 for a first offense.

30 Additionally, the bill contains a list of specifically  
 31 prohibited activities of an auctioneer when conducting real  
 32 property auctions.

33 The bill also provides, with reference to commission  
 34 investigations regarding the actions of a real estate broker,  
 35 real estate salesperson, or other person assuming to act

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1 in either capacity, that in the event an investigation is  
2 commenced upon receipt of a verified complaint in writing from  
3 a person, the complaint shall not be disqualified on the basis  
4 of being received anonymously or in an unsigned form.



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House File 2361 - Introduced

HOUSE FILE 2361  
BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HF 2114)

A BILL FOR

1 An Act relating to state preemption of firearms, firearm  
2 accessories, and ammunition regulation by political  
3 subdivisions, and including penalties and remedies and  
4 applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5050HV (4) 84  
rh/rj



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H.F. 2361

1 Section 1. Section 724.28, Code 2011, is amended by striking  
2 the section and inserting in lieu thereof the following:

3 **724.28 State preemption — prohibition of firearms, firearm**  
4 **accessories, and ammunition regulation by political subdivisions.**

5 1. The purpose of this section is to establish complete  
6 state control over firearms, firearm accessories, and  
7 ammunition regulation and policy in order to ensure that such  
8 regulation and policy is applied uniformly throughout this  
9 state to each person subject to the state's jurisdiction and to  
10 ensure protection of the right to keep and bear arms recognized  
11 by the Constitution of the United States. This section is to  
12 be liberally construed to effectuate its purpose.

13 2. As used in this section:

14 *a. "Ammunition"* means fixed cartridge ammunition, shotgun  
15 shells, the individual components of fixed cartridge ammunition  
16 and shotgun shells, projectiles for muzzleloading firearms, and  
17 any propellant used in firearms or in firearms ammunition.

18 *b. "Firearm"* means a pistol, revolver, rifle, shotgun,  
19 machine gun, submachine gun, or black powder weapon which is  
20 designed to, capable of, or may be readily converted to expel a  
21 projectile by the action of an explosive.

22 *c. "Firearm accessory"* means a device specifically adapted  
23 to enable the wearing or carrying about one's person, or the  
24 storage or mounting in or on a conveyance, of a firearm, or  
25 an attachment or device specifically adapted to be inserted  
26 into or affixed onto a firearm to enable, alter, or improve the  
27 functioning or capabilities of the firearm.

28 *d. "Person adversely affected"* means a person who meets all  
29 of the following criteria:

30 (1) Lawfully resides within the United States.

31 (2) Can legally possess a firearm under the laws of this  
32 state.

33 (3) Either of the following:

34 (a) Would be subject to the ordinance, measure, enactment,  
35 rule, resolution, motion, or policy at issue if the person were



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1 present within the jurisdictional boundaries of the enacting  
 2 political subdivision, regardless of whether such person works  
 3 or resides in such political subdivision.

4 (b) Is a membership organization that includes as a member a  
 5 person described in subparagraphs (1) and (2) and subparagraph  
 6 division (a) of this subparagraph and that is dedicated in  
 7 whole or in part to protecting the rights of those persons  
 8 who possess, own, or use firearms for competitive, sporting,  
 9 defensive, or other lawful purposes.

10 e. *“Political subdivision”* means a county, city, township,  
 11 school district, or any other subunit of this state.

12 3. Except as otherwise provided in this section, the  
 13 regulation of all of the following is hereby declared to be the  
 14 exclusive domain of the state:

15 a. Firearms, firearm accessories, and ammunition.

16 b. The ownership, possession, use, discharge, carrying,  
 17 transportation, registration, transfer, and storage of  
 18 firearms, firearm accessories, and ammunition.

19 c. Commerce in and taxation of firearms, firearm  
 20 accessories, and ammunition.

21 d. Any other matter pertaining to firearms, firearm  
 22 accessories, and ammunition.

23 4. An ordinance, measure, enactment, rule, resolution,  
 24 motion, or policy adopted by a political subdivision, or an  
 25 official action taken by an employee or agent of a political  
 26 subdivision, including through any legislative, police power,  
 27 or proprietary capacity, in violation of this section is void.

28 5. This section shall not be construed to prevent any of the  
 29 following:

30 a. A duly organized law enforcement agency of a political  
 31 subdivision from adopting and enforcing rules pertaining to  
 32 firearms, firearm accessories, or ammunition issued to or used  
 33 by peace officers in the course of their official duties.

34 b. An employer from regulating or prohibiting an employee  
 35 from carrying or possessing firearms, firearm accessories, or



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1 ammunition during and in the course of the employee's official  
2 duties.

3 *c.* A court or administrative law judge from hearing and  
4 resolving a case or controversy or issuing an opinion or order  
5 on a matter within the court's or judge's jurisdiction.

6 *d.* The enactment or enforcement of a generally applicable  
7 zoning or business ordinance that includes firearms businesses  
8 along with other businesses, provided that an ordinance  
9 designed or enforced to effectively restrict or prohibit the  
10 sale, purchase, transfer, manufacture, or display of firearms,  
11 firearm accessories, or ammunition otherwise lawful under the  
12 laws of this state, which is in conflict with this section, is  
13 void.

14 *e.* A political subdivision from adopting or enforcing rules  
15 of operation and use for any shooting range owned or operated  
16 by the political subdivision.

17 *f.* A political subdivision that sponsors or conducts any  
18 firearm-related competition or educational or cultural program  
19 from adopting rules for participation in or attendance at such  
20 a program.

21 *g.* A governing board for a city hall, courthouse, or  
22 public hospital from adopting and enforcing rules regulating  
23 or prohibiting persons from carrying or possessing firearms,  
24 firearm accessories, or ammunition in the buildings or on the  
25 grounds of the city hall, courthouse, or public hospital. For  
26 purposes of this paragraph, "*public hospital*" means the same as  
27 defined in section 249J.3.

28 6. A political subdivision or employee or agent of a  
29 political subdivision that violates the state's occupation of  
30 the whole field of regulation of firearms, firearm accessories,  
31 and ammunition, as declared in this section, by adopting or  
32 enforcing an ordinance, measure, enactment, rule, resolution,  
33 motion, or policy impacting such occupation of the field shall  
34 be liable as provided in this section.

35 *a.* If a political subdivision violates this subsection,

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1 the court shall declare the ordinance, measure, enactment,  
2 rule, resolution, motion, or policy void and issue a permanent  
3 injunction against the political subdivision prohibiting  
4 enforcement of such ordinance, measure, enactment, rule,  
5 resolution, motion, or policy. It is not a defense that the  
6 political subdivision was acting in good faith or upon the  
7 advice of counsel.

8     *b.* If the court determines that a violation of this  
9 subsection was knowing and willful, the court shall assess  
10 a civil penalty of up to five thousand dollars against the  
11 elected or appointed local government official or employee or  
12 agent of an administrative agency under whose jurisdiction the  
13 violation occurred.

14     *c.* Except as required by applicable law, public funds shall  
15 not be used to defend or reimburse a person found to have  
16 knowingly and willfully violated this subsection.

17     *d.* A knowing and willful violation of a provision of this  
18 subsection by a person acting in an official capacity for any  
19 entity adopting or enforcing an ordinance, measure, enactment,  
20 rule, resolution, motion, or policy prohibited under this  
21 subsection shall be cause for termination or removal pursuant  
22 to chapter 66.

23     7. A person adversely affected by an ordinance, measure,  
24 enactment, rule, resolution, motion, or policy adopted or  
25 enforced in violation of this section may file suit in the  
26 appropriate court for declarative and injunctive relief and for  
27 damages. A court shall award the prevailing plaintiff in any  
28 such suit all of the following:

29     *a.* Reasonable attorney fees and costs.

30     *b.* The greater of actual damages or liquidated damages  
31 equal to the amount of three times the attorney fees awarded  
32 in paragraph "*a*".

33     Sec. 2. **APPLICABILITY.** This Act applies to any ordinance,  
34 measure, enactment, rule, resolution, motion, or policy adopted  
35 by a political subdivision of this state or to official actions

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1 taken by an employee or agent of such political subdivision,  
2 on or after the effective date of this Act. However, the  
3 penalties and remedies prescribed under section 724.28,  
4 subsection 6, as enacted in this Act shall first be imposed  
5 ninety days after the effective date of this Act to provide  
6 political subdivisions an opportunity to comply with the  
7 provisions of this Act.

8 EXPLANATION

9 Current Code section 724.28 prohibits a political  
10 subdivision of the state from enacting an ordinance  
11 restricting the ownership, possession, legal transfer, lawful  
12 transportation, registration, or licensing of firearms when the  
13 ownership, possession, transfer, or transportation is otherwise  
14 lawful under state law.

15 This bill strikes this Code section and provides that the  
16 regulation of firearms, firearm accessories, and ammunition  
17 is declared to be the exclusive domain of the state. The  
18 bill provides that an ordinance, measure, enactment, rule,  
19 resolution, motion, or policy of a political subdivision of  
20 this state, or an official action of an employee or agent of  
21 such political subdivision, including through any legislative,  
22 police power, or proprietary capacity, in violation of the bill  
23 is void.

24 The bill shall not be construed to prevent a law enforcement  
25 agency of a political subdivision from adopting and enforcing  
26 rules pertaining to firearms, firearm accessories, or  
27 ammunition issued to or used by peace officers in the course  
28 of their official duties; an employer from regulating or  
29 prohibiting an employee from carrying or possessing firearms,  
30 firearm accessories, or ammunition during and in the course  
31 of the employee's official duties; a court or administrative  
32 law judge from hearing and resolving a case or controversy  
33 or issuing an opinion or order on a matter within the  
34 court's or the judge's jurisdiction; enacting or enforcing  
35 a generally applicable zoning or business ordinance that

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1 includes firearms businesses along with other businesses,  
2 provided that an ordinance which is designed or enforced to  
3 effectively restrict or prohibit the sale, purchase, transfer,  
4 manufacture, or display of firearms, firearm accessories, or  
5 ammunition otherwise lawful under the laws of this state,  
6 which is in conflict with the bill, is void; a political  
7 subdivision from adopting or enforcing rules of operation and  
8 use for a shooting range owned or operated by the political  
9 subdivision; a political subdivision that sponsors or conducts  
10 any firearm-related competition or educational or cultural  
11 program from adopting rules of attendance for such a program;  
12 and a governing board for a city hall, courthouse, or public  
13 hospital from adopting and enforcing rules regulating or  
14 prohibiting persons from carrying or possessing firearms,  
15 firearm accessories, or ammunition in the buildings or on the  
16 grounds of the city hall, courthouse, or hospital.

17 The bill provides that if a political subdivision violates  
18 the bill, the court shall declare the ordinance, measure,  
19 enactment, rule, resolution, motion, or policy void and issue  
20 a permanent injunction against the political subdivision  
21 prohibiting enforcement of such ordinance, measure, enactment,  
22 rule, resolution, motion, or policy. It is not a defense that  
23 the political subdivision was acting in good faith or upon the  
24 advice of counsel. The court shall assess a civil penalty of  
25 up to \$5,000 against the elected or appointed local government  
26 official or employee or agent of an administrative agency  
27 under whose jurisdiction the violation occurred if a violation  
28 was knowing and willful. In addition, knowing and willful  
29 violations by a person acting in an official capacity shall be  
30 cause for termination or removal.

31 The bill provides that a person adversely affected by an  
32 ordinance, measure, enactment, rule, resolution, motion, or  
33 policy adopted or enforced in violation of the bill may file  
34 suit in the appropriate court for declarative and injunctive  
35 relief and for damages and may, if successful, be awarded

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1 reasonable attorney fees and costs and the greater of actual  
2 damages or liquidated damages equal to the amount of three  
3 times the attorney fees awarded.

4 The bill applies to any ordinance, measure, enactment,  
5 rule, resolution, motion, or policy adopted by a political  
6 subdivision of this state or to official actions taken by any  
7 employee or agent of such political subdivision, on or after  
8 the effective date of the bill. The penalties and remedies of  
9 the bill shall first be imposed 90 days after the effective  
10 date of the bill.



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**House File 2362 - Introduced**

HOUSE FILE 2362  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HSB 650)

**A BILL FOR**

1 An Act concerning establishing and collecting certain filing  
2 fees by the auditor of state.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6073HV (2) 84  
ec/sc



**Iowa General Assembly**  
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H.F. 2362

1 Section 1. Section 11.6, subsection 10, Code Supplement  
 2 2011, is amended to read as follows:  
 3 10. The auditor of state shall adopt rules in accordance  
 4 with chapter 17A to establish and collect a filing fee for  
 5 the filing of each report of audit or examination conducted  
 6 pursuant to ~~subsections 1 through 3~~ subsection 1, paragraphs "a"  
 7 and "c", subsection 2, and subsection 3. The funds collected  
 8 shall be maintained in a segregated account for use by the  
 9 office of the auditor of state in performing audits conducted  
 10 pursuant to subsection 4 and for work paper reviews conducted  
 11 pursuant to subsection 5. Any funds collected by the auditor  
 12 pursuant to subsection 4 shall be deposited in this account.  
 13 Notwithstanding section 8.33, the funds in this account shall  
 14 not revert at the end of any fiscal year.

15 EXPLANATION

16 This bill concerns filing fees for the filing of certain  
 17 audits or examinations conducted by the auditor of state.  
 18 Code section 11.6(10) is amended to eliminate the authority  
 19 of the auditor to establish and collect a filing fee relative  
 20 to certain audits conducted on certain mental health centers,  
 21 substance abuse programs, and community action agencies.



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House File 2363 - Introduced

HOUSE FILE 2363  
BY COMMITTEE ON LABOR  
  
(SUCCESSOR TO HSB 557)

A BILL FOR

1 An Act relating to unemployment insurance employer charges and  
2 claimant misrepresentation regarding benefit overpayments,  
3 providing a penalty, and including applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5187HV (2) 84  
je/rj



**Iowa General Assembly  
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H.F. 2363

1 Section 1. Section 96.3, subsection 7, paragraph b,  
2 subparagraph (1), Code 2011, is amended to read as follows:

3 (1) (a) If the department determines that an overpayment  
4 has been made, the charge for the overpayment against the  
5 employer's account shall be removed and the account shall  
6 be credited with an amount equal to the overpayment from  
7 the unemployment compensation trust fund and this credit  
8 shall include both contributory and reimbursable employers,  
9 notwithstanding section 96.8, subsection 5. The employer shall  
10 not be relieved of charges if benefits are paid because the  
11 employer or an agent of the employer failed to respond timely  
12 or adequately to the department's request for information  
13 relating to the payment of benefits. This prohibition  
14 against relief of charges shall apply to both contributory and  
15 reimbursable employers.

16 (b) However, provided the benefits were not received as the  
17 result of fraud or willful misrepresentation by the individual,  
18 benefits shall not be recovered from an individual if the  
19 employer did not participate in the initial determination to  
20 award benefits pursuant to section 96.6, subsection 2, and  
21 an overpayment occurred because of a subsequent reversal on  
22 appeal regarding the issue of the individual's separation  
23 from employment. ~~The employer shall not be charged with the~~  
24 ~~benefits.~~

25 Sec. 2. Section 96.16, subsection 4, Code 2011, is amended  
26 to read as follows:

27 4. *Misrepresentation.*

28 a. An individual who, by reason of the nondisclosure or  
29 misrepresentation by the individual or by another of a material  
30 fact, has received any sum as benefits under this chapter  
31 while any conditions for the receipt of benefits imposed by  
32 this chapter were not fulfilled in the individual's case, or  
33 while the individual was disqualified from receiving benefits,  
34 shall, in the discretion of the department, either be liable  
35 to have the sum deducted from any future benefits payable to



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1 the individual under this chapter or shall be liable to repay  
2 to the department for the unemployment compensation fund, a  
3 sum equal to the amount so received by the individual. If  
4 the department seeks to recover the amount of the benefits by  
5 having the individual pay to the department a sum equal to that  
6 amount, the department may file a lien with the county recorder  
7 in favor of the state on the individual's property and rights  
8 to property, whether real or personal. The amount of the lien  
9 shall be collected in a manner similar to the provisions for  
10 the collection of past-due contributions in section 96.14,  
11 subsection 3.

12 b. The department shall assess a penalty equal to fifteen  
13 percent of the amount of a fraudulent overpayment. The penalty  
14 shall be collected in the same manner as the overpayment. The  
15 penalty shall be added to the amount of any lien filed pursuant  
16 to paragraph "a" and shall not be deducted from any future  
17 benefits payable to the individual under this chapter. Funds  
18 received for overpayment penalties shall be deposited in the  
19 unemployment trust fund.

20 Sec. 3. APPLICABILITY. The section of this Act relating  
21 to relief of charges applies to any overpayment determination  
22 issued on or after July 1, 2012. The section of this Act  
23 providing a penalty relating to fraudulent overpayment applies  
24 to any fraudulent overpayment issued on or after July 1, 2012.

EXPLANATION

26 This bill prohibits the department of workforce development  
27 from relieving an employer of charges against the employer's  
28 account for an overpayment of unemployment compensation  
29 benefits if the overpayment occurred because the employer or an  
30 agent of the employer failed to respond timely or adequately  
31 to the department's request for information relating to the  
32 payment of the benefits.

33 The bill removes the prohibition against charging an  
34 employer's account for an overpayment of unemployment  
35 compensation benefits when the overpayment is not recovered

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1 from the claimant because the employer did not participate in  
2 an initial determination to award benefits and the overpayment  
3 occurred because of a subsequent reversal on appeal regarding  
4 the issue of the claimant's separation from employment.

5 The bill establishes a penalty on individuals who receive  
6 unemployment compensation benefits through fraud. The penalty  
7 is equal to 15 percent of the amount of the overpayment and is  
8 to be collected in the same manner as the overpayment but shall  
9 not be collected from any future benefits.

10 The bill applies to any overpayment determination or  
11 fraudulent overpayment issued on or after July 1, 2012.



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House File 2364 - Introduced

HOUSE FILE 2364  
BY COMMITTEE ON VETERANS  
AFFAIRS

(SUCCESSOR TO HSB 640)

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 6058HV (1) 84  
aw/nh



**Iowa General Assembly  
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H.F. 2364

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.



Iowa General Assembly  
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House File 2365 - Introduced

HOUSE FILE 2365  
BY KAJTAZOVIC

A BILL FOR

1 An Act creating a school solar generation revolving loan and  
2 grant program and fund within the Iowa energy center to fund  
3 solar generation projects and making an appropriation.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5618YH (2) 84  
mm/sc



**Iowa General Assembly  
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H.F. 2365

1 Section 1. Section 266.39C, Code Supplement 2011, is  
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 7. The Iowa energy center shall establish  
4 and administer the school solar generation revolving loan and  
5 grant program pursuant to section 473.21.

6 Sec. 2. NEW SECTION. **473.21 School solar generation**  
7 **revolving loan and grant program.**

8 1. The Iowa energy center created under section 266.39C  
9 shall establish and administer a school solar generation  
10 revolving loan and grant program to encourage solar generation  
11 projects at school districts and Iowa community colleges  
12 within the state. For purposes of this section, *“solar*  
13 *generation project”* means the purchase and installation  
14 at a school district or Iowa community college of a solar  
15 photovoltaic system or systems that in the aggregate will  
16 produce electricity which has a nameplate generating capacity  
17 not in excess of one hundred kilowatts.

18 2. *a.* A school solar generation revolving loan and grant  
19 fund is created in the office of the treasurer of state to be  
20 administered by the Iowa energy center.

21 *b.* The fund shall consist of any moneys appropriated  
22 or otherwise directed to the fund. Section 8.33 shall not  
23 apply to moneys in the fund. Notwithstanding section 12C.7,  
24 subsection 2, interest or earnings on moneys in the fund shall  
25 be credited to the fund.

26 *c.* Moneys in the fund shall be used to provide grants  
27 and loans to fund solar generation projects as provided in  
28 subsection 3.

29 3. Any school district or Iowa community college in this  
30 state may apply to the Iowa energy center to receive a grant  
31 and loan for a solar generation project, which grant and loan  
32 shall be available as follows:

33 *a.* A school district or Iowa community college may receive a  
34 grant for an amount not to exceed forty percent of the purchase  
35 and installation costs associated with that part of the solar

LSB 5618YH (2) 84

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mm/sc

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1 This bill establishes a school solar generation revolving  
2 loan and grant program within the Iowa energy center, creates  
3 a corresponding fund, and makes a \$5 million appropriation to  
4 the fund. Moneys in the fund will be used to provide loans  
5 and grants to school districts and Iowa community colleges  
6 to invest in solar generation projects. "Solar generation  
7 project" is defined as the purchase and installation of a solar  
8 photovoltaic system or systems that in the aggregate will  
9 produce electricity which has a nameplate generating capacity  
10 not in excess of 100 kilowatts.

11 School districts or Iowa community colleges may apply to the  
12 Iowa energy center to receive a grant and loan for the purchase  
13 and installation costs of a solar generation project.

14 A grant not to exceed 40 percent of the purchase and  
15 installation costs may be provided for that part of a solar  
16 generation project that will produce electricity which has a  
17 nameplate generating capacity of up to 10 kilowatts. If the  
18 solar generation project will produce electricity which has a  
19 nameplate generating capacity of greater than 10 kilowatts,  
20 a school district or Iowa community college may receive the  
21 grant listed above and a loan not to exceed 40 percent of the  
22 remaining purchase and installation costs that are in excess of  
23 those established for the grant.

24 Each loan provided in the bill shall be for a period not  
25 to exceed 20 years, shall bear no interest, and shall be  
26 repayable to the fund in installments determined by the Iowa  
27 energy center. The interest rate upon delinquent payments  
28 shall accelerate immediately to the current legal usury limit.  
29 Loans shall become due immediately upon the sale of the solar  
30 photovoltaic system for which the loan was made.



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House File 2366 - Introduced

HOUSE FILE 2366  
BY LUKAN

**A BILL FOR**

1 An Act relating to state income taxes by authorizing taxpayers  
2 to elect to take an additional first-year depreciation  
3 allowance for purposes of the individual and corporate  
4 income tax and franchise tax, and including effective date  
5 and retroactive applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5331YH (1) 84  
mm/sc



**Iowa General Assembly  
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H.F. 2366

1 Section 1. Section 422.5, subsection 2, paragraph b,  
2 subparagraph (1), Code Supplement 2011, is amended to read as  
3 follows:

4 (1) Add items of tax preference included in federal  
5 alternative minimum taxable income under section 57, except  
6 subsections (a)(1), (a)(2), and (a)(5), of the Internal Revenue  
7 Code, make the adjustments included in federal alternative  
8 minimum taxable income under section 56, except subsections  
9 (a)(4), (b)(1)(C)(iii), and (d), of the Internal Revenue Code,  
10 and add losses as required by section 58 of the Internal  
11 Revenue Code. To the extent that any preference or adjustment  
12 is determined by an individual's federal adjusted gross income,  
13 the individual's federal adjusted gross income is computed  
14 in accordance with section 422.7, subsections 39, 39A, 39B,  
15 39C, and 53. In the case of an estate or trust, the items of  
16 tax preference, adjustments, and losses shall be apportioned  
17 between the estate or trust and the beneficiaries in accordance  
18 with rules prescribed by the director.

19 Sec. 2. Section 422.7, subsection 39A, unnumbered paragraph  
20 1, Code Supplement 2011, is amended to read as follows:

21 ~~The~~ In the case of qualified property placed in service  
22 before January 1, 2012, the additional first-year depreciation  
23 allowance authorized in section 168(k) of the Internal Revenue  
24 Code, as enacted by Pub. L. No. 110-185, § 103, Pub. L. No.  
25 111-5, § 1201, Pub. L. No. 111-240, § 2022, and Pub. L. No.  
26 111-312, § 401, does not apply in computing net income for  
27 state tax purposes. If the taxpayer has taken the additional  
28 first-year depreciation allowance for purposes of computing  
29 federal adjusted gross income, then the taxpayer shall make the  
30 following adjustments to federal adjusted gross income when  
31 computing net income for state tax purposes:

32 Sec. 3. Section 422.7, Code Supplement 2011, is amended by  
33 adding the following new subsection:

34 NEW SUBSECTION. 39C. a. Notwithstanding any provision  
35 of law to the contrary, a taxpayer may elect to apply the







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1 if necessary. If the taxpayer does not elect to take the  
2 additional first-year depreciation allowance authorized in  
3 section 168(k) of the Internal Revenue Code for state tax  
4 purposes, the following adjustment shall be made:

5 (1) Add the total amount of depreciation taken under section  
6 168(k) of the Internal Revenue Code for the tax year.

7 (2) Subtract the amount of depreciation allowable under the  
8 modified accelerated cost recovery system described in section  
9 168 of the Internal Revenue Code and calculated without regard  
10 to section 168(k).

11 (3) Any other adjustments to gains or losses necessary  
12 to reflect the adjustments made in subparagraphs (1) or (2).  
13 The director shall adopt rules for the administration of this  
14 paragraph.

15 *b.* For purposes of this subsection, "*Internal Revenue Code*"  
16 means the Internal Revenue Code in effect on January 1, 2012.

17 Sec. 7. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
18 immediate importance, takes effect upon enactment.

19 Sec. 8. RETROACTIVE APPLICABILITY. This Act applies  
20 retroactively to January 1, 2012, for tax years beginning on  
21 or after that date.

EXPLANATION

22  
23 This bill allows a taxpayer to elect to take an additional  
24 first-year depreciation allowance in computing the individual,  
25 corporate, and franchise taxes and specifies the adjustments  
26 to be made in determining net income if such election is not  
27 made. The additional first-year depreciation allowance is  
28 permanent and available for any qualified property placed in  
29 service by the taxpayer on or after January 1, 2012, and that  
30 otherwise meets the requirements of section 168(k) of the  
31 Internal Revenue Code as it is presently enacted, regardless of  
32 any acquisition or placed-in-service date restriction to the  
33 contrary in that section. The additional allowance is equal to  
34 50 percent of the adjusted basis of the qualified property.

35 The bill also makes conforming amendments to Code sections



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1 422.5 and 422.9 to include the additional first-year  
2 depreciation allowance in the computation of federal adjusted  
3 gross income for purposes of calculating alternative minimum  
4 taxable income and certain deductions for the state individual  
5 income tax.

6 The bill takes effect upon enactment and applies  
7 retroactively to January 1, 2012, for tax years beginning on  
8 or after that date.



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House File 2367 - Introduced

HOUSE FILE 2367  
BY COMMITTEE ON JUDICIARY  
  
(SUCCESSOR TO HSB 614)

**A BILL FOR**

1 An Act relating to the liability of an owner, lessee, or  
2 occupant of land for injury to a trespasser on the land and  
3 including an applicability provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5411HV (1) 84  
rh/rj



**Iowa General Assembly**  
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H.F. 2367

1 Section 1. **NEW SECTION. 462.1 Liability of owner, lessee,**  
 2 **or occupant of land — trespassers.**

3 1. Except as provided in subsection 2, an owner, lessee, or  
 4 occupant of land owes no duty of care to a trespasser on the  
 5 land and is not liable for any injury to a trespasser on the  
 6 land, except that an owner, lessee, or occupant owes a duty  
 7 to refrain from injuring a trespasser willfully, wantonly,  
 8 or through gross negligence. For purposes of this section,  
 9 "trespasser" means a person who enters the land of an owner,  
 10 lessee, or occupant without any legal right, express or  
 11 implied.

12 2. An owner, lessee, or occupant of land may be liable for  
 13 injury to a child who is less than sixteen years of age caused  
 14 by a highly dangerous artificial condition on the land if all  
 15 of the following conditions exist:

16 a. The owner, lessee, or occupant knew or reasonably should  
 17 have known that such children were likely to trespass at the  
 18 location of the artificial condition.

19 b. The artificial condition is one that the owner, lessee,  
 20 or occupant knew or reasonably should have known existed, and  
 21 that the owner, lessee, or occupant realized or should have  
 22 realized involved an unreasonable risk of death or serious  
 23 bodily harm to such children.

24 c. The injured child did not discover the artificial  
 25 condition or realize the risk involved in the condition or the  
 26 risk of injury in the area made dangerous by the condition.

27 d. The utility to the owner, lessee, or occupant of  
 28 maintaining the artificial condition and the burden of  
 29 eliminating the danger were slight as compared with the risk  
 30 to the child involved.

31 e. The owner, lessee, or occupant failed to exercise  
 32 reasonable care to eliminate the danger or otherwise protect  
 33 the child.

34 3. Notwithstanding the application of subsection 2 to a  
 35 child who is less than sixteen years of age, a child who is

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rh/rj

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1 fourteen years of age or older is presumed to appreciate the  
2 risk of highly dangerous artificial conditions on land, but  
3 this presumption may be overcome if the claimant proves that  
4 the child, at the time of the injury, did not have the ability  
5 to appreciate the risk.

6 4. An owner, lessee, or occupant of land whose actions are  
7 justified under section 704.3, 704.4, or 704.5, shall not be  
8 liable to a trespasser for damages arising from those actions.

9 5. This section does not affect chapter 461C or create or  
10 increase the liability of any person.

11 Sec. 2. APPLICABILITY. This Act applies to all causes of  
12 actions accrued on or after the effective date of this Act.

13 EXPLANATION

14 This bill relates to liability of an owner, lessee, or  
15 occupant of land for injury to a trespasser.

16 The bill provides that, except as otherwise provided in  
17 the bill, an owner, lessee, or occupant of land owes no duty  
18 of care to a trespasser on the land and is not liable for any  
19 injury to a trespasser on the land, except that an owner,  
20 lessee, or occupant owes a duty to refrain from injuring a  
21 trespasser willfully, wantonly, or through gross negligence.  
22 For purposes of the bill, "trespasser" means a person who  
23 enters the land of an owner, lessee, or occupant without any  
24 legal right, express or implied.

25 The bill provides that an owner, lessee, or occupant of  
26 land may be liable for injury to a child who is less than 16  
27 years old caused by a highly dangerous artificial condition on  
28 the land if the owner, lessee, or occupant knew or reasonably  
29 should have known that such children were likely to trespass  
30 at the location of the artificial condition; the artificial  
31 condition is one that the owner, lessee, or occupant knew or  
32 reasonably should have known existed, and that the owner,  
33 lessee, or occupant realized or should have realized involved  
34 an unreasonable risk of death or serious bodily harm to such  
35 children; the injured child did not discover the artificial

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rh/rj

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1 condition or realize the risk involved in the condition or the  
2 risk of injury in the area made dangerous by the condition;  
3 the utility to the owner, lessee, or occupant of maintaining  
4 the artificial condition and the burden of eliminating the  
5 danger were slight as compared with the risk to the child  
6 involved; and the owner, lessee, or occupant failed to exercise  
7 reasonable care to eliminate the danger or otherwise protect  
8 the child.

9 The bill provides that a child who is 14 years of age or  
10 older is presumed to appreciate the risk of highly dangerous  
11 artificial conditions on land, but this presumption may be  
12 overcome if the claimant proves that the child, at the time of  
13 the injury, did not have the ability to appreciate the risk.

14 The bill provides that an owner, lessee, or occupant of land  
15 whose actions are justified under Code section 704.3 (defense  
16 of self or another), 704.4 (defense of property), or 704.5  
17 (aiding another in the defense of property), shall not be  
18 liable to a trespasser for damages arising from those actions.

19 The bill does not affect Code chapter 461C relating to  
20 public use of private land for recreational purposes and for  
21 urban deer control, or create or increase the liability of any  
22 person.

23 The bill applies to all causes of actions accrued on or after  
24 July 1, 2012.



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 2368 - Introduced

HOUSE FILE 2368  
BY COMMITTEE ON JUDICIARY  
  
(SUCCESSOR TO HF 2195)

A BILL FOR

- 1 An Act providing for the issuance of a certificate of birth
- 2 resulting in stillbirth, providing for a fee, and including
- 3 effective date provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5135HV (2) 84  
pf/nh



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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H.F. 2368

1 Section 1. NEW SECTION. 144.31A Certificate of birth  
2 resulting in stillbirth.

3 1. As used in this section:

4 a. "Certificate of birth resulting in stillbirth" means a  
5 certificate issued to record the birth of a stillborn fetus.

6 b. "Stillbirth" means stillbirth as defined in section  
7 136A.2.

8 2. After each fetal death that occurs in the state which  
9 is also a stillbirth, the person required to file the fetal  
10 death certificate pursuant to section 144.30 shall advise any  
11 parent named on the fetal death certificate that the parent may  
12 request the preparation of a certificate of birth resulting in  
13 stillbirth in addition to the fetal death certificate. The  
14 department shall, within thirty days of receiving a request,  
15 issue a certificate of birth resulting in stillbirth.

16 3. The department shall prescribe by rules adopted pursuant  
17 to chapter 17A the form and content of a request and the  
18 process for requesting a certificate of birth resulting in  
19 stillbirth.

20 4. The department shall prescribe by rules adopted pursuant  
21 to chapter 17A the form and content of and the fee for the  
22 preparation of a certificate of birth resulting in stillbirth.

23 a. At a minimum, the rules shall require that the  
24 certificate of birth resulting in stillbirth contain all of the  
25 following:

26 (1) The date of the stillbirth.

27 (2) The county in which the stillbirth occurred.

28 (3) A first name, middle name, last name, no name, or  
29 combination of these as requested by the parent.

30 (4) The state file number of the corresponding fetal death  
31 certificate.

32 (5) The statement: "This certificate is not proof of live  
33 birth."

34 b. The fees collected shall be remitted to the treasurer of  
35 state for deposit in the general fund of the state or the vital

LSB 5135HV (2) 84

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pf/nh

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1 records fund in accordance with section 144.46.

2 5. The state registrar and county registrar shall make a  
3 notation on the corresponding fetal death certificate when a  
4 certificate of birth resulting in stillbirth is issued.

5 6. Only a parent named on the fetal death certificate may  
6 request a certificate of birth resulting in stillbirth. A  
7 certificate of birth resulting in stillbirth may be requested  
8 and issued at any time regardless of the date on which the  
9 fetal death certificate was issued.

10 7. A certificate of birth resulting in stillbirth is not  
11 required to be filed or registered.

12 8. A certificate of birth resulting in stillbirth shall not  
13 be used to establish, bring, or support a civil cause of action  
14 seeking damages against any person for bodily injury, personal  
15 injury, or wrongful death for a stillbirth.

16 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
17 immediate importance, takes effect upon enactment.

18 EXPLANATION

19 This bill provides for the requesting and issuance of a  
20 certificate of birth resulting in stillbirth. The bill defines  
21 "stillbirth" as an unintended fetal death occurring after a  
22 gestation period of 20 completed weeks, or an unintended fetal  
23 death of a fetus with a weight of 350 or more grams. The bill  
24 provides that after a fetal death occurs which is a stillbirth,  
25 the person required to file a fetal death certificate as  
26 prescribed by law shall advise any parent named on the fetal  
27 death certificate that the parent may request the preparation  
28 of a certificate of birth resulting in stillbirth in addition  
29 to the fetal death certificate. The department is to issue the  
30 certificate within 30 days of receiving a request.

31 The bill directs the department of public health to adopt  
32 rules regarding a request for a certificate of birth resulting  
33 in stillbirth and for the form, content, and fee related to the  
34 preparation of a certificate of birth resulting in stillbirth.  
35 The bill directs that the rules adopted require certain



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1 information on the certificate. Under the bill, a parent named  
2 on the fetal death certificate may request a certificate of  
3 birth resulting in stillbirth at any time regardless of the  
4 date on which the fetal death certificate was issued.

5 The bill provides that a certificate of birth resulting  
6 in stillbirth is not required to be filed or registered. A  
7 certificate of birth resulting in stillbirth also is not to be  
8 used to establish, bring, or support a civil cause of action  
9 seeking damages against any person for bodily injury, personal  
10 injury, or wrongful death for a stillbirth.

11 The bill takes effect upon enactment.



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House File 2369 - Introduced

HOUSE FILE 2369  
BY COMMITTEE ON LOCAL  
GOVERNMENT

(SUCCESSOR TO HSB 633)

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 6063HV (1) 84  
ad/nh



Iowa General Assembly  
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H.F. 2369

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.



Iowa General Assembly  
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House File 2370 - Introduced

HOUSE FILE 2370  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 597)

A BILL FOR

1 An Act relating to civil actions relating to real estate,  
2 including mortgage foreclosure actions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5459HV (2) 84  
rh/sc



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
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H.F. 2370

1 Section 1. Section 617.11, Code 2011, is amended to read as  
 2 follows:

3 **617.11 Lis pendens.**

4 1. ~~When so indexed said action~~ When a petition or municipal  
 5 infraction citation affecting real estate is indexed pursuant  
 6 to section 617.10, either action shall be considered pending so  
 7 as to charge all third persons with notice of its pendency, and  
 8 while pending no interest can be acquired by third persons in  
 9 the subject matter thereof as against the plaintiff's rights.

10 2. If a claim of interest against the property is acquired  
 11 prior to the indexing of a petition affecting real estate and  
 12 filed by anyone other than a city and such claim is not indexed  
 13 or filed of record prior to the indexing of the petition, it  
 14 is subject to the pending action as provided in subsection 1,  
 15 unless any of the following occurs:

16 a. The claimant intervenes in the pending action prior to  
 17 entry of judgment.

18 b. The claimant, prior to transfer of an interest in the  
 19 property to a bona fide third-party transferee, records an  
 20 affidavit showing that the party seeking relief under the  
 21 pending action had, prior to the indexing of the petition,  
 22 actual notice of the claim of interest and of the identity of  
 23 the claimant.

24 3. If a claim of interest against the property is acquired  
 25 prior to the indexing of a petition or municipal citation  
 26 affecting real estate and filed by a city and such claim is  
 27 not indexed or filed of record prior to the indexing of the  
 28 petition or citation, it is subject to the pending action  
 29 as provided in subsection 1, unless either of the following  
 30 occurs:

31 a. The claimant intervenes in the pending action and obtains  
 32 relief from the court prior to entry of judgment.

33 b. Within ninety days after entry of judgment, the claimant  
 34 files an application to reopen a petition or municipal  
 35 infraction citation affecting real estate and filed by a city

LSB 5459HV (2) 84  
 rh/sc



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1 and proves at the hearing on the application that the claimant  
 2 is entitled to relief because the city had actual notice of the  
 3 claim of interest and of the identity of the claimant prior to  
 4 the indexing of the petition or citation.

5 4. Subsections 2 and 3 shall not apply to a mechanic's lien  
 6 filed pursuant to chapter 572 or to a person who has taken  
 7 possession of the property for value prior to the indexing of  
 8 the petition or citation.

9 Sec. 2. Section 654.4A, unnumbered paragraph 1, Code 2011,  
 10 is amended to read as follows:

11 In addition to any other form of service authorized by  
 12 law, where in rem relief is the only relief requested in a  
 13 foreclosure action or nonjudicial foreclosure under section  
 14 654.18 or chapter 655A against either a party or a person to be  
 15 served with a notice pursuant to section 654.15B, all of the  
 16 following shall apply:

17 Sec. 3. Section 654.18, subsection 1, paragraph e, Code  
 18 2011, is amended to read as follows:

19 e. (1) The mortgagee shall send by certified mail a  
 20 notice of the election to all junior lienholders as of the  
 21 date of the conveyance under paragraph "a", stating that the  
 22 junior lienholders have thirty days from the date of mailing  
 23 to exercise any rights of redemption. The notice may also be  
 24 given in the manner prescribed in section 656.3 in which case  
 25 the junior lienholders have thirty days from the completion of  
 26 publication to exercise the rights of redemption.

27 (2) In addition to any other form of service authorized by  
 28 law, service of process in an alternative nonjudicial voluntary  
 29 foreclosure procedure filed pursuant to this section where in  
 30 rem relief is the only relief requested shall be served in the  
 31 manner provided in section 654.4A.

32 Sec. 4. Section 655A.3, subsection 1, paragraph b, Code  
 33 2011, is amended to read as follows:

34 b. The notice shall contain the following in capital letters  
 35 of the same type or print size as the rest of the notice:





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1 entry of judgment or the claimant, prior to transfer of an  
2 interest in the property to a bona fide third-party transferee,  
3 records an affidavit showing that the party seeking relief  
4 under the pending action had, prior to the indexing of the  
5 petition, actual notice of the claim of interest and of the  
6 identity of the claimant.

7 If a claim of interest against the property is acquired prior  
8 to the indexing of a petition or municipal citation affecting  
9 real estate and filed by a city and such claim is not indexed  
10 or filed of record prior to the indexing of the petition or  
11 citation, it is subject to the pending action unless the  
12 claimant intervenes in the pending action and obtains relief  
13 from the court prior to entry of judgment or, within 90 days  
14 after entry of judgment, the claimant files an application to  
15 reopen a petition or municipal infraction citation affecting  
16 real estate and filed by a city and proves at the hearing on  
17 the application that the claimant is entitled to relief because  
18 the city had actual notice of the claim of interest and of the  
19 identity of the claimant prior to the indexing of the petition  
20 or citation.

21 The bill does not apply to a mechanic's lien filed pursuant  
22 to Code chapter 572 or to a person who has taken possession of  
23 the property for value prior to indexing of the petition or  
24 citation.

25 The bill extends service of process requirements currently  
26 in effect for foreclosure actions to nonjudicial voluntary  
27 foreclosures and nonjudicial foreclosures of nonagricultural  
28 mortgages and makes conforming Code changes.



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House File 2371 - Introduced

HOUSE FILE 2371  
BY COMMITTEE ON VETERANS  
AFFAIRS

(SUCCESSOR TO HSB 642)

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:

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

3 a. The members of the commission shall qualify by taking the  
4 usual oath of office, ~~and give bond in the sum of five hundred~~  
5 ~~dollars each, conditioned for the faithful discharge of their~~  
6 ~~duties with sureties to be approved by the county auditor.~~ The  
7 commission shall organize by the selection of one of their  
8 members as chairperson and one as secretary. The commission,  
9 subject to the approval of the board of supervisors, shall  
10 employ an executive director or administrator and shall have  
11 the power to employ other necessary employees when needed,  
12 including administrative or clerical assistants, but no member  
13 of the commission shall be so employed. ~~The compensation of~~  
14 ~~such employees shall be fixed by the board of supervisors.~~  
15 The state department of veterans affairs shall recognize the  
16 executive director or administrator as a county veterans  
17 service officer recognized pursuant to 38 C.F.R. § 14.628(c)  
18 for the purposes of assisting veterans and their dependents in  
19 obtaining federal benefits. The commission shall recommend the  
20 annual compensation of the executive director or administrator  
21 to the board of supervisors. The board of supervisors shall  
22 consider the recommendation and shall determine and approve the  
23 annual compensation of the executive director or administrator.  
24 The executive director must possess the same qualifications as  
25 provided in section 35B.3 for commission members. However,  
26 this qualification requirement shall not apply to a person  
27 employed as an executive director prior to July 1, 1989.

28 c. Upon the employment of an executive director or  
29 administrator, the executive director or administrator shall  
30 complete a course of certification training provided by the  
31 department of veterans affairs pursuant to section 35A.5.  
32 If an executive director or administrator fails to obtain  
33 certification within one year of being employed, the executive  
34 director or administrator shall be removed from office. A  
35 ~~commissioner or other~~ commission employee may also complete

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1 the course of certification training. The department shall  
2 issue the executive director, administrator, ~~commissioner~~, or  
3 employee a certificate of training after completion of the  
4 certification training course. To maintain certification, the  
5 executive director, administrator, ~~commissioner~~, or employee  
6 shall satisfy the continuing education requirements established  
7 by the national association of county ~~veteran~~ veterans service  
8 officers. Failure of an executive director or administrator  
9 to maintain certification shall be cause for removal from  
10 office. The expenses of training the executive director or  
11 administrator shall be paid from the appropriation authorized  
12 in section 35B.14.

13 Sec. 2. Section 35B.6, subsection 1, paragraph d, Code 2011,  
14 is amended by adding the following new subparagraph:

15 NEW SUBPARAGRAPH. (3) Complete and submit all forms  
16 required for federal, state, and county benefits.

17 Sec. 3. Section 35B.6, subsection 2, Code 2011, is amended  
18 to read as follows:

19 2. a. Two or more boards of supervisors may agree,  
20 pursuant to chapter 28E, to share the services of an executive  
21 director or administrator. The agreement shall provide for the  
22 establishment of a commission of veteran affairs office in each  
23 of the counties participating in the agreement.

24 b. It shall be unlawful for any county board of supervisors  
25 or any county commission of veteran affairs to place the  
26 administration of the duties of the county commission of  
27 veteran affairs under any other agency of any county, or to  
28 publish the names of the veterans or their families who receive  
29 benefits under the provisions of this chapter.

30 Sec. 4. Section 35B.6, subsection 3, Code 2011, is amended  
31 by striking the subsection.

32 Sec. 5. Section 35B.6, subsection 4, paragraph a, Code 2011,  
33 is amended to read as follows:

34 a. Each county commission of veteran affairs shall maintain  
35 an office in a public building owned, operated, or leased by



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1 the county.

2 Sec. 6. Section 35B.7, Code 2011, is amended to read as  
3 follows:

4 **35B.7 Meetings — report — budget.**

5 The commission shall meet monthly and at other times as  
6 necessary. At the monthly meeting it shall determine who are  
7 entitled to county benefits and the probable amount required to  
8 be expended. The commission shall meet annually to prepare an  
9 estimated budget for all expenditures to be made in the next  
10 fiscal year and certify the budget to the board of supervisors.  
11 The board may approve or reduce the budget for valid reasons  
12 shown and entered of record and the board's decision is final.

13 Sec. 7. Section 35B.10, Code 2011, is amended to read as  
14 follows:

15 **35B.10 Disbursements — inspection of records.**

16 1. All claims certified by the commission shall be reviewed  
17 by the board of supervisors and the county auditor shall  
18 issue warrants in payment of the claims. All applications,  
19 investigation reports, and case records are privileged  
20 communications and ~~shall be held~~ confidential, subject to use  
21 and inspection only by persons authorized by law in connection  
22 with their official duties relating to financial audits and the  
23 administration of this chapter or as authorized by order of  
24 a district court. ~~However, the county commission of veteran~~  
25 ~~affairs shall prepare and file in the office of the county~~  
26 ~~auditor on or before the thirtieth day of each January, April,~~  
27 ~~July, and October a report showing the case numbers of all~~  
28 ~~recipients receiving assistance under this chapter, together~~  
29 ~~with the amount paid to each during the preceding quarter.~~  
30 ~~Each report so filed shall be securely fixed in a record book~~  
31 ~~to be used only for such reports made under this chapter. A~~  
32 person may sign a release to authorize the examination of that  
33 person's applications, reports, or records.

34 ~~The record book shall be and the same is hereby declared~~  
35 ~~to be a public record, open to public inspection at all times~~



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~~1 during the regular office hours of the county auditor. Each  
2 person who desires to examine said records, other than in  
3 pursuance of official duties as hereinbefore provided, shall  
4 sign a written request to examine the same, which shall contain  
5 an agreement on the part of the signer that the signer will  
6 not utilize any information gained therefrom for commercial or  
7 political purposes.~~

8     2. It shall be unlawful for any person, body, association,  
9 firm, corporation or any other agency to solicit, disclose,  
10 receive, make use of or to authorize, knowingly permit,  
11 participate in or acquiesce in the use of any lists, names or  
12 other information obtained from the reports above provided for,  
13 for commercial or political purposes, and a violation of this  
14 provision shall constitute a serious misdemeanor.

15     Sec. 8. Section 35B.14, Code 2011, is amended by adding the  
16 following new subsections:

17     NEW SUBSECTION. 3. The commission is responsible for  
18 the interment in a suitable cemetery of the body of any  
19 veteran, as defined in section 35.1, or the spouse, surviving  
20 spouse, or child of the person, if the person has died without  
21 leaving sufficient means to defray the funeral expenses. The  
22 commission may pay the expenses in a sum not exceeding an  
23 amount established by the board of supervisors.

24     NEW SUBSECTION. 4. Burial expenses shall be paid by the  
25 county in which the person died. If the person is a resident  
26 of a different county at the time of death, the county of  
27 residence shall reimburse the county where the person died for  
28 the cost of burial. In either case, the board of supervisors  
29 of the respective counties shall audit and pay the account from  
30 the funds provided for in this chapter in the manner as other  
31 claims are audited and paid.

32     Sec. 9. Section 35B.16, Code 2011, is amended to read as  
33 follows:

34     **35B.16 Markers for graves.**

35     The county commission of veteran affairs may furnish a



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1 suitable and appropriate ~~metal~~ marker for the grave of each  
2 veteran, as defined in section 35.1, who is buried within  
3 the limits of the county. The marker shall be placed at the  
4 individual's grave to permanently mark and designate the grave  
5 for memorial purposes. The expenses shall be paid from any  
6 funds raised as provided in this chapter.

7 Sec. 10. Section 35B.17, Code 2011, is amended to read as  
8 follows:

9 **35B.17 Maintenance of graves.**

10 1. The county boards of supervisors shall each year  
11 appropriate and pay to the owners of, or to the public board or  
12 officers having control of cemeteries within the state in which  
13 any such deceased service person is buried, a sum sufficient  
14 to pay for the care and maintenance of the lots on which they  
15 are buried in all cases in which provision for such care is  
16 not otherwise made, or may conclude their responsibility by  
17 paying a mutually agreed to fee for perpetual care when the  
18 cemetery authority has established a perpetual care fund for  
19 the cemetery, to be paid either as a lump sum, or in not to  
20 exceed five installments in a manner agreed to by the parties.

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

26 Sec. 11. Section 35B.19, Code 2011, is amended to read as  
27 follows:

28 **35B.19 Burial records.**

29 ~~The county commission of veteran affairs executive director~~  
30 ~~or administrator~~ shall be charged with securing the information  
31 requested by the department of veterans affairs of every person  
32 having a military service record and buried in ~~that~~ the county.  
33 Such information shall be secured from the undertaker in charge  
34 of the burial or cremation and shall be transmitted by the  
35 undertaker to the ~~commission of~~ county veteran affairs office



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1 of the county where burial or disposition of cremated remains  
 2 is made. This information shall be recorded alphabetically and  
 3 by description of location in the cemetery where the veteran is  
 4 buried or the place of disposition of the cremated remains of  
 5 the veteran. This recording shall conform to the directives of  
 6 the department of veterans affairs and shall be kept in a book  
 7 by the ~~county commission~~ executive director or administrator.

8 Sec. 12. Section 64.11, Code 2011, is amended to read as  
 9 follows:

10 **64.11 Expense of bonds paid by county.**

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

18 Sec. 13. Section 331.381, subsection 6, Code 2011, is  
 19 amended to read as follows:

20 6. Audit and pay the burial expense for indigent veterans,  
 21 as provided in section ~~35B.15~~ 35B.14, subsection 4.

22 Sec. 14. Section 331.502, subsections 14 and 15, Code 2011,  
 23 are amended by striking the subsections.

24 Sec. 15. Section 331.508, subsection 5, Code 2011, is  
 25 amended by striking the subsection.

26 Sec. 16. REPEAL. Sections 35B.8, 35B.9, 35B.12, 35B.13,  
 27 35B.15, and 35B.18, Code 2011, are repealed.

28 EXPLANATION

29 This bill relates to the duties and responsibilities of the  
 30 county commissions of veteran affairs.

31 The bill removes a requirement that members of the  
 32 commission give a bond of \$500 and makes conforming changes to  
 33 Code sections 64.11 and 331.502.

34 The bill requires that the state department of veterans  
 35 affairs shall recognize the executive director or administrator

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1 as a county veterans service officer recognized by the federal  
2 secretary of veterans affairs for purposes of assisting  
3 veterans and their dependents in obtaining federal benefits.  
4 The bill requires that the annual compensation of an executive  
5 director or administrator be recommended by the county  
6 commission to the county board of supervisors which shall  
7 determine and approve the compensation. Current law requires  
8 that the county board of supervisors fix the compensation for  
9 the executive director or administrator and other necessary  
10 employees.

11 The bill strikes language allowing a county commissioner to  
12 complete a course of certification training provided by the  
13 department of veterans affairs.

14 The bill requires that the duties of the executive director,  
15 administrator, and employees shall include the submission of  
16 all forms required for federal, state, and county benefits.  
17 The bill also removes language requiring a commission to  
18 appoint a deputy county auditor as an administrative assistant  
19 to the commission, and requires that a commission office be  
20 located in a public building. The bill also specifies that  
21 the commission shall only need to determine eligibility of  
22 individuals for county benefits at monthly meetings of the  
23 commission and removes requirements that the commission submit  
24 certain information to the board of supervisors.

25 The bill removes certain reporting, recording, accounting  
26 system, and filing requirements and makes certain conforming  
27 amendments to Code sections 331.502 and 331.508. The bill  
28 permits the examination of an individual's applications,  
29 reports, and records only upon the individual's authorization.

30 The bill also makes certain changes to provisions related to  
31 the provision of grave markers for veterans and the filing and  
32 maintenance of certain burial records.

33 The bill repeals Code section 35B.12, relating to  
34 confidentiality of benefit information, but the substance  
35 of the Code section is transferred to Code section 35B.6,

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1 subsection 2.

2 The bill repeals Code section 35B.13, relating to burial  
3 expenses, but the substance of the Code section is transferred  
4 to Code section 35B.14, subsection 3.

5 The bill repeals Code section 35B.15, relating to audit  
6 and payment of burial expenses, but the substance of the Code  
7 section is transferred to Code section 35B.14, subsection 4.

8 The bill repeals Code section 35B.18, relating to care  
9 and maintenance of gravesites, but the substance of the Code  
10 section is transferred to Code section 35B.17, subsection 2.



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House File 2372 - Introduced

HOUSE FILE 2372  
BY COMMITTEE ON COMMERCE  
  
(SUCCESSOR TO HSB 635)

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:

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

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

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

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

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

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

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

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

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

31 **524.527 Liability of shareholders.**

32 1. A purchaser of the shares of a state bank incorporated as  
 33 a stock corporation is not liable to the bank, its creditors,  
 34 or depositors with respect to the shares except to pay the  
 35 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.

DIVISION II

MISCELLANEOUS PROVISIONS

35 Sec. 19. Section 524.226, unnumbered paragraph 4, Code

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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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1 follows:

2 524.1311 Involuntary dissolution after commencement of  
3 business — receivership procedure.

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

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

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

33 4. ~~Upon the submission and approval of the final report, the~~  
34 ~~court shall enter a decree dissolving the state bank whereupon~~  
35 ~~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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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 depository 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 1 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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1 a trust company, a federally chartered savings and loan  
2 association, an out-of-state state chartered savings bank, a  
3 financial institution chartered by the federal home loan bank  
4 board, a non-Iowa chartered savings and loan association, an  
5 association incorporated or authorized to do business under  
6 ~~chapter 534~~, or a production credit association.

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

9 *b.* For the purposes of this subsection, *“financial*  
10 *institutions”* means all national banks, federally chartered  
11 savings and loan associations, federally chartered savings  
12 banks, federally chartered credit unions, banks organized under  
13 ~~chapter 524, savings and loan associations and savings banks~~  
14 ~~organized under chapter 534~~, credit unions organized under  
15 chapter 533, and all banks, savings banks, credit unions, and  
16 savings and loan associations chartered or otherwise created  
17 under the laws of any state and doing business in Iowa.

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

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

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

26 11. The bonds are securities in which public officers and  
27 bodies of this state; political subdivisions of this state;  
28 insurance companies and associations and other persons carrying  
29 on an insurance business; banks, trust companies, savings  
30 associations, ~~savings and loan associations~~, and investment  
31 companies; administrators, guardians, executors, trustees,  
32 and other fiduciaries; and other persons authorized to invest  
33 in bonds or other obligations of the state, may properly and  
34 legally invest funds, including capital, in their control or  
35 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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1 unpaid installments on the stock owned by them, or transferred  
2 by them for the purpose of defrauding creditors; and execution  
3 against the company may, to that extent, be levied upon  
4 the private property of any such individual. ~~The foregoing~~  
5 ~~provisions shall not apply to building and loan associations,~~  
6 ~~and savings and loan associations.~~

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

9 **492.5 Par value required.**

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

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

17 **492.9 Certificate of issuance of stock.**

18 It shall be the duty of every corporation, ~~except~~  
19 ~~corporations qualified under chapter 534,~~ to file a certificate  
20 under oath with the secretary of state, within thirty days  
21 after the issuance of any capital stock, stating the date of  
22 issue, the amount issued, the sum received therefor, if payment  
23 be made in money, or the property or thing taken, if such be  
24 the method of payment. If the corporation fails to file said  
25 certificate of issuance of stock within the thirty-day period  
26 herein provided, it may thereafter file the same upon first  
27 paying to the secretary of state a penalty of ten dollars when  
28 the said certificate is offered for filing. Provided further  
29 that the penalty herein provided for is first paid and provided  
30 the said report contains the specific information required  
31 by this section as to the issuance of any capital stock not  
32 previously reported, then the first annual report filed by  
33 such corporation following such failure to comply with the  
34 provisions of this section, shall be received by the secretary  
35 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 the recording of electronic impulses or other indicia of a  
 2 transaction for delayed transmission to a bank. Subject to the  
 3 provisions of chapter 527, a state bank may utilize, establish  
 4 or operate, alone or with one or more other banks, savings  
 5 and loan associations incorporated under ~~the provisions of~~  
 6 ~~chapter 534~~ or federal law, credit unions incorporated under  
 7 the provisions of chapter 533 or federal law, corporations  
 8 licensed under chapter 536A, or third parties, the satellite  
 9 terminals permitted under chapter 527, by means of which  
 10 customers and banks may transmit and receive electronic  
 11 impulses constituting transactions pursuant to this section.  
 12 However, such utilization, establishment, or operation shall be  
 13 lawful only when in compliance with chapter 527. Nothing in  
 14 this section shall be construed as authority for any person to  
 15 engage in transactions not otherwise permitted by applicable  
 16 law, nor shall anything in this section be deemed to repeal,  
 17 replace or in any other way affect any applicable law or rule  
 18 regarding the maintenance of or access to financial information  
 19 maintained by any bank.

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

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

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

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

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1     **524.1409 Conversion of national bank or federal savings**  
 2 **association ~~or state savings and loan association~~ into state**  
 3 **bank.**

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

13     Sec. 111. Section 524.1410, unnumbered paragraph 1, Code  
 14 2011, is amended to read as follows:

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

20     Sec. 112. Section 524.1411, unnumbered paragraph 1, Code  
 21 2011, is amended to read as follows:

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

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

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

31     Sec. 114. Section 524.1412, unnumbered paragraph 1, Code  
 32 2011, is amended to read as follows:

33     Within thirty days after the application for conversion has  
 34 been accepted for processing, the national bank, or federal  
 35 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     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 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~~7~~ or 533, ~~or 534~~7~~~~ 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~~7~~~~, 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~~7~~~~, 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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1 537.1201, but not to those licensed, certificated, or otherwise  
2 authorized to engage in business by chapter 524, 533, ~~534~~, 536  
3 or 536A.

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

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

15 (2) Communications issued directly by a state bank as  
16 defined in section 524.103 or its affiliate, a state bank  
17 chartered under the laws of any other state or its affiliate, a  
18 national banking association or its affiliate, a trust company,  
19 a federally chartered savings and loan association or savings  
20 bank or its affiliate, an out-of-state chartered savings and  
21 loan association or savings bank or its affiliate, a financial  
22 institution chartered by the federal home loan bank board, ~~an~~  
23 ~~association incorporated or authorized to do business under~~  
24 ~~chapter 534~~, a state or federally chartered credit union, a  
25 credit union service organization, or a company or association  
26 organized or authorized to do business under chapter 515, 518,  
27 518A, or 520, or an officer, employee, or agent of such company  
28 or association, provided the communication does not deceptively  
29 conceal its origin or its purpose.

30 Sec. 150. Section 543B.46, subsections 1, 2, and 3, Code  
31 2011, are amended to read as follows:

32 1. Each real estate broker shall maintain a common trust  
33 account in a bank, a savings ~~and loan~~ association, ~~savings~~  
34 ~~bank~~, or credit union for the deposit of all down payments,  
35 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     1. The banking division shall regulate and supervise banks  
2 under chapter 524, debt management licensees under chapter  
3 533A, money services under chapter 533C, delayed deposit  
4 services under chapter 533D, ~~savings and loan associations~~  
5 ~~under chapter 534~~, mortgage bankers and brokers under  
6 chapter 535B, regulated loan companies under chapter 536, and  
7 industrial loan companies under chapter 536A, and shall perform  
8 other duties assigned to the division by law. The division  
9 is headed by the superintendent of banking who is appointed  
10 pursuant to section 524.201. The state banking council  
11 shall render advice within the division when requested by the  
12 superintendent.

13     Sec. 152. Section 551A.4, subsection 1, paragraph a, Code  
14 2011, is amended to read as follows:

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

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

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

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

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

35     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.



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**House File 2373 - Introduced**

HOUSE FILE 2373  
BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HF 2222)

(COMPANION TO SF 2218 BY  
COMMITTEE ON JUDICIARY)

**A BILL FOR**

1 An Act relating to school bus safety, including providing  
2 penalties for failure to obey school bus warning lamps and  
3 stop signal arms, providing for a school bus safety study  
4 and administrative remedies, and making an appropriation.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 321.372, Code 2011, is amended by adding  
 2 the following new subsection:

3 NEW SUBSECTION. 5. *a.* The driver of a school bus who  
 4 commits a violation of subsection 1 or 2 is guilty of a simple  
 5 misdemeanor punishable as a scheduled violation under section  
 6 805.8A, subsection 10.

7 *b.* A person convicted of a violation of subsection 3 is  
 8 subject to the following:

9 (1) For a first offense under subsection 3, the person  
 10 is guilty of a simple misdemeanor punishable by a fine of at  
 11 least two hundred fifty dollars but not more than six hundred  
 12 seventy-five dollars or by imprisonment for not more than  
 13 thirty days, or by both.

14 (2) For a second or subsequent offense under subsection 3,  
 15 the person is guilty of a serious misdemeanor.

16 Sec. 2. Section 321.482A, unnumbered paragraph 1, Code  
 17 2011, is amended to read as follows:

18 Notwithstanding section 321.482, a person who is convicted  
 19 of operating a motor vehicle in violation of section 321.178,  
 20 subsection 2, paragraph `a`, subparagraph (2), section  
 21 321.180B, subsection 6, section 321.194, subsection 1,  
 22 paragraph `c`, section 321.256, section 321.257, section  
 23 321.275, subsection 4, section 321.276, 321.297, 321.298,  
 24 321.299, 321.302, 321.303, 321.304, 321.305, 321.306, 321.307,  
 25 321.308, section 321.309, subsection 2, or section 321.311,  
 26 321.319, 321.320, 321.321, 321.322, 321.323, 321.323A, 321.324,  
 27 321.324A, 321.327, 321.329, ~~or 321.333~~, or 321.372, subsection  
 28 3, causing serious injury to or the death of another person  
 29 may be subject to the following penalties in addition to the  
 30 penalty provided for a scheduled violation in section 805.8A or  
 31 any other penalty provided by law:

32 Sec. 3. Section 805.8A, subsection 10, paragraph b, Code  
 33 Supplement 2011, is amended by striking the paragraph.

34 Sec. 4. SCHOOL BUS SAFETY STUDY — RULEMAKING — REQUESTS  
 35 FOR REEXAMINATION OF A DRIVER — EDUCATION PROGRAMS —

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1 APPROPRIATION.

2 1. The department of transportation, the department of  
3 public safety, and the department of education shall jointly  
4 conduct a study relating to school bus safety, or may contract  
5 with an outside vendor to conduct such a study under the joint  
6 direction of the departments. The study shall focus on the use  
7 of cameras mounted on school buses to enhance the safety of  
8 children riding the buses and to aid in enforcement of motor  
9 vehicle laws pertaining to school bus safety. The study shall  
10 also consider the feasibility of requiring school children  
11 to be picked up and dropped off on the side of the road on  
12 which their home is located, the inclusion of school bus safety  
13 as a priority in driver training curriculum, and any other  
14 issues deemed appropriate by the departments. The findings and  
15 recommendations shall be reported to the general assembly by  
16 December 31, 2012.

17 2. By July 1, 2012, the department of transportation  
18 shall initiate rulemaking to establish a violation of section  
19 321.372, subsection 3, as a serious violation. The rules may  
20 provide for an increasing tier of driver's license suspensions  
21 for conviction of a first, second, or subsequent violation.  
22 The specific direction provided under this subsection does  
23 not, by implication or otherwise, invalidate any prior  
24 rulemaking by the department designating certain violations  
25 as serious violations and does not preclude future rulemaking  
26 by the department to designate certain violations other  
27 than violations of section 321.372, subsection 3, as serious  
28 violations.

29 3. By December 31, 2012, the department of transportation  
30 shall make available to local law enforcement agencies,  
31 electronically through the Iowa traffic and criminal software,  
32 the form for requesting departmental reexamination of a person  
33 who may be physically or mentally incapable of operating a  
34 motor vehicle safely.

35 4. The department of transportation, the department of

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1 public safety, and the department of education shall cooperate  
 2 to establish educational programs to foster increased public  
 3 awareness of motor vehicle laws and safe driving behaviors  
 4 relating to school bus safety.

5 5. There is appropriated from the statutory allocations  
 6 fund to the department of transportation an amount sufficient  
 7 to fund the study required under this section and an amount  
 8 sufficient to fund the development and programming necessary to  
 9 make the request for departmental reexamination form available  
 10 through the Iowa traffic and criminal software.

11 Sec. 5. EFFECTIVE UPON ENACTMENT. The section of this Act  
 12 providing for a school bus safety study, the adoption of rules,  
 13 law enforcement requests for reexamination of a driver, and  
 14 educational programs and making an appropriation, being deemed  
 15 of immediate importance, takes effect upon enactment.

16 EXPLANATION

17 This bill contains provisions relating to school bus safety.

18 Under current law, when the driver of a vehicle meets a  
 19 school bus with flashing amber warning lights, the driver is  
 20 required to reduce the vehicle's speed to not more than 20  
 21 miles per hour and, when the stop signal arm on the bus is  
 22 extended, bring the vehicle to a complete stop and remain  
 23 stopped until the stop arm is retracted. The driver of a  
 24 vehicle overtaking a school bus may not pass the school bus  
 25 when the bus's red or amber warning lights are flashing.  
 26 When the bus's stop signal arm is extended, the driver of  
 27 an overtaking vehicle must stop at least 15 feet from the  
 28 school bus and remain stopped until the stop arm is retracted  
 29 and the bus resumes motion. Currently, a violation of these  
 30 requirements is a simple misdemeanor punishable by a scheduled  
 31 fine of \$200. Pursuant to Code section 321.372A, a citation  
 32 for such a violation can be issued to the owner of the vehicle  
 33 if the identity of the driver cannot be determined by the  
 34 investigating peace officer.

35 The bill increases the penalty for a first offense to a

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1 simple misdemeanor punishable by a fine of at least \$250 but  
2 not more than \$675 or by imprisonment for not more than 30  
3 days, or by both.

4 The bill provides that a second or subsequent violation is  
5 punishable as a serious misdemeanor. A serious misdemeanor is  
6 punishable by confinement for no more than one year and a fine  
7 of at least \$315 but not more than \$1,875.

8 The bill adds failure to obey school bus warning lights and  
9 stop arm signals to the list of violations for which additional  
10 penalties may apply in cases involving serious injury or death.  
11 A violation causing serious injury may subject the driver to  
12 an additional fine of \$500 or driver's license suspension for  
13 not more than 90 days, or both. A violation causing death may  
14 subject the driver to an additional fine of \$1,000 or driver's  
15 license suspension for not more than 180 days, or both. In  
16 addition, the bill requires the department of transportation  
17 to initiate rulemaking by July 1, 2012, to establish failure  
18 to obey school bus warning lights and stop arm signals as a  
19 serious violation. Driving offenses which are designated as  
20 serious violations are grounds for suspension of a person's  
21 driver's license. The bill authorizes the department to  
22 provide by rule for an increasing tier of driver's license  
23 suspensions for repeated violations of school bus safety laws.

24 The bill requires the departments of transportation,  
25 public safety, and education to jointly conduct a study  
26 relating to school bus safety or to contract with an outside  
27 vendor to conduct such a study. The study shall focus on the  
28 effectiveness of cameras mounted on school buses and consider  
29 the feasibility of requiring children to be picked up and  
30 dropped off on the side of the road on which their home is  
31 located, the inclusion of school bus safety in driver training  
32 curriculum, and other appropriate matters. A report to the  
33 general assembly regarding the departments' findings and  
34 recommendations is due by December 31, 2012.

35 The bill requires the department of transportation to

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1 provide local law enforcement with electronic access to the  
2 form used to request reexamination of a driver who may be  
3 physically or mentally incapable of operating a motor vehicle  
4 safely. Access to the form shall be provided by December 31,  
5 2012, through the Iowa traffic and criminal software, known as  
6 TraCS.

7 The bill requires the departments of transportation, public  
8 safety, and education to establish public awareness programs to  
9 promote safe driving behaviors relating to school bus safety.

10 The bill makes an appropriation from the statutory  
11 allocations fund to the department of transportation to provide  
12 an amount sufficient to fund the study required under the  
13 bill and to complete the programming necessary to make the  
14 departmental reexamination form available through TraCS.

15 The provisions of the bill relating to a school bus safety  
16 study, requiring the adoption of rules establishing failure  
17 to obey school bus warning lights and stop arm signals as  
18 a serious violation, facilitating law enforcement requests  
19 for reexamination of a driver, establishing public awareness  
20 education, and making an appropriation take effect upon  
21 enactment of the bill.



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House Resolution 121 - Introduced

HOUSE RESOLUTION NO. 121

BY BAUDLER

1 A Resolution honoring Hannah Jorgensen, the Iowa  
2 Prudential Spirit of Community Award winner.  
3 WHEREAS, since 1995, the Prudential Financial  
4 Corporation and the National Association of Secondary  
5 School Principals honor outstanding secondary school  
6 students, on an annual basis, whose school or community  
7 volunteer projects merit special recognition as  
8 examples of outstanding civic initiatives; and  
9 WHEREAS, now in its 17th year, judges from each  
10 state select two state, district, or commonwealth  
11 honorees who receive a \$1,000 cash award, an engraved  
12 silver medallion, and an all-expense-paid trip in  
13 May to Washington, D.C., to compete in a national  
14 competition for further recognition; and  
15 WHEREAS, Hannah Jorgensen, a seventh-grader at  
16 Adair-Casey Junior-Senior High School, organized a  
17 campaign to make personal care kits and sew pillowcases  
18 for families in transition from a local homeless  
19 shelter to more permanent quarters; and  
20 WHEREAS, Miss Jorgensen applied for and received  
21 a \$700 grant to purchase kit items and material for  
22 the pillowcases, recruited dozens of student and  
23 adult volunteers, and delivered 90 pillowcases and  
24 90 personal care kits to the homeless shelter; NOW  
25 THEREFORE,  
26 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That  
27 the House of Representatives honors this remarkable  
28 young Iowan, Hannah Jorgensen, for her dedication

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jr/nh

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House Study Bill 660 - Introduced

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

A BILL FOR

1 An Act relating to the administration of the sales and use  
2 taxes by modifying provisions related to property purchased  
3 for resale and by creating a sales tax exemption for certain  
4 items purchased for use in providing vehicle wash and wax  
5 services and including effective date provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5512YC (3) 84  
mm/sc



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H.F. \_\_\_\_\_

1 Section 1. Section 423.1, subsection 39, paragraphs b and c,  
2 Code Supplement 2011, are amended to read as follows:

3 *b.* The property is transferred to the user of the service  
4 in connection with the performance of the service in a form  
5 or quantity capable of a fixed or definite price value, or  
6 the property is entirely consumed in connection with the  
7 performance of the service purchased by the ultimate user.

8 *c.* The sale is evidenced by a separate charge for the  
9 identifiable piece of property unless the property is entirely  
10 consumed in connection with the performance of the service  
11 purchased by the ultimate user.

12 Sec. 2. Section 423.3, Code Supplement 2011, is amended by  
13 adding the following new subsection:

14 NEW SUBSECTION. 96. The sales price from the sale of water,  
15 electricity, chemicals, solvents, sorbents, or reagents to a  
16 retailer to be used in providing a service that includes a  
17 vehicle wash and wax, which vehicle wash and wax service is  
18 subject to section 423.2, subsection 6.

19 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
20 immediate importance, takes effect upon enactment.

21 EXPLANATION

22 This bill amends the definition of "property purchased for  
23 resale in connection with the performance of a service" in  
24 Code section 423.1. Under current law, property qualifies  
25 as "property purchased for resale in connection with the  
26 performance of a service" if, among other things, it is  
27 transferred during the service in a form or quantity capable  
28 of a fixed or definite price value and listed as a separate  
29 charge. The bill provides that property which is entirely  
30 consumed in connection with the performance of a service will  
31 also qualify as "property purchased for resale in connection  
32 with the performance of a service", and provides that the  
33 property entirely consumed in performance of the service need  
34 not be listed as a separate charge.

35 The bill also creates a sales tax exemption for sales of

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mm/sc

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H.F. \_\_\_\_\_

1 water, electricity, chemicals, solvents, sorbents, or reagents  
2 made to a retailer for use in providing taxable vehicle wash  
3 and wax services. By operation of Code section 423.6, an item  
4 exempt from the imposition of the sales tax is also exempt from  
5 the use tax imposed in Code section 423.5.  
6 The bill takes effect immediately upon enactment.



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Senate File 2058

S-5021

1 Amend Senate File 2058 as follows:  
2 1. By striking everything after the enacting clause  
3 and inserting:  
4 <Section 1. NEW SECTION. 357A.11A Customer  
5 records.  
6 Notwithstanding section 22.2, subsection 1, public  
7 records of a district, which shall not be examined  
8 or copied as of right, include private customer  
9 information. Except as required pursuant to chapter  
10 476, "*private customer information*" includes information  
11 identifying a specific customer and any record of a  
12 customer account, including internet-based customer  
13 account information.  
14 Sec. 2. NEW SECTION. 388.9A Customer records.  
15 Notwithstanding section 22.2, subsection 1, public  
16 records of a city utility or combined utility system,  
17 or a city enterprise or combined city enterprise as  
18 defined in section 384.80, which shall not be examined  
19 or copied as of right, include private customer  
20 information. Except as required pursuant to chapter  
21 476, "*private customer information*" includes information  
22 identifying a specific customer and any record of a  
23 customer account, including internet-based customer  
24 account information.>  
25 2. Title page, by striking lines 1 and 2 and  
26 inserting <An Act relating to certain records of rural  
27 water districts, city utilities, and city enterprises.>

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MATT McCOY



Iowa General Assembly  
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**Senate File 2258 - Introduced**

SENATE FILE 2258  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3166)

**A BILL FOR**

1 An Act establishing an internet site to distribute information  
2 regarding internship opportunities in Iowa.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6065SV (1) 84  
je/nh



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S.F. 2258

1 Section 1. NEW SECTION. 261.130 Iowa internship connection.

2 1. By January 1, 2013, the commission shall establish  
3 an internet site for the purpose of distributing information  
4 regarding internship opportunities available in Iowa. The  
5 internet site shall be known as the Iowa internship connection.

6 2. The internet site shall include means for students  
7 attending accredited public and nonpublic high schools, regents  
8 institutions, community colleges, and accredited private  
9 institutions as defined in section 261.9, and Iowa residents  
10 attending postsecondary educational institutions outside  
11 of Iowa, to obtain information about and seek internship  
12 opportunities in Iowa. The internet site shall include means  
13 for a student to post contact information, interests, and  
14 qualifications for internship opportunities.

15 3. The internet site shall include means for private  
16 businesses, state and local government agencies, and  
17 nonprofit organizations to post information about internship  
18 opportunities and to seek applicants for internship  
19 opportunities. The internet site shall include a searchable  
20 database of such information.

21 EXPLANATION

22 This bill directs the college student aid commission to  
23 establish by January 1, 2013, an internet site for the purpose  
24 of distributing information regarding internship opportunities  
25 available in Iowa. The internet site shall be known as the  
26 Iowa internship connection.

27 The bill provides that the internet site shall include  
28 means for students attending accredited public and nonpublic  
29 high schools, regents institutions, community colleges, and  
30 accredited private institutions, and Iowa residents attending  
31 postsecondary educational institutions outside of Iowa, to  
32 obtain information about and seek internship opportunities in  
33 Iowa. The bill provides that the internet site shall also  
34 include means for a student to post contact information,  
35 interests, and qualifications for internship opportunities.

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1 The bill provides that the internet site shall include  
2 means for private businesses, state and local government  
3 agencies, and nonprofit organizations to post information  
4 about internship opportunities and to seek applicants for  
5 internship opportunities, as well as a searchable database of  
6 such information.



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**Senate File 2259 - Introduced**

SENATE FILE 2259  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SF 2028)

**A BILL FOR**

1 An Act prohibiting employment discrimination based on  
2 unemployment status and providing penalties.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5090SV (2) 84  
je/rj



**Iowa General Assembly**  
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S.F. 2259

1 Section 1. FINDINGS — PURPOSE.

2 1. The general assembly finds that denial of employment  
3 opportunities to individuals because of their status as  
4 unemployed is discriminatory and burdens commerce by doing one  
5 or more of the following:

6 a. Reducing personal consumption and undermining economic  
7 stability and growth.

8 b. Squandering human capital essential to the state's  
9 economic vibrancy and growth.

10 c. Increasing demands for unemployment insurance benefits,  
11 reducing unemployment trust fund assets, and leading to higher  
12 payroll taxes for employers, or cuts in unemployment insurance  
13 benefits for jobless workers, or both.

14 d. Imposing additional burdens on publicly funded health  
15 and welfare programs.

16 e. Depressing income, property, and other tax revenues that  
17 the states and local governments rely on to support operations  
18 and institutions essential to commerce.

19 2. The purposes of this Act are all of the following:

20 a. To prohibit employers and employment agencies from  
21 disqualifying an individual from employment opportunities  
22 because of that individual's status as unemployed.

23 b. To prohibit employers and employment agencies from  
24 publishing or posting any advertisement or announcement for  
25 an employment opportunity that indicates that an individual's  
26 status as unemployed disqualifies that individual for the  
27 opportunity.

28 c. To eliminate the burdens imposed on commerce due to the  
29 exclusion of such individuals from employment.

30 Sec. 2. NEW SECTION. 730A.1 Unemployment status  
31 discrimination in employment prohibited.

32 1. For the purposes of this section, "*status as unemployed*"  
33 means that an individual, at the time of application for  
34 employment or at the time of action alleged to violate this  
35 section, does not have a job, is available for work, and is



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1 searching for work.

2 2. It shall be unlawful for an employer to do any of the  
3 following:

4 a. Publish in print, on the internet, or in any other  
5 medium, an advertisement or announcement for an employee for  
6 any job that includes any of the following:

7 (1) Any provision stating or indicating that an  
8 individual's status as unemployed disqualifies the individual  
9 for any employment opportunity.

10 (2) Any provision stating or indicating that the employer  
11 will not consider or hire an individual for any employment  
12 opportunity based on that individual's status as unemployed.

13 b. Fail or refuse to consider for employment, or fail or  
14 refuse to hire, an individual as an employee because of the  
15 individual's status as unemployed.

16 c. Direct or request that an employment agency take an  
17 individual's status as unemployed into account to disqualify  
18 an applicant for consideration, screening, or referral for  
19 employment as an employee.

20 3. It shall be unlawful for an employment agency to do any  
21 of the following:

22 a. Publish in print, on the internet, or in any other  
23 medium, an advertisement or announcement for any vacancy in a  
24 job, as an employee, that includes any of the following:

25 (1) Any provision stating or indicating that an  
26 individual's status as unemployed disqualifies the individual  
27 for any employment opportunity.

28 (2) Any provision stating or indicating that the employment  
29 agency or an employer will not consider or hire an individual  
30 for any employment opportunity based on that individual's  
31 status as unemployed.

32 b. Screen, fail or refuse to consider, or fail or refuse to  
33 refer an individual for employment as an employee because of  
34 the individual's status as unemployed.

35 c. Limit, segregate, or classify any individual in any

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1 manner that would limit or tend to limit the individual's  
2 access to information about jobs, or consideration, screening,  
3 or referral for jobs, as an employee, solely because of an  
4 individual's status as unemployed.

5 4. a. An employer who violates this section shall cease  
6 and desist from further violations and shall pay the following  
7 civil penalty:

8 (1) For a first violation, not more than one thousand  
9 dollars.

10 (2) For a second violation, not more than five thousand  
11 dollars.

12 (3) For a third or subsequent violation, not more than ten  
13 thousand dollars.

14 b. In addition, an employer found to have violated  
15 this section shall be assessed the costs of the action to  
16 enforce the civil penalty, including the reasonable costs of  
17 investigation and attorney fees.

18 5. A civil action to enforce this provision shall be by  
19 equitable proceedings instituted by the attorney general.

20 6. Penalties ordered pursuant to this section shall be paid  
21 to the treasurer of state for deposit in the general fund of  
22 the state.

23 7. a. This section shall not be construed to preclude  
24 an employer or employment agency from considering an  
25 individual's employment history, or from examining the reasons  
26 underlying an individual's status as unemployed, in assessing  
27 an individual's ability to perform a job or in otherwise  
28 making employment decisions about that individual. Such  
29 consideration or examination may include an assessment of  
30 whether an individual's employment history in a similar or  
31 related job for a period of time reasonably proximate to the  
32 time of consideration of the individual for new employment is  
33 job-related or consistent with business necessity in relation  
34 to that new employment.

35 b. This section shall not be construed to create a private

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1 right of action against an employer who has violated, or is  
2 alleged to have violated, this section.

3 EXPLANATION

4 This bill prohibits employment discrimination based on an  
5 individual's status as unemployed. The bill defines "status as  
6 unemployed" as an individual who, at the time of application  
7 for employment or at the time of an alleged violation, does not  
8 have a job, is available for work, and is searching for work.

9 The bill prohibits an employer from engaging in certain  
10 employment practices. An employer is prohibited from  
11 publishing an advertisement or announcement for employment that  
12 includes any provision stating that an individual's status  
13 as unemployed disqualifies the individual for any employment  
14 opportunity or any provision stating that the employer  
15 will not consider or hire an individual for any employment  
16 opportunity based on that individual's status as unemployed.  
17 An employer is prohibited from failing or refusing to consider  
18 for employment or failing or refusing to hire an individual  
19 because of the individual's status as unemployed. An employer  
20 is prohibited from directing or requesting that an employment  
21 agency take an individual's status as unemployed into account  
22 to disqualify an applicant for consideration, screening, or  
23 referral for employment.

24 The bill also prohibits an employment agency from engaging  
25 in certain employment practices. An employment agency is  
26 prohibited from publishing an advertisement or announcement  
27 for any vacancy in a job that includes any provision stating  
28 that an individual's status as unemployed disqualifies the  
29 individual for any employment opportunity or any provision  
30 stating that the employment agency or an employer will not  
31 consider or hire an individual for any employment opportunity  
32 based on that individual's status as unemployed. An employment  
33 agency is prohibited from screening, or failing or refusing to  
34 consider, or failing or refusing to refer an individual for  
35 employment because of the individual's status as unemployed.

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1 An employment agency is prohibited from limiting, segregating,  
2 or classifying an individual in any manner that would limit  
3 the individual's access to information about jobs, or  
4 consideration, screening, or referral for jobs solely because  
5 of the individual's status as unemployed.

6 The bill provides that a first violation carries a civil  
7 penalty of not more than \$1,000, a second violation not more  
8 than \$5,000, and a third or subsequent violation not more  
9 than \$10,000. In addition to the civil penalty, an employer  
10 shall be assessed the costs of enforcement. The bill shall be  
11 enforced by a civil action instituted by the attorney general.

12 The bill is not to be construed to preclude an employer  
13 or employment agency from considering an individual's  
14 employment history, or from examining the reasons underlying  
15 an individual's status as unemployed, in assessing an  
16 individual's ability to perform a job or in otherwise making  
17 employment decisions about that individual. Such consideration  
18 or examination may include an assessment of whether an  
19 individual's employment history in a similar or related job  
20 for a period of time reasonably proximate to the time of  
21 consideration for new employment is job-related or consistent  
22 with business necessity in relation to that new employment.

23 The bill is not to be construed to create a private right  
24 of action against an employer for a violation or alleged  
25 violation.



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**Senate File 2260 - Introduced**

SENATE FILE 2260  
BY COMMITTEE ON JUDICIARY  
  
(SUCCESSOR TO SSB 3126)

**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 5460SV (5) 84  
av/nh



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1 Section 1. Section 504.141, Code 2011, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 11A. "*Domestic unincorporated entity*" means  
4 an unincorporated entity whose internal affairs are governed by  
5 the laws of this state.

6 NEW SUBSECTION. 17A. "*Foreign unincorporated entity*" means  
7 an unincorporated entity whose internal affairs are governed by  
8 an organic law of a jurisdiction other than this state.

9 NEW SUBSECTION. 25A. "*Organic law*" means a statute  
10 principally governing the internal affairs of a domestic  
11 or foreign business corporation, nonprofit corporation, or  
12 unincorporated entity.

13 NEW SUBSECTION. 25B. "*Organic record*" means a public  
14 organic record or private organic record.

15 NEW SUBSECTION. 27A. "*Private organic record*" means any  
16 record, other than a public organic record, if any, that  
17 determines the internal governance of an unincorporated entity.  
18 Where a private organic record has been amended or restated,  
19 "*private organic record*" means the private organic record as  
20 last amended or restated.

21 NEW SUBSECTION. 29A. "*Public organic record*" means the  
22 record, if any, that is filed of public record, to create an  
23 unincorporated entity. Where a public organic record has been  
24 amended or restated, "*public organic record*" means the public  
25 organic record as last amended or restated.

26 NEW SUBSECTION. 29B. "*Record*" means information that  
27 is inscribed on a tangible medium or that is stored in an  
28 electronic or other medium and is retrievable in perceivable  
29 form.

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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1 trust, joint stock association, and unincorporated nonprofit  
2 association.

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

7     Sec. 2. Section 504.141, subsection 15, Code 2011, is  
8 amended to read as follows:

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

18     Sec. 3. Section 504.622, Code 2011, is amended by adding the  
19 following new subsection:

20     NEW SUBSECTION. 01. A membership in a public benefit or  
21 mutual benefit corporation may be terminated or suspended for  
22 the reasons and in the manner provided in the articles of  
23 incorporation or bylaws.

24     Sec. 4. Section 504.622, subsection 1, Code 2011, is amended  
25 to read as follows:

26     1. A To the extent the articles of incorporation or bylaws  
27 do not address the termination or suspension of a member, a  
28 member of a public benefit or mutual benefit corporation shall  
29 not be expelled or suspended, and a membership or memberships  
30 in such a corporation shall not be terminated or suspended  
31 except pursuant to a procedure which is fair and reasonable and  
32 is carried out in good faith.

33     Sec. 5. Section 504.701, Code 2011, is amended by adding the  
34 following new subsection:

35     NEW SUBSECTION. 7. The articles of incorporation or



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1 bylaws may provide that an annual or regular meeting of  
2 members is not required to be held at a geographic location  
3 if the meeting is held by means of the internet or other  
4 electronic communications technology in a manner pursuant to  
5 which the members have the opportunity to read or hear the  
6 proceedings substantially concurrent with the occurrence of the  
7 proceedings, vote on matters submitted to the members, pose  
8 questions, and make comments.

9 Sec. 6. Section 504.702, Code 2011, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 6. The articles of incorporation or bylaws  
12 may provide that a special meeting of members is not required  
13 to be held at a geographic location if the meeting is held  
14 by means of the internet or other electronic communications  
15 technology in a manner pursuant to which the members have the  
16 opportunity to read or hear the proceedings substantially  
17 concurrent with the occurrence of the proceedings, vote on  
18 matters submitted to the members, pose questions, and make  
19 comments.

20 Sec. 7. NEW SECTION. 504.709 **Conduct of meetings.**

21 1. At each meeting of members, an individual shall preside  
22 as chair. The chair shall be appointed as follows:

23 a. As provided in the articles of incorporation or bylaws.

24 b. In the absence of a provision in the articles of  
25 incorporation or bylaws, by the board of directors.

26 c. In the absence of both a provision in the articles of  
27 incorporation or bylaws and an appointment of the chair by the  
28 board, by the members at the meeting.

29 2. Except as provided in the articles of incorporation or  
30 bylaws, the chair shall determine the order of business and  
31 shall have the authority to establish rules for the conduct of  
32 the meeting.

33 3. Any rules adopted for, and the conduct of, the meeting  
34 shall be fair to the members.

35 4. The chair of the meeting shall announce at the meeting

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1 when the polls close for each matter voted upon. If no  
2 announcement is made, the polls shall be deemed to have closed  
3 upon the final adjournment of the meeting. After the polls  
4 are closed, no ballots, proxies, or votes, or any otherwise  
5 permissible revocations or changes thereto may be accepted.

6 **Sec. 8. NEW SECTION. 504.719 Inspectors of election.**

7 1. A corporation with members may appoint one or more  
8 inspectors to act at a meeting of members and to make a report  
9 in the form of a record of the inspectors' determinations.  
10 Each inspector shall execute the duties of inspector  
11 impartially and according to the best of the inspector's  
12 ability.

13 2. The inspectors shall do all of the following:

- 14 a. Ascertain the number of members and their voting power.
- 15 b. Determine the members present at the meeting.
- 16 c. Determine the validity of proxies and ballots.
- 17 d. Count all votes.
- 18 e. Determine the result of the voting.

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

24 **Sec. 9. Section 504.801, subsection 2, Code 2011, is amended**  
25 **to read as follows:**

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

31 **Sec. 10. Section 504.826, Code 2011, is amended by adding**  
32 **the following new subsection:**

33 **NEW SUBSECTION. 7. A corporation may create or authorize**  
34 **the creation of one or more advisory committees whose members**  
35 **are not required to be directors. An advisory committee is not**



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1 a committee of the board of directors and shall not exercise  
2 any powers of the board.

3 Sec. 11. Section 504.831, Code 2011, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 2A. In discharging board or committee  
6 duties, a director must disclose, or cause to be disclosed, to  
7 the other board or committee members, information not already  
8 known by them, but known by the director to be material to the  
9 discharge of the decision-making or oversight functions of the  
10 board or committee, except that such disclosure is not required  
11 to the extent that the director reasonably believes that doing  
12 so would violate a duty imposed by law, a legally enforceable  
13 obligation of confidentiality, or a professional ethics rule.

14 Sec. 12. Section 504.831, subsection 5, paragraph c, Code  
15 2011, is amended to read as follows:

16 c. A committee of the board or advisory committee of  
17 which the director is not a member, as to matters within  
18 its the committee's or advisory committee's jurisdiction, if  
19 the director reasonably believes the committee or advisory  
20 committee merits confidence.

21 Sec. 13. NEW SECTION. **504.836 Business opportunities.**

22 1. A director's taking advantage, directly or indirectly,  
23 of a business opportunity shall not be the subject of equitable  
24 relief, or give rise to an award of damages or other sanctions  
25 against the director, in a proceeding by or in the right of a  
26 corporation on the ground that such opportunity should have  
27 first been offered to the corporation, if before becoming  
28 legally obligated respecting the business opportunity, the  
29 director brings the opportunity to the attention of the  
30 corporation and action is taken by the directors, a committee  
31 of the directors, or the members disclaiming the corporation's  
32 interest in the opportunity in compliance with the procedures  
33 set forth in section 504.833, as if the decision being made  
34 concerned a conflict of interest transaction.

35 2. In any proceeding seeking equitable relief or other



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1 remedy, based upon an alleged improper taking advantage of a  
2 business opportunity by a director, the fact that the director  
3 did not employ the procedure described in subsection 1 before  
4 taking advantage of the opportunity shall not create an  
5 inference that the opportunity should have first been presented  
6 to the corporation, or alter the burden of proof otherwise  
7 applicable to establish that the director breached a duty to  
8 the corporation under the circumstances.

9 Sec. 14. Section 504.843, Code 2011, is amended by adding  
10 the following new subsection:

11 NEW SUBSECTION. 1A. The duties of an officer include the  
12 obligation to inform the specified persons of the following:

13 a. The superior officer to whom or the board of directors  
14 or the committee of the board to which the officer reports, of  
15 information about the affairs of the corporation known to the  
16 officer, within the scope of the officer's functions, and known  
17 to the officer to be material to the superior officer, board,  
18 or committee.

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

26 Sec. 15. Section 504.1101, subsection 1, Code 2011, is  
27 amended to read as follows:

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

33 Sec. 16. Section 504.1101, subsection 2, paragraphs a, c,  
34 and d, Code 2011, are amended to read as follows:

35 a. The name of each corporation or ~~limited liability company~~



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1 unincorporated entity planning to merge and the name of the  
2 surviving corporation into which each plans to merge.

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

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

13 Sec. 17. Section 504.1101, subsection 3, paragraph a, Code  
14 2011, is amended to read as follows:

15 *a.* Any amendments to the articles of incorporation or bylaws  
16 of the surviving corporation or ~~limited liability company~~  
17 organic record of the surviving unincorporated entity to be  
18 effected by the planned merger.

19 Sec. 18. Section 504.1102, subsection 1, paragraph d,  
20 unnumbered paragraph 1, Code 2011, is amended to read as  
21 follows:

22 A business or mutual benefit corporation or ~~limited~~  
23 ~~liability company~~ an unincorporated entity, provided that all  
24 of the following apply where the public benefit or religious  
25 corporation is not the surviving entity in the merger:

26 Sec. 19. Section 504.1102, subsection 1, paragraph d,  
27 subparagraph (2), Code 2011, is amended to read as follows:

28 (2) The business or mutual benefit corporation or ~~limited~~  
29 ~~liability company~~ unincorporated entity shall return, transfer,  
30 or convey any assets held by it upon condition requiring  
31 return, transfer, or conveyance, which condition occurs by  
32 reason of the merger, in accordance with such condition.

33 Sec. 20. Section 504.1106, subsection 1, Code 2011, is  
34 amended to read as follows:

35 1. Except as provided in section 504.1102, one or more



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1 foreign business or nonprofit corporations or foreign  
 2 unincorporated entities may merge with one or more domestic  
 3 nonprofit corporations if all of the following conditions are  
 4 met:

5     *a.* The merger is permitted by the law of the state  
 6 or country under whose law each foreign corporation is  
 7 incorporated or foreign unincorporated entity is organized  
 8 and each foreign corporation or foreign unincorporated entity  
 9 complies with that law in effecting the merger.

10     *b.* The foreign corporation or foreign unincorporated  
 11 entity complies with section 504.1104 if it is the surviving  
 12 corporation of the merger.

13     *c.* Each domestic nonprofit corporation complies with the  
 14 applicable provisions of sections 504.1101 through 504.1103  
 15 and, if it is the surviving corporation of the merger, with  
 16 section 504.1104.

17     Sec. 21. Section 504.1106, subsection 2, Code 2011, is  
 18 amended to read as follows:

19     2. Upon the merger taking effect, the surviving foreign  
 20 business or nonprofit corporation, or foreign unincorporated  
 21 entity, is deemed to have irrevocably appointed the secretary  
 22 of state as its agent for service of process in any proceeding  
 23 brought against it.

EXPLANATION

25     This bill makes various revisions to the Iowa nonprofit  
 26 corporation Act.

27     Code section 504.141 is amended to add definitions of  
 28 "organic law", "organic record", "private organic record",  
 29 "public organic record", and "record".

30     Code section 504.141 is also amended to provide that an  
 31 "entity" includes an "unincorporated entity" and to include  
 32 a definition of an "unincorporated entity" which is an  
 33 organization or other legal entity that is not a corporation  
 34 and that either has a separate legal existence or has the  
 35 power to acquire an estate in real property in the entity's



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1 own name. An "unincorporated entity" includes specified  
2 types of legal entities that are not corporations. An  
3 "unincorporated entity" also does not include an estate, a  
4 trust, a governmental subdivision, a state, the United States,  
5 or a foreign government. There are also definitions for a  
6 "domestic unincorporated entity" whose affairs are governed  
7 by Iowa law and for a "foreign unincorporated entity" whose  
8 affairs are governed by the law of another jurisdiction.

9 Code section 504.622 is amended to provide that membership  
10 in a public benefit or mutual benefit corporation may be  
11 terminated or suspended as provided in the articles of  
12 incorporation or bylaws and to the extent that those items do  
13 not address such a termination or suspension, the procedure  
14 must be carried out in good faith in a manner which is fair and  
15 reasonable.

16 Code sections 504.701 and 504.702 are amended to allow a  
17 nonprofit corporation with members to hold an annual or regular  
18 meeting or a special meeting by means of the internet or other  
19 electronic communications technology so long as members have  
20 the opportunity to read or hear the proceedings substantially  
21 concurrent with the occurrence of the proceedings and can vote,  
22 pose questions, and make comments.

23 New Code section 504.709 requires that an individual preside  
24 as chair at each meeting of corporate members as provided in  
25 the articles of incorporation or bylaws, as appointed by the  
26 board, or as appointed by members at the meeting. Unless  
27 otherwise provided by the articles or bylaws, the chair shall  
28 determine the order of business and establish rules for the  
29 conduct of the meeting.

30 New Code section 504.719 allows a nonprofit corporation with  
31 members to appoint one or more inspectors to assist with voting  
32 at the meeting and make a report of their determinations and  
33 the results of the vote.

34 Code section 504.801 is amended to provide that corporate  
35 powers shall be exercised by or under the authority of, and the

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1 affairs of the corporation shall be managed under the direction  
2 and subject to the oversight of, the board of directors.

3 Code section 504.826 is amended to provide that a nonprofit  
4 corporation can create or authorize the creation of one or  
5 more advisory committees whose members are not required to be  
6 directors of the corporation. Such an advisory committee is  
7 not a committee of the board and cannot exercise any powers of  
8 the board.

9 Code section 504.831 is amended to provide that in  
10 discharging board or committee duties a corporate director  
11 must disclose information to the other board or committee  
12 members that is not known to them but known by the director to  
13 be material to their decision-making or oversight functions,  
14 except when such disclosure would violate a legal duty,  
15 a legally enforceable obligation of confidentiality, or a  
16 professional ethics rule.

17 Code section 504.831 is also amended to allow a director to  
18 rely on a committee of the board or an advisory committee of  
19 which the director is not a member as to matters within the  
20 committee or advisory committee's jurisdiction, if the director  
21 reasonably believes the committee or advisory committee merits  
22 confidence.

23 New Code section 504.836 provides that a director's taking  
24 advantage, directly or indirectly, of a business opportunity  
25 cannot be the subject of equitable relief or give rise to an  
26 award of damages or other sanctions against the director, in  
27 a proceeding by or in the right of a nonprofit corporation on  
28 the ground that the business opportunity should have first  
29 been offered to the corporation if before becoming legally  
30 obligated on the business opportunity, the director brings the  
31 opportunity to the attention of the corporation and action  
32 is taken by the directors, a committee of the directors, or  
33 the members disclaiming the corporation's interest in the  
34 opportunity. This disclaimer must be made in compliance with  
35 procedures set forth in Code section 504.833 for conflict of



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1 interest transactions by directors. However, in an action  
2 seeking equitable relief or other remedy based upon an alleged  
3 improper taking advantage of such a business opportunity by a  
4 director, the fact that the above procedure was not complied  
5 with does not create an inference that the opportunity should  
6 have been presented to the corporation or alter the burden  
7 of proof necessary to establish a breach of duty to the  
8 corporation by the director.

9 Code section 504.843 is amended to provide that a corporate  
10 officer has the duty to provide information to specified  
11 persons within the corporation about the affairs of the  
12 corporation known to the officer to be material and about any  
13 actual or probable material violation of law involving the  
14 corporation or any material breach of duty to the corporation  
15 by an officer, employee, or agent of the corporation.

16 Code section 504.1101 which applies to mergers of nonprofit  
17 corporations with other entities, is amended to substitute  
18 the newly defined term "unincorporated entity" for "limited  
19 liability company". A limited liability company is now  
20 encompassed within the definition of an "unincorporated  
21 entity", which includes other types of entities as well. Also  
22 the plan of merger may include amendments to the organic record  
23 of the surviving unincorporated entity.

24 Code section 504.1102 is also amended to provide that when  
25 a merger of a public benefit or religious corporation with a  
26 business or mutual benefit corporation or unincorporated entity  
27 will result in the public benefit or religious corporation not  
28 surviving, certain conditions must be met.

29 Code section 504.1106 is amended to allow mergers between a  
30 newly defined "foreign unincorporated entity" and a domestic  
31 nonprofit corporation under specified conditions.



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**Senate File 2261 - Introduced**

SENATE FILE 2261  
BY CHELGREN

**A BILL FOR**

1 An Act providing education savings grants for pupils attending  
2 a public school or an accredited nonpublic school or  
3 receiving competent private instruction, establishing  
4 an education savings grant fund, providing for the  
5 establishment of education achievement standards, making  
6 appropriations, providing penalties, and including  
7 applicability provisions.  
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 256.7, Code Supplement 2011, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 31. Adopt rules relating to applications  
4 for an education savings grant, including application  
5 processing timelines and information required to be submitted  
6 by a parent or guardian, and rules to establish academic growth  
7 standards pursuant to section 257.11B.

8 Sec. 2. Section 257.3, subsection 1, Code 2011, is amended  
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *d.* The amount of tuition collected by each  
11 school district under section 257.3A shall be regarded as  
12 property tax for purposes of this chapter.

13 Sec. 3. NEW SECTION. **257.3A Education savings grant —**  
14 **tuition.**

15 A school district may collect as tuition from each pupil  
16 enrolled in the school district an amount not to exceed the  
17 education savings grant received by the pupil for that school  
18 year under section 257.11B.

19 Sec. 4. NEW SECTION. **257.11B Education savings grant**  
20 **program.**

21 1. *a.* Pupils residing in this state, eligible to enroll in  
22 grades kindergarten through twelve, and enrolled in a public  
23 school, attending an accredited nonpublic school, or receiving  
24 competent private instruction under chapter 299A shall be  
25 eligible to receive an education savings grant in the manner  
26 provided in this section for school years beginning on or after  
27 July 1, 2013. Except as provided in subsection 6, education  
28 savings grants shall be available for disbursement to parents  
29 and guardians for the payment of qualified education expenses  
30 as provided in this section.

31 *b.* (1) If a pupil fails to meet the academic growth  
32 standards established by the state board of education under  
33 subparagraph (2) for two consecutive school years for which  
34 the student has received an education savings grant under this  
35 section, the pupil shall not be eligible for an education

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1 savings grant for future school years unless the pupil is  
2 enrolled in an alternative options education program adopted  
3 by the school district where the pupil resides under section  
4 280.19A. If the pupil meets the academic growth standards  
5 established by the state board of education for two consecutive  
6 school years while enrolled in the alternative options  
7 education program, the pupil shall again be eligible for  
8 the education savings grant while enrolled in any public  
9 school, attending an accredited nonpublic school, or receiving  
10 competent private instruction under chapter 299A.

11 (2) The state board of education shall adopt standards for  
12 determining academic growth of pupils in grades kindergarten  
13 through twelve. Such academic growth standards shall include  
14 minimum levels of proficiency in the areas of math, science,  
15 literacy, and social studies.

16 2. a. (1) By January 31 preceding the school year for  
17 which the education savings grant is requested, the parent  
18 or guardian of the pupil requesting to receive an education  
19 savings grant shall submit an application to the department of  
20 education, on application forms developed by the department,  
21 indicating that the parent or guardian intends to enroll the  
22 pupil in either a public school, an accredited nonpublic  
23 school, or provide competent private instruction for the pupil  
24 under chapter 299A.

25 (2) In addition to such information deemed appropriate by  
26 the department of education, the application shall require  
27 certification from the public school or the accredited  
28 nonpublic school of the pupil's enrollment for the following  
29 school year or a statement indicating the parent or guardian's  
30 intent to provide or arrange for competent private instruction  
31 for the pupil for the following school year.

32 b. By March 1 preceding the school year for which the  
33 education savings grant is requested, the department of  
34 education shall notify the department of management of the  
35 number of pupils in each school district designated for the

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1 following school year to receive an education savings grant  
2 and the amount of the education savings grant for each pupil.  
3 The department of education shall also notify the parent  
4 or guardian of such pupils who are approved to receive an  
5 education savings grant.

6 *c.* Education savings grants shall only be approved for one  
7 school year and applications must be submitted under paragraph  
8 "a" for education savings grants in subsequent school years.

9 3. *a.* The department of management shall assign each pupil  
10 an education savings grant of three thousand seven hundred  
11 dollars.

12 *b.* The department of management shall on July 1 transfer  
13 such amounts to the pupil's account in the Iowa education  
14 savings grant fund established under subsection 4. Such amount  
15 shall be available for disbursement to the pupil's parent or  
16 guardian for the payment of qualified educational expenses  
17 incurred by such persons for the pupil during that school year.

18 4. An Iowa education savings grant fund is created in  
19 the state treasury under the control of the department of  
20 management consisting of moneys appropriated to the department  
21 for the purpose of providing education savings grants under  
22 this section. For the fiscal year commencing July 1, 2013, and  
23 each succeeding fiscal year, there is appropriated from the  
24 general fund of the state to the department of management the  
25 amount necessary to pay all education savings grants approved  
26 for that fiscal year. The director of the department of  
27 management has all powers necessary to carry out and effectuate  
28 the purposes, objectives, and provisions of this section  
29 pertaining to the fund, including the power to do all of the  
30 following:

31 *a.* Make and enter into contracts necessary for the  
32 administration of the fund.

33 *b.* Procure insurance against any loss in connection with the  
34 assets of the fund.

35 *c.* Make disbursements from a pupil's account within the

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1 fund to the pupil's parents or guardians for the payment of  
2 qualified educational expenses.

3 *d.* Adopt rules pursuant to chapter 17A for the  
4 administration of the fund and accounts within the fund.

5 5. *a.* For each pupil approved for an education savings  
6 grant, the department shall establish an account for that pupil  
7 in the education savings grant fund. The amount of the pupil's  
8 education savings grant determined under subsection 3 shall be  
9 deposited into the pupil's account on July 1 and such amount  
10 shall be immediately available for disbursement to parents and  
11 guardians upon filing and approval of claims from the pupil's  
12 account for qualified education expenses incurred by the parent  
13 or guardian for the pupil during that fiscal year.

14 *b.* A parent or guardian of a pupil may on forms prescribed  
15 by the department of management submit claims for disbursements  
16 of moneys within the account. The department may by rule  
17 designate the appropriate supporting documentation necessary  
18 for the disbursement of moneys in an account including but not  
19 limited to invoices of amounts due and receipts of amounts  
20 paid for qualified education expenses. If a pupil is enrolled  
21 in an alternative options education program as the result of  
22 failing to meet the academic growth standards under subsection  
23 1, paragraph "b", disbursements of moneys in a pupil's account  
24 shall only be made by the department to the parent or guardian  
25 for tuition expenses of the alternative options education  
26 program.

27 6. For each pupil with a positive balance in the pupil's  
28 account in the education savings grant fund upon graduation  
29 from high school, the department of management shall maintain  
30 such account in the fund until the pupil is twenty-five years  
31 of age. Following graduation from high school until the pupil  
32 is twenty-five years of age, moneys in the pupil's account  
33 may be used for higher education costs, as defined in section  
34 12D.1, subsection 2. Disbursements from a pupil's account  
35 for higher education costs shall be claimed by and disbursed







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1 include minimum levels of proficiency in the areas of math,  
2 science, literacy, and social studies.

3 The bill requires that by March 1 preceding the school  
4 year for which the education savings grant is requested,  
5 the department of education must notify the department of  
6 management of the number of pupils in each school district  
7 designated for the following school year to receive an  
8 education savings grant. Education savings grants may only be  
9 approved for one school year and applications must be submitted  
10 for education savings grants in subsequent school years.

11 The amount of each education savings grant is \$3,700 per  
12 pupil.

13 The bill creates an Iowa education savings grant fund in  
14 the state treasury under the control of the department of  
15 management consisting of moneys appropriated to the department  
16 for the purpose of providing education savings grants. For  
17 the fiscal year commencing July 1, 2013, and each succeeding  
18 fiscal year, there is appropriated from the general fund of  
19 the state to the department of management the amount necessary  
20 to pay all education savings grants approved for that fiscal  
21 year. For each pupil approved for an education savings grant,  
22 the department of management must establish an account for  
23 that pupil in the education savings grant fund. The amount  
24 of the pupil's education savings grant is deposited into the  
25 pupil's account on July 1 and such amount is available for  
26 disbursement to parents and guardians upon filing and approval  
27 of claims from the pupil's account for qualified education  
28 expenses, as defined in the bill, incurred by the parent or  
29 guardian for the pupil during that fiscal year. However, if a  
30 pupil is enrolled in an alternative options education program  
31 as the result of failing to meet the academic growth standards,  
32 disbursements of moneys in a pupil's account shall only be made  
33 by the department of management for tuition expenses of the  
34 alternative options education program.

35 Under the bill, for each pupil with a positive balance in

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1 the pupil's account in the education savings grant fund upon  
2 graduation from high school, the department of management is  
3 required to maintain the account in the fund until the pupil  
4 is 25 years old. Following graduation from high school until  
5 the pupil is 25 years old, moneys in the pupil's account may  
6 be used by the pupil for higher education costs, as defined  
7 in Code section 12D.1. Moneys in a pupil's account when the  
8 pupil turns 25 years old are transferred by the department of  
9 management for deposit in the general fund of the state.

10 The bill provides that a person who makes a false claim for  
11 the purpose of obtaining an education savings grant or who  
12 knowingly receives the grant without being legally entitled  
13 to it is guilty of a fraudulent practice and is subject to a  
14 criminal penalty. The bill allows the department of management  
15 to initiate legal proceedings to recover grants improperly  
16 awarded under the bill.

17 The bill authorizes school districts to collect as tuition  
18 from each pupil enrolled in the school district an amount not  
19 to exceed the education savings grant received by the pupil for  
20 that school year under new Code section 257.11B. Such tuition  
21 amounts collected by each school district under new Code  
22 section 257.3A shall be regarded as property tax for purposes  
23 of the school foundation formula.

24 The bill applies to school budget years and fiscal years  
25 beginning on or after July 1, 2013.

26 The bill provides that additional legislation is required  
27 to fully implement the bill and requires the director of  
28 the department of education to prepare draft legislation  
29 in compliance with Code section 2.16 for submission to the  
30 legislative services agency, as necessary, to implement the  
31 school finance modifications and the education savings grant  
32 program in the bill.



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**Senate File 2262 - Introduced**

SENATE FILE 2262  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO SF 2108)

**A BILL FOR**

1 An Act relating to the Iowa health care coverage partnership  
2 program and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1     3. If a nonstate public employer or nonprofit employer  
2 elects to participate in a state health or medical group  
3 insurance plan through the Iowa health care coverage  
4 partnership program, the nonstate public employer or nonprofit  
5 employer shall pay the costs of participation in the plan as  
6 provided in this part 5.

7     4. An employee or elected official of a nonstate public  
8 employer, or an employee of a nonprofit employer shall not  
9 be enrolled in the state plan through the Iowa health care  
10 coverage partnership program if such employee is covered  
11 through the employee's employer by health insurance plans or  
12 insurance arrangements issued to or in accordance with a trust  
13 established pursuant to collective bargaining subject to the  
14 federal Labor Management Relations Act.

15     Sec. 3. NEW SECTION. **8A.473 Iowa health care coverage**  
16 **partnership program — coverage offered.**

17     1. The Iowa health care coverage partnership program is  
18 established in the department. Pursuant to the program, the  
19 department shall offer coverage under the state health or  
20 medical group insurance plan to nonstate public employees  
21 and employees of nonprofit employers and shall pool such  
22 employees with the state plan, provided the department received  
23 an application from an employer of such employees and the  
24 application is approved in accordance with the provisions  
25 of this part 5. Employees and elected officials of such  
26 employers shall be covered under the state plan pursuant to the  
27 Iowa health care coverage partnership program under the same  
28 conditions that state employees are covered under the state  
29 plan and shall not be denied coverage on the basis of risk,  
30 cost, preexisting conditions, or other factors not applicable  
31 to state employees.

32     a. Premium payments for such coverage shall be remitted  
33 by the nonstate public employer or nonprofit employer to the  
34 department and shall be the same as those paid by the state  
35 inclusive of any premiums paid by state employees, except as

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1 otherwise provided in this part 5.

2 *b.* The department shall offer participation in the state  
3 plan pursuant to the Iowa health care coverage partnership  
4 program for no shorter than three-year intervals, and at  
5 the end of any such interval, a nonstate public employer or  
6 nonprofit employer may apply for coverage for an additional  
7 interval.

8 *c.* The department, by rule, shall develop procedures  
9 by which nonstate public employers and nonprofit employers  
10 obtaining coverage for their employees pursuant to the Iowa  
11 health care coverage partnership program may withdraw from such  
12 coverage. Any such procedures shall provide that nonstate  
13 public employees covered by collective bargaining shall  
14 withdraw from such coverage in accordance with the provisions  
15 of their collective bargaining agreements and applicable  
16 statutes.

17 2. The department is not required to offer coverage to every  
18 nonstate public employer or nonprofit employer seeking coverage  
19 pursuant to the Iowa health care coverage partnership program  
20 from every vendor providing coverage under the state plan.

21 3. The department may procure coverage to be offered  
22 pursuant to the Iowa health care coverage partnership program  
23 to nonstate public employees and employees of nonprofit  
24 employers from vendors other than those providing coverage to  
25 state employees and may offer insurance plans different from  
26 those available to state employees.

27 4. The department shall develop and procure coverage  
28 to be offered pursuant to the Iowa health care coverage  
29 partnership program that meets minimum standards of quality and  
30 affordability.

31 5. The department shall implement and administer the Iowa  
32 health care coverage partnership program including but not  
33 limited to creating applications and application procedures,  
34 enrollment periods and procedures, and procedures for  
35 withdrawal from the program.

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1     6. Notwithstanding any other provision of state or  
2 federal law, the state plan or the Iowa health care coverage  
3 partnership program shall not be deemed an unauthorized insurer  
4 or a multiple employer welfare arrangement. Any licensed  
5 insurer in this state is eligible to conduct business with  
6 the state plan and the Iowa health care coverage partnership  
7 program.

8     Sec. 4. NEW SECTION. **8A.474 Nonstate public employees —**  
9 **coverage.**

10    1. Nonstate public employees and elected officials may  
11 obtain coverage under the state plan pursuant to the Iowa  
12 health care coverage partnership program in accordance with  
13 this section.

14    2. A nonstate public employer may submit an application  
15 to the department for coverage under the state plan of all of  
16 such employer's employees and elected officials. If a nonstate  
17 public employer submits such an application for coverage, the  
18 department shall provide such coverage no later than the first  
19 day of the third calendar month following such application.

20    3. Notwithstanding any other provisions of state law,  
21 initial participation in the state plan shall be a permissive  
22 subject of collective bargaining and shall be subject to  
23 binding arbitration only if the employee organization and  
24 the nonstate public employer mutually agree to bargain over  
25 such initial participation. Such mutual agreement shall be  
26 in writing and signed by the authorized representatives of  
27 the employee organization and the nonstate public employer.  
28 Continuation in the state plan, after initial participation,  
29 shall be a mandatory subject of bargaining, and shall be  
30 subject to binding arbitration in accordance with the same  
31 procedures and standards that apply to any other mandatory  
32 subject of bargaining pursuant to state law.

33    4. Premium rates for nonstate public employers shall be the  
34 total premium rate paid by the state inclusive of any premiums  
35 paid by state employees for the particular state health care

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1 product offered by the state plan.

2 Sec. 5. NEW SECTION. 8A.475 Employees of nonprofit  
3 employers — coverage.

4 1. Employees of nonprofit employers may obtain coverage  
5 under the state plan pursuant to the Iowa health care coverage  
6 partnership program in accordance with this section.

7 2. A nonprofit employer may submit an application to the  
8 department for coverage under the state plan of all of such  
9 employer's employees. If a nonprofit employer submits such an  
10 application for coverage, the department shall provide such  
11 coverage no later than the first day of the third calendar  
12 month following such application. However, the department  
13 shall not approve an application for coverage under the  
14 state plan if the department determines that approval of such  
15 coverage would cause the state plan to be subject to the  
16 requirements of the federal Employee Retirement Income Security  
17 Act of 1974, as codified at 29 U.S.C. § 1001 et seq. If the  
18 department determines that the state plan is compliant with  
19 such federal requirements, the department shall resume approval  
20 of applications for coverage under the state plan as provided  
21 in this section.

22 3. Premium rates for nonprofit employers shall be the total  
23 premium rate paid by the state inclusive of any premiums paid  
24 by state employees for the particular state health care product  
25 offered by the state plan.

26 Sec. 6. NEW SECTION. 8A.476 Retirees — coverage.

27 1. Nonstate public employers and nonprofit employers  
28 eligible to obtain coverage for their employees under the state  
29 plan pursuant to the Iowa health care coverage partnership  
30 program may obtain such coverage for all of their retirees as  
31 provided in this part 5. Premium payments for such coverage  
32 shall be remitted by the nonstate public employer or nonprofit  
33 employer to the department and shall be the same as those paid  
34 by the nonstate public employer or nonprofit employer for  
35 employees who are not retired.

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1     2. Nothing in this part 5 shall diminish any right to  
 2 retiree health insurance pursuant to a collective bargaining  
 3 agreement or pursuant to any other provision of state or  
 4 federal law.

5     Sec. 7. NEW SECTION.   **8A.477 Premium payments —**  
 6 **administrative fees.**

7     1. A nonstate public employer or nonprofit employer  
 8 participating in the state plan pursuant to the Iowa health  
 9 care coverage partnership program shall pay the monthly amount  
 10 determined by the department, for coverage of its employees  
 11 and elected officials and retirees, or its employees and  
 12 retirees, as appropriate under the state plan. A nonstate  
 13 public employer or nonprofit employer may require each covered  
 14 employee, elected official, or retiree to contribute a portion  
 15 of the cost of such coverage under the state plan, subject  
 16 to any collective bargaining obligation applicable to such  
 17 employer. If any payment due by a nonstate public employer or  
 18 nonprofit employer under this section is not timely paid, after  
 19 the due date interest shall be added to such payment at the  
 20 prevailing rate of interest, as determined by the department.  
 21 Such interest shall be paid by the nonstate public employer or  
 22 nonprofit employer.

23     2. The department shall charge a nonstate public employer  
 24 or nonprofit employer participating in the state plan pursuant  
 25 to the Iowa health care coverage partnership program, an  
 26 administrative fee calculated on a per-month basis per covered  
 27 employee, elected official, or retiree.

28     3. Payments made pursuant to this section shall be  
 29 deposited in the health insurance administration fund created  
 30 in section 8A.454. Moneys deposited in the health insurance  
 31 administration fund pursuant to this section shall be  
 32 separately accounted for and shall be expended for payment  
 33 of insurance premiums for employees, elected officials,  
 34 and retirees covered under the Iowa health care coverage  
 35 partnership program.

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1     4. If a nonstate public employer fails to make premium  
2 payments as required under this section, the department may  
3 direct the treasurer of state, or any other office of the state  
4 that is the custodian of any moneys made available by reason of  
5 any grant, allocation, or appropriation by the state or state  
6 agencies payable to the nonstate public employer at any time  
7 subsequent to the failure of the nonstate public employer, to  
8 pay such premiums and interest that are due and unpaid and  
9 to withhold payment of moneys payable to the nonstate public  
10 employer until the amount of the premiums and interest then due  
11 and unpaid by the nonstate public employer has been paid to  
12 the state or until the treasurer determines that arrangements,  
13 satisfactory to the treasurer of state, have been made for the  
14 payment of such premiums and interest. However, such moneys  
15 shall not be withheld from a nonstate public employer if such  
16 withholding will adversely affect the receipt of any federal  
17 grant or aid in connection with such moneys.

18     5. If a nonprofit employer fails to make premium payments,  
19 the department may terminate the nonprofit employer's employee  
20 or retiree participation in the state plan pursuant to the  
21 Iowa health care coverage partnership program and request the  
22 attorney general to recover any premiums and interest due and  
23 unpaid.

24     Sec. 8. EFFECTIVE DATE. This Act takes effect January 1,  
25 2013.

EXPLANATION

26  
27     This bill establishes the Iowa health care coverage  
28 partnership program in the department of administrative  
29 services (DAS). The program allows employees, elected  
30 officials, and retired employees of a nonstate public employer,  
31 and employees and retirees of a nonprofit employer to be  
32 considered state employees for the purpose of enrolling in a  
33 state health or medical group insurance plan provided to state  
34 employees by DAS and requires such participating employees  
35 and elected officials, and retirees to be pooled with state

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1 employees in the state plan. In order to be eligible to  
2 participate in the partnership program, an employer must apply  
3 for the coverage and all employees and elected officials of  
4 such an employer must agree to enroll in a state health or  
5 medical insurance plan. Employees and elected officials  
6 of such employers receive health coverage under the same  
7 conditions as state employees and shall not be denied coverage  
8 on the basis of risk, cost, preexisting conditions, or other  
9 factors not applicable to state employees.

10 Premium payments for coverage received through the program  
11 must be the same as for state employees, including any premiums  
12 paid by state employees. An employer must participate in the  
13 partnership program for at least three years.

14 DAS is required to develop and procure coverage to be offered  
15 through the partnership program that meets minimum standards  
16 of quality and affordability and to implement and administer  
17 the program. DAS is not required to offer coverage through the  
18 partnership program from every vendor providing coverage under  
19 the state plan, and may procure coverage from different vendors  
20 and offer different insurance plans than those available to  
21 state employees.

22 Each employer who participates in the Iowa health care  
23 coverage partnership program must pay monthly premium amounts  
24 for coverage to DAS, plus administrative fees calculated on a  
25 per-month basis per employee, elected official, or retiree. An  
26 employer may require each covered employee, elected official,  
27 or retiree to contribute a portion of the cost of such coverage  
28 under the state plan, subject to any collective bargaining  
29 obligations. The payments are to be deposited in the health  
30 insurance administration fund created in Code section 8A.454  
31 for state employee premium payments, but must be separately  
32 accounted for and expended for coverage being provided pursuant  
33 to the partnership program.

34 If monthly premium payments are not made, DAS may charge  
35 interest on the unpaid balance. If a nonstate public employer

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1 fails to make premium payments, DAS may direct the treasurer  
2 of state to withhold grants, allocations, or appropriations  
3 payable to the nonstate public employer, until the premium  
4 payments are made. If a nonprofit employer fails to make  
5 premium payments, DAS may terminate participation of that  
6 employer's employees and retirees in the state plan and  
7 request the attorney general to recover the unpaid premiums and  
8 interest.

9 For purposes of the program, a "nonstate public employer" is  
10 a political subdivision of the state, including but not limited  
11 to counties, cities, community colleges, quasi-public agencies,  
12 and school districts. A "nonprofit employer" is a corporation  
13 organized or recognized as a nonprofit corporation under state  
14 or federal law.

15 The bill takes effect January 1, 2013.



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**Senate File 2263 - Introduced**

SENATE FILE 2263  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO SSB 3179)

**A BILL FOR**

1 An Act relating to fire protection and emergency medical  
2 services, including tax credits, service charges, and  
3 applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 safety and the state department of transportation for that  
2 purpose. The departments shall enter into an agreement to  
3 provide administrative assistance and support to the board.

4 DIVISION III  
5 PUBLIC SAFETY COMMUNICATIONS

6 **Sec. 4. NEW SECTION. 34A.11 Communications — single point**  
7 **of contact.**

8 A public or private safety agency that determines that a  
9 need, issue, or concern exists or has arisen in connection  
10 with the provision of public safety communications within an  
11 enhanced 911 service area shall file, register, or otherwise  
12 convey the need, issue, or concern to the joint E911 service  
13 board maintained within the area, or an alternative legal  
14 entity created pursuant to chapter 28E as provided in  
15 section 34A.3, subsection 3. The joint E911 service board  
16 or alternative legal entity shall serve as the single point  
17 of contact with regard to the receipt of public safety  
18 communications needs, issues, or concerns, and shall take such  
19 action with regard to the disposition of the need, issue, or  
20 concern as the board or entity in its discretion determines  
21 appropriate.

22 DIVISION IV  
23 VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL SERVICES TAX  
24 CREDIT

25 **Sec. 5. Section 8.57E, Code Supplement 2011, is amended to**  
26 **read as follows:**

27 **8.57E Taxpayers trust fund.**

28 1. A taxpayers trust fund is created. The fund shall be  
29 separate from the general fund of the state and the balance in  
30 the fund shall not be considered part of the balance of the  
31 general fund of the state. The moneys credited to the fund  
32 are not subject to section 8.33 and shall not be transferred,  
33 used, obligated, appropriated, or otherwise encumbered except  
34 as provided in this section.

35 2. Moneys in the taxpayers trust fund shall only be used

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1 pursuant to appropriations made by the general assembly for tax  
2 relief.

3     3. *a.* There is appropriated from the taxpayers trust fund  
4 to the general fund, for the fiscal year beginning July 1,  
5 2014, and subsequent fiscal years, an amount of moneys equal  
6 to the credits claimed under the volunteer fire fighter and  
7 volunteer emergency medical services personnel income tax  
8 credit in section 422.12 for the calendar year preceding the  
9 fiscal year for which the appropriation is made. The maximum  
10 annual appropriation under this paragraph shall not exceed  
11 sixty million dollars.

12     ~~*b.*~~ Moneys The moneys remaining in the taxpayers trust fund  
13 after the appropriation in paragraph "a" may be used for cash  
14 flow purposes during a fiscal year provided that any moneys so  
15 allocated are returned to the fund by the end of that fiscal  
16 year.

17     ~~*b.*~~ 4. Except as provided in section 8.58, the taxpayers  
18 trust fund shall be considered a special account for the  
19 purposes of section 8.53 in determining the cash position  
20 of the general fund of the state for the payment of state  
21 obligations.

22     ~~4.~~ 5. Notwithstanding section 12C.7, subsection 2,  
23 interest or earnings on moneys deposited in the taxpayers trust  
24 fund shall be credited to the fund.

25     Sec. 6. Section 422.12, subsection 1, Code 2011, is amended  
26 by adding the following new paragraphs:

27     NEW PARAGRAPH. *Ob.* *"Emergency medical services personnel"*  
28 means an emergency medical care provider, as defined in section  
29 147A.1, who is certified as a first responder pursuant to  
30 chapter 147A.

31     NEW PARAGRAPH. *d.* *"Volunteer fire fighter"* means a  
32 volunteer fire fighter as defined in section 85.61 who has met  
33 the minimum training standards established by the fire service  
34 training bureau pursuant to chapter 100B.

35     Sec. 7. Section 422.12, subsection 2, Code 2011, is amended

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1 by adding the following new paragraph:

2 NEW PARAGRAPH. c. (1) A volunteer fire fighter and  
3 volunteer emergency medical services personnel credit equal  
4 to five hundred dollars to compensate the taxpayer for the  
5 voluntary services if the volunteer served for the entire tax  
6 year.

7 If the taxpayer is not a volunteer fire fighter or volunteer  
8 emergency medical services personnel for the entire tax  
9 year, the maximum amount of the credit shall be prorated  
10 and the amount of credit for the taxpayer shall equal the  
11 maximum amount of credit for the tax year, divided by twelve,  
12 multiplied by the number of months in the tax year the taxpayer  
13 was a volunteer. The credit shall be rounded to the nearest  
14 dollar. If the taxpayer is a volunteer during any part of a  
15 month, the taxpayer shall be considered a volunteer for the  
16 entire month. If the taxpayer is a volunteer fire fighter and  
17 a volunteer emergency medical services personnel during the  
18 same month, a credit may be claimed for only one volunteer  
19 position for that month.

20 (2) The taxpayer is required to have a written statement  
21 from the fire chief or other appropriate supervisor verifying  
22 that the taxpayer was a volunteer fire fighter or volunteer  
23 emergency medical services personnel for the months for which  
24 the credit under this subsection is claimed.

25 Sec. 8. APPLICABILITY. This division of this Act applies to  
26 tax years beginning on or after January 1, 2013.

DIVISION V

PUBLIC SAFETY EMPLOYEE SURVIVOR BENEFITS

29 Sec. 9. Section 260C.14, Code 2011, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 23. Adopt rules to waive tuition and  
32 mandatory fee charges for any student in good standing who is  
33 a resident of Iowa; is under the age of twenty-six, or under  
34 the age of thirty if the student is a qualified veteran as  
35 defined in subsection 14; is not a convicted felon as defined



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1 in section 910.15; and is the child of an individual who died  
2 in the line of duty as determined by section 97A.6, subsection  
3 16, section 97B.52, subsection 2, section 100B.31, or section  
4 411.6, subsection 15.

5 Sec. 10. Section 262.9, Code Supplement 2011, is amended by  
6 adding the following new subsection:

7 NEW SUBSECTION. 36. Adopt rules that require the  
8 institutions of higher education under its control to waive  
9 tuition and mandatory fee charges for any undergraduate student  
10 in good standing who is a resident of Iowa; is under the age  
11 of twenty-six, or under the age of thirty if the student is  
12 a qualified veteran as defined in subsection 17; is not a  
13 convicted felon as defined in section 910.15; and is the child  
14 of an individual who died in the line of duty as determined by  
15 section 97A.6, subsection 16, section 97B.52, subsection 2,  
16 section 100B.31, or section 411.6, subsection 15.

17 Sec. 11. Section 509A.13, Code 2011, is amended to read as  
18 follows:

19 **509A.13 Continuation of group insurance.**

20 1. If a governing body, a county board of supervisors, or a  
21 city council has procured for its employees accident, health,  
22 or hospitalization insurance, or a medical service plan, or has  
23 contracted with a health maintenance organization authorized  
24 to do business in this state, the governing body, county board  
25 of supervisors, or city council shall ~~allow~~ do all of the  
26 following:

27 a. Allow its employees who retired before attaining  
28 sixty-five years of age to continue participation in the group  
29 plan or under the group contract at the employee's own expense  
30 until the employee attains sixty-five years of age.

31 b. Allow any child of an eligible deceased employee to  
32 continue participation in the group plan or under the group  
33 contract at the employer's expense until the child attains  
34 twenty-six years of age. For purposes of this paragraph,  
35 "eligible deceased employee" means an employee who died in

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1 the line of duty as determined by section 97A.6, subsection  
 2 16, section 97B.52, subsection 2, section 100B.31, or section  
 3 411.6, subsection 15.

4 2. This section applies to employees who retired on or  
 5 after January 1, 1981, and to children of an eligible deceased  
 6 employee who died on or after July 1, 2012.

7 Sec. 12. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
 8 3, shall not apply to this division of this Act.

9 DIVISION VI

10 EMERGENCY MANAGEMENT COMMISSIONS — FINANCING

11 Sec. 13. Section 29C.9, subsection 2, Code Supplement 2011,  
 12 is amended to read as follows:

13 2. The commission shall be composed of a member of the  
 14 board of supervisors ~~or its appointed representative, the~~  
 15 ~~sheriff or the sheriff's representative, and the mayor or the~~  
 16 ~~mayor's representative~~ from each city within the county. ~~The~~  
 17 ~~commission members shall be the operations liaison officers~~  
 18 ~~between their jurisdiction and the commission. A commission~~  
 19 ~~member may designate an alternate to represent the designated~~  
 20 ~~entity. For any activity relating to section 29C.17,~~  
 21 ~~subsection 2, or chapter 24, participation shall only be by a~~  
 22 ~~commission member or a designated alternate that is an elected~~  
 23 ~~official from the same designated entity.~~

24 Sec. 14. Section 29C.17, subsections 2 and 5, Code  
 25 Supplement 2011, are amended to read as follows:

26 2. For the purposes consistent with this chapter, the local  
 27 emergency management agency's approved budget ~~may~~ shall be  
 28 funded by one or any combination of the following options, as  
 29 determined by the commission:

30 a. A countywide special levy ~~approved by the board of~~  
 31 ~~supervisors pursuant to section 331.424, subsection 1, to the~~  
 32 ~~extent the county's basic levy is insufficient.~~

33 b. Per capita allocation funded from city and county general  
 34 funds or by a combination of city and county special levies  
 35 which may be apportioned among the member jurisdictions.

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1 amend applicable medical assistance program state plan and  
2 waiver provisions as necessary to implement this section.

3 DIVISION VIII

4 EMERGENCY MEDICAL SERVICES REPORTS

5 Sec. 17. Section 100B.2, Code 2011, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 9. Consult with and provide  
8 recommendations to the state fire marshal and director  
9 of the department of public health concerning efficient and  
10 cost-effective methods of providing reports required of fire  
11 service and emergency services personnel.

12 DIVISION IX

13 FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES CHARGES

14 Sec. 18. Section 331.385, subsection 5, paragraph a, Code  
15 2011, is amended to read as follows:

16 *a.* Notwithstanding subsection 1, if as of July 1, 2006, a  
17 township has in force an agreement entered into pursuant to  
18 chapter 28E for a city or another township to provide fire  
19 protection service or fire protection service and emergency  
20 medical service for the township, or if a township is otherwise  
21 contracting with a city or another township for provision to  
22 the township of fire protection service or fire protection  
23 service and emergency medical service, the county board of  
24 supervisors shall, for the fiscal year beginning July 1, 2007,  
25 and subsequent fiscal years, negotiate for and enter into an  
26 agreement pursuant to chapter 28E providing for continued fire  
27 protection service, or fire protection service and emergency  
28 medical service, to the township, and shall certify taxes  
29 for levy in the township or impose service charges, or both,  
30 pursuant to section 331.424C, in amounts sufficient to meet the  
31 financial obligations pertaining to the agreement.

32 Sec. 19. Section 331.424C, Code 2011, is amended to read as  
33 follows:

34 **331.424C Emergency services fund.**

35 A county that is providing fire protection service or



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1 emergency medical service to a township pursuant to section  
2 331.385 shall establish an emergency services fund and may  
3 certify taxes for levy in the township or may impose service  
4 charges for such services, or both. The taxes levied or  
5 charges imposed shall not ~~to~~ exceed the amounts authorized in  
6 section 359.43. The county has the authority to use a portion  
7 of the taxes levied or charges imposed and deposited in the  
8 fund for the purpose of accumulating moneys to carry out the  
9 purposes of section 359.43, subsection 4.

10 Sec. 20. Section 357J.17, Code 2011, is amended to read as  
11 follows:

12 **357J.17 Transition — township tax and service charges**  
13 **discontinued.**

14 When the boundary lines of the district include all or a  
15 portion of a township and the district has certified a tax levy  
16 within the township for the purpose of fire protection service  
17 and emergency medical service, the township trustees shall no  
18 longer levy the tax or impose the service charges provided  
19 by section 359.43 in that portion of the township provided  
20 services by the district. Any indebtedness incurred for the  
21 purposes of sections 359.42 through 359.45 for a service now  
22 provided by the district shall be assumed by the district.  
23 Such township shall not be responsible for providing fire  
24 protection service and emergency medical service as provided  
25 in section 359.42 for the portion of the township within the  
26 district, and shall have no liability for the method, manner,  
27 or means by which the district provides the fire protection  
28 service and emergency medical service.

29 Sec. 21. Section 359.43, Code 2011, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 6. *a.* In addition to or in lieu of the  
32 property tax levies authorized in this section, the trustees  
33 may authorize the collection of any of the following:

34 (1) A service charge for fire protection service from the  
35 property owner where the fire protection service was provided.

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1 (2) A service charge for emergency medical service from the  
2 recipient of the emergency medical service or from the parent  
3 of the recipient if the recipient is a minor. For purposes  
4 of this subsection, "minor" means an individual who is under  
5 eighteen years of age and is not considered by law to be an  
6 adult, and "parent" means one biological or adoptive parent, a  
7 stepparent, or a legal guardian or custodian of the minor.

8 b. A service charge collected under this section for fire  
9 protection service or emergency medical service shall not  
10 exceed an amount equal to the actual expense incurred by the  
11 township to provide the service.

12 c. The state fire service and emergency response council  
13 established in section 100B.1 shall develop guidelines for  
14 townships to follow when authorizing the collection of service  
15 charges for fire protection service or emergency medical  
16 service.

17 d. If the trustees contract with a public or private agency  
18 under chapter 28E for the purpose of providing fire protection  
19 service or emergency medical service, the public or private  
20 agency may collect the service charges authorized under this  
21 subsection if the types and amounts of such service charges are  
22 specified in the chapter 28E agreement.

23 e. (1) If a service charge for fire protection service  
24 imposed under this subsection remains unpaid six months  
25 after the property owner was notified of the service charge,  
26 the unpaid amount shall constitute a lien upon the property  
27 where such service was provided. The lien shall have equal  
28 precedence with ordinary taxes, may be certified to the county  
29 treasurer and collected in the same manner as ordinary taxes,  
30 and is not divested by a judicial sale.

31 (2) If a service charge for emergency medical service  
32 imposed under this subsection remains unpaid six months after  
33 the recipient of the service, or the parent of the recipient if  
34 the recipient is a minor, was notified of the service charge,  
35 the trustees may bring a civil action in order to collect the

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1 amount due. The civil action may be heard by the district  
 2 court sitting in small claims as provided in chapter 631 unless  
 3 the amount due exceeds the jurisdictional amount for small  
 4 claims set forth in section 631.1.

5 Sec. 22. Section 359.45, Code 2011, is amended to read as  
 6 follows:

7 **359.45 Anticipatory bonds.**

8 Townships may anticipate the collection of taxes or service  
 9 charges authorized by section 359.43 and for such purposes  
 10 may direct the county board of supervisors to issue bonds  
 11 under sections 331.441 to 331.449 relating to essential county  
 12 purpose bonds except that the bonds are payable only from tax  
 13 levies on property subject to the levy under section 359.43 or  
 14 from service charges collected under section 359.43.

15 DIVISION X

16 EMERGENCY SERVICES — TRAFFIC VIOLATIONS

17 Sec. 23. Section 321.1, Code Supplement 2011, is amended by  
 18 adding the following new subsection:

19 **NEW SUBSECTION.** 20C. *"Emergency services zone"* means the  
 20 portion of a highway which is within five hundred feet of a  
 21 stationary authorized emergency vehicle that is on the highway  
 22 and displaying flashing yellow, amber, white, red, or red and  
 23 blue lights.

24 Sec. 24. Section 805.8A, subsection 14, paragraph i, Code  
 25 Supplement 2011, is amended to read as follows:

26 *i. Road work zone and emergency services zone*  
 27 *violations.* The scheduled fine for any moving traffic  
 28 violation under chapter 321, as provided in this section, shall  
 29 be doubled if the violation occurs within any road work zone  
 30 or emergency services zone, both as defined in section 321.1.  
 31 However, notwithstanding subsection 5, the scheduled fine for  
 32 violating the speed limit in a road work zone or emergency  
 33 services zone is as follows:

34 (1) One hundred fifty dollars for speed not more than ten  
 35 miles per hour over the posted speed limit.





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1 of public safety communications within an enhanced 911 service  
2 area, the agency shall file, register, or otherwise convey  
3 the need, issue, or concern to the joint E911 service board  
4 maintained within the area, or an alternative legal entity  
5 established as provided in Code section 34A.3, subsection  
6 3. The division directs the applicable joint E911 service  
7 board or alternative legal entity to serve as the single  
8 point of contact with regard to the receipt of public safety  
9 communications needs, issues, or concerns, and authorizes  
10 the board or entity to take such action with regard to the  
11 disposition of the need, issue, or concern as the board or  
12 entity in its discretion determines appropriate.

13 DIVISION IV — VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL  
14 SERVICES TAX CREDIT. This division of the bill provides a  
15 nonrefundable individual income tax credit for an individual  
16 who was a volunteer fire fighter who has met the minimum  
17 training standards or certified volunteer emergency medical  
18 services personnel for the entire tax year. The credit is to  
19 compensate the individual for the volunteer services. The  
20 amount of the credit equals \$500. If the individual was not  
21 a volunteer for the entire tax year, the amount of credit is  
22 prorated based upon the months of volunteer service. A credit  
23 may be claimed for only one volunteer position per month.

24 The division provides an annual appropriation from the  
25 taxpayers relief fund to the general fund for an amount equal  
26 to the credits claimed for a tax year, not to exceed \$60  
27 million.

28 The division applies to tax years beginning on or after  
29 January 1, 2013.

30 DIVISION V — PUBLIC SAFETY EMPLOYEE SURVIVOR BENEFITS.  
31 This division of the bill provides health care and tuition  
32 benefits to children of public safety employees who died in the  
33 line of duty.

34 Code section 260C.14, concerning community colleges,  
35 is amended to provide that the board of directors of each

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1 community college shall adopt rules to waive tuition and  
2 mandatory fee charges for any student in good standing who is a  
3 resident of Iowa who is under the age of 26, or under the age  
4 of 30 if the student is a qualified veteran, is not a convicted  
5 felon, and is the child of an individual who died in the line  
6 of duty as determined by Code section 97A.6(16), Code section  
7 97B.52(2), Code section 100B.31, or Code section 411.6(15).

8 Code section 262.9, concerning the board of regents, is  
9 amended to provide that the board of regents shall adopt  
10 rules providing that institutions of higher education under  
11 its control waive tuition and mandatory fee charges for any  
12 undergraduate student in good standing who is a resident of  
13 Iowa, who is under the age of 26 or under the age of 30 if the  
14 student is a qualified veteran, is not a convicted felon, and  
15 is the child of an individual who died in the line of duty as  
16 determined by Code section 97A.6(16), Code section 97B.52(2),  
17 Code section 100B.31, or Code section 411.6(15).

18 Code section 509A.13, concerning continuation of group  
19 insurance for public employees, is amended to provide that  
20 any child of an employee who died in the line of duty on or  
21 after July 1, 2012, as determined by Code section 97A.6(16),  
22 Code section 97B.52(2), Code section 100B.31, or Code section  
23 411.6(15), shall be entitled to continue participation in that  
24 group insurance, at the employer's expense, until the child  
25 attains 26 years of age.

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 DIVISION VI — EMERGENCY MANAGEMENT COMMISSIONS —  
34 FINANCING. This division of the bill relates to financial  
35 responsibilities of local emergency management commissions.

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1 The division provides that local emergency management  
2 commission members may designate an alternate to represent the  
3 designated entity. The division provides that for any activity  
4 relating to Code section 29C.17, subsection 2, or Code chapter  
5 24, relating to the budget, participation shall only be by a  
6 commission member or a designated alternate that is an elected  
7 official from the same designated entity.

8 Currently, a local emergency management agency's approved  
9 budget may be funded by one or more of four specific methods.  
10 The division requires the budgets to be funded by one or more  
11 of the four specific methods and specifies that the countywide  
12 special levy may be levied from the supplemental fund of the  
13 county if the basic levy is insufficient.

14 The division provides that joint emergency response  
15 communication services must be funded as provided for in an  
16 agreement entered into pursuant to Code chapter 28E.

17 The division provides that agency budgets must be provided  
18 to funding entities in a form prescribed by the department  
19 of management. The division provides that a portion of  
20 any tax levied by a county or city to support the local  
21 emergency management agency may be identified separately on tax  
22 statements issued by the county treasurer.

23 DIVISION VII — IOWACARE AMBULANCE TRANSPORTATION COVERAGE.  
24 This division of the bill requires the department of human  
25 services to adopt rules for the IowaCare program to include  
26 ambulance transportation to and from a participating provider  
27 as a covered service.

28 DIVISION VIII — EMERGENCY MEDICAL SERVICES REPORTS.  
29 This division of the bill requires the state fire service  
30 and emergency response council to consult with and provide  
31 recommendations to the state fire marshal and director of  
32 the department of public health concerning efficient and  
33 cost-effective methods of providing reports.

34 DIVISION IX — FIRE PROTECTION AND EMERGENCY MEDICAL  
35 SERVICES CHARGES. Current Code section 359.43 authorizes

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1 townships to levy property taxes for providing fire protection  
2 service and emergency medical service. This division of the  
3 bill authorizes townships to collect a service charge for  
4 providing fire protection service or emergency medical service,  
5 in addition to or in lieu of such property taxes.

6 The division provides that a service charge for fire  
7 protection service is charged to the property owner where such  
8 service was provided and that a service charge for emergency  
9 medical service is charged to the recipient of the emergency  
10 medical service or to the parent of the recipient if the  
11 recipient is a minor. The division prohibits the township from  
12 imposing a service charge that exceeds an amount equal to the  
13 actual expense incurred by the township to provide the service.  
14 The division also directs the state fire service and emergency  
15 response council to develop guidelines for townships to follow  
16 when authorizing the collection of service charges for fire  
17 protection service or emergency medical service.

18 If a township contracts with a public or private agency under  
19 Code chapter 28E for the purpose of providing fire protection  
20 service or emergency medical service, the public or private  
21 agency may collect the service charges authorized in the  
22 division if the types and amounts of such service charges are  
23 specified in the Code chapter 28E agreement.

24 The division provides that if a service charge for fire  
25 protection service remains unpaid six months after the property  
26 owner was notified of the service charge, the unpaid amount  
27 constitutes a lien upon the property where such service was  
28 provided and may be collected in the same manner as ordinary  
29 taxes. The division also provides that if a service charge for  
30 emergency medical service remains unpaid six months after the  
31 recipient of the service or the parent of the recipient, if  
32 applicable, was notified of the service charge, the trustees  
33 may bring a civil action in order to collect the amount due.

34 The division includes the fire protection and emergency  
35 medical service charges authorized in the division among the

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1 revenues under which the township may direct the issuance of  
2 anticipatory revenue bonds.

3 For a county that is providing fire protection service  
4 or emergency medical service to a township pursuant to Code  
5 section 331.385, the division allows that county to impose the  
6 service charges that the division authorizes for townships.

7 DIVISION X — EMERGENCY SERVICES — TRAFFIC VIOLATIONS.  
8 This division of the bill provides that the scheduled fine for  
9 any moving traffic violations occurring within an emergency  
10 services zone shall be doubled. The division defines  
11 "emergency services zone" as the portion of a highway which is  
12 within five hundred feet of a stationary authorized emergency  
13 vehicle that is on the highway and displaying flashing yellow,  
14 amber, white, red, or red and blue lights.



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**Senate File 2264 - Introduced**

SENATE FILE 2264  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO SSB 3168)

**A BILL FOR**

1 An Act concerning public construction bidding by establishing a  
2 pilot program for alternative project delivery processes for  
3 certain public projects and utilizing alternative selection  
4 procedures for certain professional services and making an  
5 appropriation.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 26.4, Code 2011, is amended to read as  
2 follows:

3 ~~26.4 Exemptions from competitive bids and quotations~~  
4 Professional services procurement.

5 1. Architectural, landscape architectural, design-build, or  
6 engineering design services procured for a public improvement  
7 are not subject to sections 26.3 and 26.14.

8 2. Professional services provided for a public improvement  
9 by an architect registered under chapter 544A, an engineer  
10 or land surveyor licensed under chapter 542B, a landscape  
11 architect licensed under chapter 544B, or a design-build entity  
12 as defined in section 26.14B, shall be procured utilizing a  
13 qualifications-based and direct negotiation selection process.

14 3. Selection of professional services through a  
15 qualifications-based and direct negotiation selection process  
16 shall proceed, in order, through the following steps:

17 a. The governmental entity shall issue for the purpose  
18 of fair and open competition a public notice of request for  
19 qualifications and a description of the nature and type of  
20 public improvement proposed and preliminary scope of services  
21 required.

22 b. The governmental entity shall form a selection committee  
23 of not less than three persons to evaluate and rank the  
24 qualifications of the firms submitting qualifications and enter  
25 into negotiations.

26 c. In evaluating the qualifications, the selection committee  
27 shall consider the following criteria:

28 (1) The specialized experience and technical competence of  
29 the firm with respect to the type of services required.

30 (2) The capacity and capability of the firm to perform the  
31 work in question, including specialized services, within the  
32 time limitations fixed for the completion of the project.

33 (3) The past record of performance of the firm with respect  
34 to such factors as control of costs, quality of work, and  
35 ability to meet schedules.

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1     (4) The firm's proximity to and familiarity with the area in  
2 which the project is located.

3     (5) Consideration shall not be given, or information  
4 requested, concerning fees, prices, completion times, or  
5 any other cost information at any point prior to entering  
6 negotiations.

7     d. Following the evaluation of the qualifications of the  
8 firms, the selection committee shall rank the three most highly  
9 qualified firms in the order of best qualified first and shall  
10 enter into negotiations pursuant to the following requirements:

11     (1) The selection committee shall enter into negotiations  
12 only with the firm considered best qualified and capable of  
13 performing the desired work. The selection committee shall  
14 seek to reach agreement on scope, contract terms, fair and  
15 reasonable fees, and any other necessary items.

16     (2) If, in the opinion of the selection committee, the  
17 committee is unable to negotiate a satisfactory contract with  
18 the best qualified firm, negotiations with that firm shall  
19 be terminated. The selection committee shall then undertake  
20 negotiations with the next best qualified firm. If there is a  
21 failing of accord with the second firm, negotiations with such  
22 firm shall be terminated. The selection committee shall then  
23 undertake negotiations with the third qualified firm.

24     (3) If the selection committee is not able to negotiate  
25 a satisfactory contract with any of the three most qualified  
26 firms, the selection committee shall reevaluate the necessary  
27 professional services, including the scope, estimated cost,  
28 complexity, and reasonable fee requirements. The selection  
29 committee shall then reevaluate qualifications and compile a  
30 new list of not less than three qualified firms and proceed in  
31 accordance with the provisions of this section.

32     **Sec. 2. NEW SECTION. 26.14B Alternative project delivery**  
33 **pilot program — advisory committee.**

34     1. As used in this section, unless the context otherwise  
35 provides:



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1     *a. "Alternative project delivery"* means procuring and  
2 delivering design and construction services for a public  
3 project according to one of the selection methods outlined in  
4 this section.

5     *b. "Construction management services"* means an alternative  
6 project delivery method whereby services are provided by  
7 a construction manager in a manner similar to a general  
8 contractor, and which requires the construction manager to  
9 solicit competitive bids for the trade packages or subcontracts  
10 developed for the public project and to enter into the trade  
11 contracts or subcontracts for the public project. Construction  
12 management services may include but are not limited to  
13 scheduling, value analysis, system analysis, constructability  
14 reviews, progress document reviews, subcontractor involvement  
15 and prequalification, subcontractor bonding policy, budgeting  
16 and price guarantees, and construction coordination.

17     *c. "Construction manager"* means an individual, partnership,  
18 joint venture, corporation, or other legal entity that  
19 utilizes skill and knowledge of general contracting to perform  
20 construction management services and preconstruction services,  
21 competitively procures and contracts with specialty contractors  
22 or subcontractors, and assumes the responsibility and the risk  
23 for construction delivery within a specified cost and schedule.

24     *d. "Construction services"* means the process of planning,  
25 building, equipping, altering, repairing, improving, or  
26 demolishing any structure or appurtenance thereto, including  
27 facilities, utilities, or other improvements to real property,  
28 but excluding highways, roads, bridges, dams, or stand-alone  
29 parking lots.

30     *e. "Design professional"* means an architect registered under  
31 chapter 544A, an engineer licensed under chapter 542B, or a  
32 landscape architect licensed under chapter 544B.

33     *f. "Design-build entity"* means an individual, partnership,  
34 joint venture, corporation, or other legal entity that  
35 furnishes design-build services, whether by itself or through

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1 subcontracts.

2 *g. "Design-build services"* means a method of alternative  
3 project delivery for which both design and construction  
4 services are provided under one contract. *"Design-build*  
5 *services"* may include architecture, engineering, and related  
6 design services required for a given project and the labor,  
7 materials, and other construction services for the project.

8 *h. "Preconstruction services"* means a series of services  
9 including but not limited to design review, scheduling,  
10 estimating, cost control, value engineering, constructability  
11 evaluation, and preparation and coordination of bid packages.

12 *i. "Public project"* means a project under the control of  
13 a governmental entity that is paid for in whole or in part  
14 with funds of the governmental entity, including a building  
15 or improvement constructed or operated jointly with any other  
16 public or private agency that has an estimated total cost of  
17 more than one hundred thousand dollars. A *"public project"* may  
18 include planning, acquiring, designing, building, equipping,  
19 altering, repairing, improving, or demolishing any structure or  
20 appurtenance thereto, including facilities, utilities, or other  
21 improvements to any real property owned by the governmental  
22 entity, but excluding highways, roads, bridges, dams, or  
23 stand-alone parking lots. However, a parking lot included as  
24 part of the site work of a public project may be included as  
25 part of a construction management contract or a design-build  
26 services contract. Parking ramps and parking garages are not  
27 considered to be parking lots and may be a "public project"  
28 constructed utilizing alternative project delivery methods.

29 2. Notwithstanding any provision of law to the contrary,  
30 the following selection methods may be utilized for a public  
31 project procured through an alternative project delivery  
32 process as provided in this section:

33 *a.* The construction management at-risk selection method  
34 is a project delivery process in which a construction manager  
35 contract separate from a design professional contract provides

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1 for preconstruction services, and a second construction manager  
2 contract provides an at-risk obligation for the construction  
3 manager to carry out construction with a contractual maximum  
4 price guarantee for the public project.

5 *b.* The design-build qualifications-based selection method is  
6 a project delivery process in which a design-build entity is  
7 selected and a contract negotiated as provided in section 26.4,  
8 subsection 3, to design and construct a public project for a  
9 specific budget under a single contract.

10 *c.* The design-build best value-based selection method  
11 is a project delivery process in which a design-build entity  
12 is selected on the basis of both price and qualifications to  
13 design and construct a public project for a specific budget  
14 under a single contract. Consideration of price may refer to  
15 either fees and general conditions or to total construction  
16 cost.

17 *d.* The design-build bridging-based selection method is  
18 a project delivery process in which a design professional  
19 contract provides for the preparation of a design concept and  
20 scope of work documents as bidding documents and for continuing  
21 assistance during construction. The bidding documents shall  
22 be utilized to select a design-build entity who shall enter  
23 into a contract to provide for the completion of the design and  
24 the construction of the contract. The design professionals  
25 utilized by the design-build entity shall be independent of the  
26 design professionals utilized through the design professional  
27 contract.

28 3. *a.* Notwithstanding any provision of law to the contrary,  
29 the department of administrative services and state board of  
30 regents may utilize alternative project delivery selection  
31 methods for the fiscal period beginning July 1, 2012, and  
32 ending December 31, 2016, in coordination with the alternative  
33 project delivery pilot program advisory committee, for public  
34 projects. The state board of regents may select up to three  
35 public projects, and the department of administrative services

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1 one public project, each fiscal year for three consecutive  
2 fiscal years beginning with the fiscal year commencing July 1,  
3 2012, utilizing alternative project delivery selection methods.  
4 Selection of public projects during a fiscal year shall be  
5 completed by December 1 of that fiscal year.

6 *b.* The selection of public projects pursuant to the pilot  
7 program shall be subject to the following:

8 (1) To the extent practical, public projects within  
9 the pilot program shall include both renovation and new  
10 construction projects.

11 (2) To the extent practical, public projects within the  
12 pilot program shall vary in size, complexity, scheduling, and  
13 cost.

14 (3) To the extent practical, the state board of regents and  
15 the department of administrative services shall each utilize  
16 all permitted alternative project delivery selection methods  
17 during the pilot program.

18 (4) The state board of regents shall make final  
19 determinations on projects and types of alternative project  
20 delivery processes for its portion of the pilot program.

21 (5) The department of administrative services shall make  
22 final determinations on projects and types of alternative  
23 project delivery processes for its portion of the pilot  
24 program.

25 4. *a.* An alternative project delivery pilot program  
26 advisory committee is established consisting of the following  
27 members:

28 (1) One member appointed by the state board of regents.

29 (2) One member appointed by the director of the department  
30 of administrative services.

31 (3) One member appointed by the Iowa state building and  
32 construction trades council.

33 (4) One member appointed by the Iowa chapter of the American  
34 institute of architects.

35 (5) One member appointed by the American council of

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1 engineering companies of Iowa.

2 (6) One member appointed by the Iowa chapter of the  
3 design-build institute of America.

4 (7) One member appointed by the master builders of Iowa.

5 (8) One member appointed by the mechanical contractors  
6 association of Iowa.

7 (9) One member appointed by the Iowa chapter of the American  
8 society of landscape architects.

9 (10) One member appointed by the associated builders and  
10 contractors of Iowa.

11 *b.* Each member of the committee shall serve until December  
12 31, 2016, or until the member resigns. A vacancy on the  
13 committee shall be filled in the same manner as the original  
14 appointment.

15 *c.* The member appointed by the state board of regents and  
16 the member appointed by the director of the department of  
17 administrative services shall serve as co-chairpersons of the  
18 committee.

19 *d.* Meetings of the committee may be called by the  
20 chairperson or by a majority of the members.

21 *e.* A majority of the members of the committee constitutes a  
22 quorum. Any action taken by the committee must be adopted by  
23 the affirmative vote of a majority of its membership.

24 *f.* A member shall not vote on a matter before the committee  
25 if the individual has a pecuniary, equitable, or other interest  
26 in the matter or conditions exist that would interfere with the  
27 member's ability to properly discharge the member's duties.

28 *g.* The duties of the advisory committee shall include all  
29 of the following:

30 (1) Advise the state board of regents and the department of  
31 administrative services in selecting public projects and the  
32 appropriate selection methods as provided in this section.

33 (2) File a progress report with the general assembly at the  
34 beginning of each legislative session. A final report shall be  
35 filed by the advisory committee with the general assembly no

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1 later than January 1, 2017. The final report shall identify  
2 the advantages and disadvantages of all authorized alternate  
3 project delivery processes for public improvement projects  
4 based on evaluation of the pilot projects.

5 Sec. 3. ALTERNATIVE PROJECT DELIVERY PILOT PROGRAM —  
6 REBUILD IOWA INFRASTRUCTURE FUND APPROPRIATION.

7 There is appropriated from the rebuild Iowa infrastructure  
8 fund to the following departments and agencies for the fiscal  
9 period beginning July 1, 2012, and ending June 30, 2016, the  
10 following amounts, or so much thereof as is necessary, to be  
11 used for the purposes designated:

12 1. DEPARTMENT OF ADMINISTRATIVE SERVICES

13 For expenses associated with administration and reporting  
14 requirements of the alternative project delivery pilot program  
15 as established by section 26.14B:

16 ..... \$ 10,000

17 2. BOARD OF REGENTS

18 For expenses associated with administration and reporting  
19 requirements of the alternative project delivery pilot program  
20 as established by section 26.14B:

21 ..... \$ 30,000

22 EXPLANATION

23 This bill concerns public construction bidding.  
24 Code section 26.4, concerning exemptions from competitive  
25 bids and quotations, is amended to add design-build services  
26 to the list of services exempt from competitive bidding under  
27 Code chapter 26. The bill further amends the Code section to  
28 establish the method by which professional services exempt  
29 from competitive bidding under the Code section shall be  
30 procured. The bill provides that these professional services  
31 shall be procured utilizing a qualifications-based and direct  
32 negotiation selection process. The bill provides that the  
33 selection process shall be conducted in two stages. First, the  
34 governmental entity shall use a qualifications-based approach  
35 through a selection committee in selecting three entities that



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1 are qualified to perform the services to be procured. The  
2 bill describes the applicable criteria in determining the best  
3 qualified firms. Following selection of three firms, the  
4 bill provides that the governmental entity shall enter into  
5 negotiations with the highest ranked firm. If negotiations are  
6 unsuccessful, the government entity can then proceed to the  
7 next highest ranked firm.

8 New Code section 26.14B establishes an alternative project  
9 delivery pilot program.

10 The bill defines design-build services as an alternative  
11 project delivery method in which both design and construction  
12 services are provided under one contract.

13 The bill authorizes the department of administrative  
14 services and state board of regents to utilize alternative  
15 project delivery selection methods for the fiscal period  
16 beginning July 1, 2012, and ending December 31, 2016, in  
17 coordination with the alternative project delivery pilot  
18 program advisory committee established by the bill, for  
19 public projects. The state board of regents is authorized  
20 to select up to three public projects, and the department of  
21 administrative services one public project during each fiscal  
22 year during the pilot program period. The bill describes the  
23 various methods by which a public project is to be completed  
24 and provides that the method to be used shall be selected by  
25 the applicable governmental entity in coordination with the  
26 pilot program advisory committee. The methods are construction  
27 management at-risk, design-build qualifications-based,  
28 design-build best value-based, and design-build bridging-based.

29 The new Code section also establishes an alternative project  
30 delivery pilot program advisory committee with 10 members which  
31 shall advise the state board of regents and the department of  
32 administrative services in selecting public projects and the  
33 appropriate selection methods as provided in the bill. The  
34 bill also requires the advisory committee to submit an annual  
35 progress report to the legislature concerning the pilot program

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1 as well as a final report concerning the program by January 1,  
2 2017.

3 The bill appropriates moneys from the rebuild Iowa  
4 infrastructure fund to the department of administrative  
5 services and the board of regents for the fiscal period  
6 beginning July 1, 2012, and ending June 30, 2016, for expenses  
7 associated with the pilot program.



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**Senate File 2265 - Introduced**

SENATE FILE 2265  
BY COMMITTEE ON JUDICIARY  
  
(SUCCESSOR TO SSB 3133)

**A BILL FOR**

1 An Act providing for notarial acts, providing for fees, and  
2 including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 copy, and noting a protest of a negotiable instrument.

2 6. *Notarial officer* means a notary public or other  
3 individual authorized to perform a notarial act.

4 7. *Notary public* means an individual commissioned to  
5 perform a notarial act by the secretary of state.

6 8. *Official stamp* means a physical image affixed to or  
7 embossed on a tangible record or an electronic image attached  
8 to or logically associated with an electronic record.

9 9. *Person* means an individual, corporation, business  
10 trust, statutory trust, estate, trust, partnership, limited  
11 liability company, association, joint venture, public  
12 corporation, government or governmental subdivision, agency, or  
13 instrumentality, or any other legal or commercial entity.

14 10. a. *Personal appearance* means an act of a party to  
15 physically appear within the presence of a notary public at the  
16 time the notarization occurs.

17 b. *Personal appearance* does not include appearances  
18 which require video, optical, or technology with similar  
19 capabilities.

20 11. *Record* means information that is inscribed on a  
21 tangible medium or that is stored in an electronic or other  
22 medium and is retrievable in perceivable form.

23 12. *Sign* means, with present intent to authenticate or  
24 adopt a record, to do any of the following:

25 a. Execute or adopt a tangible symbol.

26 b. Attach to or logically associate with the record an  
27 electronic symbol, sound, or process.

28 13. *Signature* means a tangible symbol or an electronic  
29 signature that evidences the signing of a record.

30 14. *Stamping device* means any of the following:

31 a. A physical device capable of affixing to or embossing on  
32 a tangible record an official stamp.

33 b. An electronic device or process capable of attaching to  
34 or logically associating with an electronic record an official  
35 stamp.

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1 15. "State" means a state of the United States, the District  
2 of Columbia, Puerto Rico, the United States Virgin Islands, or  
3 any territory or insular possession subject to the jurisdiction  
4 of the United States.

5 16. "Verification on oath or affirmation" means a  
6 declaration, made by an individual on oath or affirmation  
7 before a notarial officer, that a statement in a record is  
8 true.

9 Sec. 3. NEW SECTION. **9B.4 Authority to perform notarial**  
10 **act.**

11 1. A notarial officer may perform a notarial act authorized  
12 by this chapter or by law of this state other than this  
13 chapter.

14 2. A notarial officer shall not perform a notarial act  
15 with respect to a record to which the notarial officer or  
16 the notarial officer's spouse is a party, or in which either  
17 of them has a direct beneficial interest. A notarial act  
18 performed in violation of this subsection is voidable.

19 Sec. 4. NEW SECTION. **9B.5 Requirements for certain notarial**  
20 **acts.**

21 1. A notarial officer who takes an acknowledgment of a  
22 record shall determine, from personal knowledge or satisfactory  
23 evidence of the identity of the individual, that the  
24 individual appearing before the notarial officer and making the  
25 acknowledgment has the identity claimed and that the signature  
26 on the record is the signature of the individual.

27 2. A notarial officer who takes a verification of a  
28 statement on oath or affirmation shall determine, from personal  
29 knowledge or satisfactory evidence of the identity of the  
30 individual, that the individual appearing before the notarial  
31 officer and making the verification has the identity claimed  
32 and that the signature on the statement verified is the  
33 signature of the individual.

34 3. A notarial officer who witnesses or attests to a  
35 signature shall determine, from personal knowledge or

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1 satisfactory evidence of the identity of the individual, that  
2 the individual appearing before the notarial officer and  
3 signing the record has the identity claimed.

4 4. A notarial officer who certifies or attests a copy of a  
5 record or an item that was copied shall determine that the copy  
6 is a full, true, and accurate transcription or reproduction of  
7 the record or item.

8 5. A notarial officer who makes or notes a protest of a  
9 negotiable instrument shall determine the matters set forth in  
10 section 554.3505, subsection 2.

11 Sec. 5. NEW SECTION. **9B.6 Personal appearance required.**

12 If a notarial act relates to a statement made in or a  
13 signature executed on a record, the individual making the  
14 statement or executing the signature shall appear personally  
15 before the notarial officer.

16 Sec. 6. NEW SECTION. **9B.7 Identification of individual.**

17 1. A notarial officer has personal knowledge of the identity  
18 of an individual appearing before the notarial officer if the  
19 individual is personally known to the officer through dealings  
20 sufficient to provide reasonable certainty that the individual  
21 has the identity claimed.

22 2. A notarial officer has satisfactory evidence of the  
23 identity of an individual appearing before the notarial officer  
24 if the notarial officer can identify the individual pursuant  
25 to any of the following:

26 a. By means of any of the following:

27 (1) A passport, driver's license, or government-issued  
28 nondriver identification card, which is current or expired not  
29 more than three years before performance of the notarial act.

30 (2) Another form of government identification issued to  
31 an individual, which is current or expired not more than  
32 three years before performance of the notarial act, contains  
33 the signature or a photograph of the individual, and is  
34 satisfactory to the notarial officer.

35 b. By a verification on oath or affirmation of a credible



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1 witness personally appearing before the officer and known  
2 to the notarial officer or whom the notarial officer can  
3 identify on the basis of a passport, driver's license, or  
4 government-issued nondriver identification card, which is  
5 current or expired not more than three years before performance  
6 of the notarial act.

7 3. A notarial officer may require an individual to provide  
8 additional information or identification credentials necessary  
9 to assure the officer of the identity of the individual.

10 **Sec. 7. NEW SECTION. 9B.8 Authority to refuse to perform**  
11 **notarial act.**

12 1. A notarial officer may refuse to perform a notarial  
13 act if the notarial officer is not satisfied that any of the  
14 following apply:

15 a. The individual executing the record is competent or has  
16 the capacity to execute the record.

17 b. The individual's signature is knowingly and voluntarily  
18 made.

19 2. A notarial officer may refuse to perform a notarial act  
20 unless refusal is prohibited by law other than this chapter.

21 3. A notarial officer shall not condition the performing of  
22 notarial services upon the requirement that the person served  
23 be a customer or client of the establishment by which the  
24 notarial officer is employed. The employer of a notary public  
25 shall not condition the performing of a notarial service upon  
26 the requirement that the person served be a customer or client  
27 of the establishment by which the notary public is employed.

28 **Sec. 8. NEW SECTION. 9B.9 Signature if individual unable**  
29 **to sign.**

30 If an individual is physically unable to sign a record, the  
31 individual may direct an individual other than the notarial  
32 officer to sign the individual's name on the record. The  
33 notarial officer shall insert "Signature affixed by (name of  
34 other individual) at the direction of (name of individual)" or  
35 words of similar import.

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1     Sec. 9. NEW SECTION. **9B.10 Notarial act in this state.**  
2     1. A notarial act may be performed in this state by any of  
3 the following:  
4     *a.* A notary public of this state.  
5     *b.* A judge, clerk, or deputy clerk of a court of this state.  
6     *c.* A person authorized by the law of this state to  
7 administer oaths.  
8     *d.* Any other individual authorized to perform the specific  
9 act by the law of this state.  
10    *e.* A registrar of vital statistics or a designee of a  
11 registrar of vital statistics.  
12    2. The signature and title of an individual performing  
13 a notarial act in this state are prima facie evidence that  
14 the signature is genuine and that the individual holds the  
15 designated title.  
16    3. The signature and title of a notarial officer described  
17 in subsection 1, paragraph “*a*”, “*b*”, or “*c*”, conclusively  
18 establish the authority of the notarial officer to perform a  
19 notarial act.  
20    Sec. 10. NEW SECTION. **9B.11 Notarial act in another state.**  
21    1. A notarial act performed in another state has the  
22 same effect under the law of this state as if performed by a  
23 notarial officer of this state, if the act performed in that  
24 state is performed by any of the following:  
25    *a.* A notary public of that state.  
26    *b.* A judge, clerk, or deputy clerk of a court of that state.  
27    *c.* Any other individual authorized by the law of that state  
28 to perform the notarial act.  
29    2. The signature and title of an individual performing a  
30 notarial act in another state are prima facie evidence that  
31 the signature is genuine and that the individual holds the  
32 designated title.  
33    3. The signature and title of a notarial officer described  
34 in subsection 1, paragraph “*a*” or “*b*”, conclusively establish  
35 the authority of the notarial officer to perform the notarial

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1 act.

2 4. The notarial act performed in another state must be  
3 performed in accordance with section 9B.6.

4 Sec. 11. NEW SECTION. **9B.12 Notarial act under authority of**  
5 **federally recognized Indian tribe.**

6 1. A notarial act performed under the authority and in  
7 the jurisdiction of a federally recognized Indian tribe has  
8 the same effect as if performed by a notarial officer of this  
9 state, if the act performed in the jurisdiction of the tribe is  
10 performed by any of the following:

11 a. A notary public of the tribe.

12 b. A judge, clerk, or deputy clerk of a court of the tribe.

13 c. Any other individual authorized by the law of the tribe  
14 to perform the notarial act.

15 2. The signature and title of an individual performing a  
16 notarial act under the authority of and in the jurisdiction of  
17 a federally recognized Indian tribe are prima facie evidence  
18 that the signature is genuine and that the individual holds the  
19 designated title.

20 3. The signature and title of a notarial officer described  
21 in subsection 1, paragraph "a" or "b", conclusively establish  
22 the authority of the notarial officer to perform the notarial  
23 act.

24 Sec. 12. NEW SECTION. **9B.13 Notarial act under federal**  
25 **authority.**

26 1. A notarial act performed under federal law has the  
27 same effect under the law of this state as if performed by  
28 a notarial officer of this state, if the act performed under  
29 federal law is performed by any of the following:

30 a. A judge, clerk, or deputy clerk of a court.

31 b. An individual in military service or performing duties  
32 under the authority of military service who is authorized to  
33 perform notarial acts under federal law.

34 c. An individual designated a notarial officer by the  
35 United States department of state for performing notarial acts



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1 overseas.

2 *d.* Any other individual authorized by federal law to perform  
3 the notarial act.

4 2. The signature and title of an individual acting under  
5 federal authority and performing a notarial act are prima facie  
6 evidence that the signature is genuine and that the individual  
7 holds the designated title.

8 3. The signature and title of a notarial officer described  
9 in subsection 1, paragraph "a", "b", or "c", conclusively  
10 establish the authority of the notarial officer to perform the  
11 notarial act.

12 Sec. 13. NEW SECTION. **9B.14 Foreign notarial act.**

13 1. As used in this section, "foreign state" means a  
14 government other than the United States, a state, or a  
15 federally recognized Indian tribe.

16 2. If a notarial act is performed under authority and in  
17 the jurisdiction of a foreign state or constituent unit of  
18 the foreign state or is performed under the authority of a  
19 multinational or international governmental organization, the  
20 act has the same effect under the law of this state as if  
21 performed by a notarial officer of this state.

22 3. If the title of office and indication of authority to  
23 perform notarial acts in a foreign state appears in a digest of  
24 foreign law or in a list customarily used as a source for that  
25 information, the authority of an officer with that title to  
26 perform notarial acts is conclusively established.

27 4. The signature and official stamp of an individual holding  
28 an office described in subsection 3 are prima facie evidence  
29 that the signature is genuine and the individual holds the  
30 designated title.

31 5. An apostille in the form prescribed by the Hague  
32 convention of October 5, 1961, and issued by a foreign state  
33 party to the convention conclusively establishes that the  
34 signature of the notarial officer is genuine and that the  
35 notarial officer holds the indicated office.

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1     6. A consular authentication issued by an individual  
2 designated by the United States department of state as a  
3 notarial officer for performing notarial acts overseas and  
4 attached to the record with respect to which the notarial act  
5 is performed conclusively establishes that the signature of the  
6 notarial officer is genuine and that the notarial officer holds  
7 the indicated office.

8     Sec. 14. NEW SECTION. **9B.15 Certificate of notarial act.**

9     1. A notarial act must be evidenced by a certificate. The  
10 certificate must meet all of the following requirements:

11     *a.* Be executed contemporaneously with the performance of the  
12 notarial act.

13     *b.* Be signed and dated by the notarial officer and, if the  
14 notarial officer is a notary public, be signed in the same  
15 manner as on file with the secretary of state.

16     *c.* Identify the jurisdiction in which the notarial act is  
17 performed.

18     *d.* Contain the title of office of the notarial officer.

19     *e.* If the notarial officer is a notary public, indicate  
20 the date of expiration, if any, of the notarial officer's  
21 commission.

22     2. If a notarial act regarding a tangible record is  
23 performed by a notary public, an official stamp must be affixed  
24 to or embossed on the certificate. If a notarial act is  
25 performed regarding a tangible record by a notarial officer  
26 other than a notary public and the certificate contains the  
27 information specified in subsection 1, paragraphs "b", "c", and  
28 "d", an official stamp may be affixed to or embossed on the  
29 certificate. If a notarial act regarding an electronic record  
30 is performed by a notarial officer and the certificate contains  
31 the information specified in subsection 1, paragraphs "b", "c",  
32 and "d", an official stamp may be attached to or logically  
33 associated with the certificate.

34     3. A certificate of a notarial act is sufficient if it  
35 meets the requirements of subsections 1 and 2 and all of the



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1 following apply:

2     *a.* It is in a short form set forth in section 9B.16.

3     *b.* It is in a form otherwise permitted by the law of this  
4 state.

5     *c.* It is in a form permitted by the law applicable in the  
6 jurisdiction in which the notarial act is performed.

7     *d.* It sets forth the actions of the notarial officer and the  
8 actions are sufficient to meet the requirements of the notarial  
9 act as provided in sections 9B.5, 9B.6, and 9B.7, or a law of  
10 this state other than this chapter.

11     4. By executing a certificate of a notarial act, a notarial  
12 officer certifies that the notarial officer has complied with  
13 the requirements and made the determinations specified in  
14 sections 9B.4, 9B.5, and 9B.6.

15     5. A notarial officer shall not affix the notarial officer's  
16 signature to, or logically associate it with, a certificate  
17 until the notarial act has been performed.

18     6. If a notarial act is performed regarding a tangible  
19 record, a certificate must be part of, or securely attached  
20 to, the record. If a notarial act is performed regarding  
21 an electronic record, the certificate must be affixed to, or  
22 logically associated with, the electronic record. If the  
23 secretary of state has established standards pursuant to  
24 section 9B.27 for attaching, affixing, or logically associating  
25 the certificate, the process must conform to the standards.

26     Sec. 15. NEW SECTION. **9B.16 Short form certificates.**

27     The following short form certificates of notarial acts are  
28 sufficient for the purposes indicated, if completed with the  
29 information required by section 9B.15, subsections 1 and 2:

30     1. For an acknowledgment in an individual capacity:

31 State of.....

32 [County] of.....

33 This record was acknowledged before me on.....(Date)

34 by.....Name(s) of individual(s)

35 .....

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1 Signature of notarial officer  
 2 Stamp  
 3 [.....]  
 4 Title of office  
 5 [My commission expires:.....]  
 6 2. For an acknowledgment in a representative capacity:  
 7 State of.....  
 8 [County] of.....  
 9 This record was acknowledged before me on.....(Date)  
 10 by.....Name(s) of individual(s)  
 11 as (type of authority, such as officer or trustee) of (name of  
 12 party on behalf of whom record was executed).  
 13 .....  
 14 Signature of notarial officer  
 15 Stamp  
 16 [.....]  
 17 Title of office  
 18 [My commission expires:.....]  
 19 3. For a verification on oath or affirmation:  
 20 State of.....  
 21 [County] of.....  
 22 Signed and sworn to (or affirmed) before me on.....(Date)  
 23 by.....Name(s) of individual(s) making statement  
 24 .....  
 25 Signature of notarial officer  
 26 Stamp  
 27 [.....]  
 28 Title of office  
 29 [My commission expires:.....]  
 30 4. For witnessing or attesting a signature:  
 31 State of.....  
 32 [County] of.....  
 33 Signed [or attested] before me on..... (Date)  
 34 by.....Name(s) of individual(s)  
 35 .....

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1 accordance with state or federal authority. This section does  
2 not apply to a chief officer or a chief officer's designee  
3 certifying a peace officer's verification of a uniform citation  
4 and complaint pursuant to section 805.6, subsection 3. A  
5 judicial officer, chief officer, or chief officer's designee is  
6 not required to acquire or use an official stamp in performing  
7 these acts.

8     Sec. 17. NEW SECTION. **9B.18 Stamping device.**

9     1. A notary public is responsible for the security of the  
10 notary public's stamping device and shall not allow another  
11 individual to use the device to perform a notarial act.

12     2. If a notary public's stamping device is lost or  
13 stolen, the notary public or the notary public's personal  
14 representative or guardian shall notify promptly the  
15 commissioning officer or agency on discovering that the device  
16 is lost or stolen.

17     Sec. 18. NEW SECTION. **9B.20 Notification regarding  
18 performance of notarial act on electronic record —selection of  
19 technology.**

20     1. A notary public may select one or more tamper-evident  
21 technologies to perform notarial acts with respect to  
22 electronic records. A person shall not require a notary public  
23 to perform a notarial act with respect to an electronic record  
24 with a technology that the notary public has not selected.

25     2. Before a notary public performs the notary public's  
26 initial notarial act with respect to an electronic record,  
27 a notary public shall notify the secretary of state that  
28 the notary public will be performing notarial acts with  
29 respect to electronic records and identify the technology the  
30 notary public intends to use. If the secretary of state has  
31 established standards for approval of technology pursuant to  
32 section 9B.27, the technology must conform to the standards.  
33 If the technology conforms to the standards, the secretary of  
34 state shall approve the use of the technology.

35     Sec. 19. NEW SECTION. **9B.21 Commission as notary public —**

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1 **qualifications — no immunity or benefit.**

2 1. An individual qualified under subsection 2 may apply to  
3 the secretary of state for a commission as a notary public.  
4 The applicant shall comply with and provide the information  
5 required by rules established by the secretary of state and pay  
6 an application fee of thirty dollars to the secretary of state.  
7 A person appointed as a notary public under subsection 4 is not  
8 subject to the fee imposed by this subsection.

9 2. An applicant for a commission as a notary public shall  
10 meet all of the following qualifications:

11 a. Be at least eighteen years of age.

12 b. Be a citizen or permanent legal resident of the United  
13 States.

14 c. Be a resident of or have a place of employment or  
15 practice in this state.

16 d. Be able to read and write English.

17 e. Not be disqualified to receive a commission under section  
18 9B.23.

19 3. Before issuance of a commission as a notary public, an  
20 applicant for the commission shall execute an oath of office  
21 and submit it to the secretary of state.

22 4. a. The secretary of state shall appoint members of the  
23 general assembly as notaries public, upon request, and may  
24 revoke an appointment for cause.

25 b. The secretary of state may appoint one or more employees  
26 of a state agency as a notary public to perform notarial  
27 acts associated with their positions, pursuant to conditions  
28 established by the secretary of state. As used in this  
29 paragraph, "*state agency*" means any executive, judicial,  
30 or legislative department, commission, board, institution,  
31 division, bureau, office, agency, or other entity of state  
32 government.

33 5. The secretary of state may appoint as a notary public  
34 a resident of a state bordering Iowa if that person's place  
35 of work or business is within the state of Iowa. If a notary



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1 public who is a resident of a state bordering Iowa ceases  
2 to work or maintain a place of business in Iowa, the notary  
3 commission expires.

4 6. On compliance with this section, the secretary of state  
5 shall issue a commission as a notary public to an applicant for  
6 a term of three years. The term of a notarial officer who is a  
7 resident of a state bordering Iowa and whose place of work or  
8 business is in Iowa is one year. The term of a notary public  
9 who is a member of the general assembly is the member's term of  
10 office. The term of a notary public who is an employee of a  
11 state agency designated to receive an appointment as provided  
12 in subsection 4 shall terminate at the end of employment.

13 7. A commission to act as a notary public authorizes the  
14 notary public to perform notarial acts. The commission does  
15 not provide the notary public any immunity or benefit conferred  
16 by law of this state on public officials or employees.

17 Sec. 20. NEW SECTION. **9B.21A Notice of expiration of term.**

18 The secretary of state, two months preceding the  
19 expiration of a commission, shall notify the notary public  
20 of the expiration date and furnish a blank application for  
21 reappointment.

22 Sec. 21. NEW SECTION. **9B.21B Fees — certification.**

23 The secretary of state shall collect the following fees, for  
24 use in offsetting the cost of administering this chapter:

25 1. For furnishing a certified copy of any document,  
26 instrument, or paper relating to a notary public, one dollar  
27 per page and five dollars for the certificate.

28 2. For furnishing an uncertified copy of any document,  
29 instrument, or paper relating to a notary public, one dollar  
30 per page.

31 3. For certifying, under seal of the secretary of state, a  
32 statement as to the status of a notary commission which would  
33 not appear from a certified copy of documents on file in the  
34 secretary of state's office, five dollars.

35 Sec. 22. NEW SECTION. **9B.23 Grounds to deny, refuse to**



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1 **renew, revoke, suspend, or condition commission of notary public.**

2 1. The secretary of state may deny, refuse to renew, revoke,  
3 suspend, or impose a condition on a commission as notary public  
4 for any act or omission that demonstrates the individual lacks  
5 the honesty, integrity, competence, or reliability to act  
6 as a notary public, including any of the following acts or  
7 omissions:

8 *a.* A failure to comply with this chapter.

9 *b.* A fraudulent, dishonest, or deceitful misstatement or  
10 omission in the application for a commission as a notary public  
11 submitted to the secretary of state.

12 *c.* A conviction of the applicant or notary public of any  
13 felony or a crime involving fraud, dishonesty, or deceit.

14 *d.* A finding against, or admission of liability by,  
15 the applicant or notary public in any legal proceeding or  
16 disciplinary action based on the applicant's or notary public's  
17 fraud, dishonesty, or deceit.

18 *e.* A failure by the notary public to discharge any duty  
19 required of a notary public, whether by this chapter, rules  
20 adopted by the secretary of state, or any federal or state law.

21 *f.* The use of false or misleading advertising or  
22 representation by the notary public representing that the  
23 notary public has a duty, right, or privilege that the notary  
24 public does not have.

25 *g.* A violation by the notary public of a rule adopted by the  
26 secretary of state regarding a notary public.

27 *h.* A denial, refusal to renew, revocation, suspension, or  
28 conditioning of a notary public commission in another state.

29 2. If the secretary of state denies, refuses to renew,  
30 revokes, suspends, or imposes conditions on a commission as a  
31 notary public, the applicant or notary public is entitled to  
32 timely notice and hearing in accordance with rules adopted by  
33 the secretary of state.

34 3. The authority of the secretary of state to deny, refuse  
35 to renew, suspend, revoke, or impose conditions on a commission



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1 as a notary public does not prevent either the secretary of  
2 state or a person aggrieved by a notary public from seeking and  
3 obtaining other criminal or civil remedies provided by law.

4     Sec. 23. NEW SECTION. **9B.24 Database of notaries public.**

5     The secretary of state shall maintain an electronic database  
6 of notaries public which complies with all of the following:

7     1. Through which a person may verify the authority of a  
8 notary public to perform notarial acts.

9     2. Which indicates whether a notary public has notified the  
10 secretary of state that the notary public will be performing  
11 notarial acts on electronic records.

12     Sec. 24. NEW SECTION. **9B.25 Prohibited acts.**

13     1. A commission as a notary public does not authorize an  
14 individual to do any of the following:

15     *a.* Assist persons in drafting legal records, give legal  
16 advice, or otherwise practice law.

17     *b.* Act as an immigration consultant or an expert on  
18 immigration matters.

19     *c.* Represent a person in a judicial or administrative  
20 proceeding relating to immigration to the United States, United  
21 States citizenship, or related matters.

22     *d.* Receive compensation for performing any of the activities  
23 listed in this subsection.

24     2. A notary public shall not engage in false or deceptive  
25 advertising.

26     3. A notary public, other than an attorney licensed to  
27 practice law in this state, shall not use the term "notario" or  
28 "notario publico".

29     4. A notary public, other than an attorney licensed to  
30 practice law in this state, shall not advertise or represent  
31 that the notary public may assist persons in drafting legal  
32 records, give legal advice, or otherwise practice law. If  
33 a notary public who is not an attorney licensed to practice  
34 law in this state in any manner advertises or represents that  
35 the notary public offers notarial services, whether orally

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1 or in a record, including broadcast media, print media, or  
2 the internet, the notary public shall include the following  
3 statement, or an alternate statement authorized or required by  
4 the secretary of state in the advertisement or representation,  
5 prominently and in each language used in the advertisement or  
6 representation:

7 I am not an attorney licensed to practice law in this state.  
8 I am not allowed to draft legal records, give advice on legal  
9 matters, including immigration, or charge a fee for those  
10 activities.

11 If the form of advertisement or representation is not  
12 broadcast media, print media, or the internet and does not  
13 permit inclusion of the statement required by this subsection  
14 because of size, it must be displayed prominently or provided  
15 at the place of performance of the notarial act before the  
16 notarial act is performed.

17 5. Except as otherwise allowed by law, a notary public shall  
18 not withhold access to or possession of an original record  
19 provided by a person that seeks performance of a notarial act  
20 by the notary public.

21 Sec. 25. NEW SECTION. **9B.26 Validity of notarial acts.**

22 1. Except as otherwise provided in section 9B.4, subsection  
23 2, the failure of a notarial officer to perform a duty or meet  
24 a requirement specified in this chapter does not invalidate a  
25 notarial act performed by the notarial officer. The validity  
26 of a notarial act under this chapter does not prevent an  
27 aggrieved person from seeking to invalidate the record or  
28 transaction that is the subject of the notarial act or from  
29 seeking other remedies based on law of this state other than  
30 this chapter or law of the United States. This section  
31 does not validate a purported notarial act performed by an  
32 individual who does not have the authority to perform notarial  
33 acts.

34 2. The validity of a notarial act shall not be affected  
35 or impaired by the fact that the notarial officer performing



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1 the notarial act is an officer, director, or shareholder of  
2 a corporation that may have a beneficial interest or other  
3 interest in the subject matter of the notarial act.

4     Sec. 26. NEW SECTION. **9B.27 Rules.**

5     The secretary of state may adopt rules to administer this  
6 chapter. Any rules adopted with respect to the performance of  
7 notarial acts on electronic records shall not require or favor  
8 one technology or technical specification over another.

9     Sec. 27. NEW SECTION. **9B.28 Notary public commission in  
10 effect.**

11     A commission as a notary public in effect on January 1,  
12 2013, continues until its date of expiration. A notary public  
13 who applies to renew a commission as a notary public on or  
14 after January 1, 2013, is subject to and shall comply with this  
15 chapter. A notary public, in performing notarial acts on or  
16 after January 1, 2013, shall comply with this chapter.

17     Sec. 28. NEW SECTION. **9B.30 Uniformity of application and  
18 construction.**

19     In applying and construing this chapter, consideration must  
20 be given to the need to promote uniformity of the law with  
21 respect to its subject matter among states that enact the  
22 revised uniform law on notarial acts.

23     Sec. 29. NEW SECTION. **9B.31 Relation to electronic  
24 signatures in global and national commerce act.**

25     This chapter modifies, limits, and supersedes the federal  
26 Electronic Signatures in Global and National Commerce Act, 15  
27 U.S.C. § 7001 et seq., but does not modify, limit, or supersede  
28 section 101(c) of that Act, 15 U.S.C. § 7001(c), or authorize  
29 electronic delivery of any of the notices described in section  
30 103(b) of that Act, 15 U.S.C. § 7003(b).

31     Sec. 30. **REPEAL.** Chapter 9E, Code 2011, is repealed.

32                     DIVISION II

33                     COORDINATING AMENDMENTS

34     Sec. 31. Section 2C.7, subsection 1, Code 2011, is amended  
35 to read as follows:



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1     1. Hold another public office of trust or profit under the  
2 laws of this state other than ~~the office of~~ notary public as  
3 provided in chapter 9B.

4     Sec. 32. Section 4.1, subsection 28, Code 2011, is amended  
5 to read as follows:

6     28. *Seal.* Where the seal of a court, public office, public  
7 officer, or public or private corporation may be required  
8 to be affixed to any paper, the word "seal" shall include  
9 an impression upon the paper alone, or upon wax, ~~or~~ a wafer  
10 affixed to the paper, or an official ~~ink~~ stamp ~~if a notarial~~  
11 ~~seal~~ of a notarial officer as provided in chapter 9B. If the  
12 seal of a court is required, the word "seal" may also include a  
13 visible electronic image of the seal on an electronic document.

14     Sec. 33. Section 29B.129, unnumbered paragraph 1, Code  
15 2011, is amended to read as follows:

16     The following members of the state military forces may  
17 administer oaths for the purposes of military administration  
18 including military justice, and affidavits may be taken for  
19 those purposes before persons having the general powers of a  
20 notary public as provided in chapter 9B:

21     Sec. 34. Section 43.14, subsection 4, paragraph e, Code  
22 2011, is amended to read as follows:

23     e. The signature of a notary public under chapter 9B or  
24 other officer empowered to witness oaths.

25     Sec. 35. Section 45.5, subsection 5, paragraph d, Code 2011,  
26 is amended to read as follows:

27     d. The signature of a notary public under chapter 9B or  
28 other officer empowered to witness oaths.

29     Sec. 36. Section 144.12A, subsection 5, paragraph a, Code  
30 2011, is amended to read as follows:

31     a. Information provided to the registry may be revoked by  
32 the registrant by submission of a written statement signed  
33 and acknowledged by the registrant before a notary public as  
34 provided in chapter 9B.

35     Sec. 37. Section 144A.3, subsection 2, paragraph b, Code

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1 2011, is amended to read as follows:

2     *b.* Is acknowledged before a notarial officer within this  
3 state as provided in chapter 9B.

4     Sec. 38. Section 144B.3, subsection 1, paragraph b,  
5 subparagraph (2), Code 2011, is amended to read as follows:

6         (2) Is acknowledged before a notarial officer within this  
7 state as provided in chapter 9B.

8     Sec. 39. Section 144C.6, subsection 2, paragraph b, Code  
9 Supplement 2011, is amended to read as follows:

10     *b.* Acknowledged before a notarial officer as provided in  
11 chapter 9B.

12     Sec. 40. Section 252A.3A, subsection 5, paragraph h, Code  
13 Supplement 2011, is amended to read as follows:

14     *h.* The signature of a notary public under chapter 9B  
15 attesting to the identities of the parties signing the  
16 affidavit of paternity.

17     Sec. 41. Section 321.251, subsection 2, paragraph b, Code  
18 2011, is amended to read as follows:

19     *b.* A written notice of election shall be filed with the  
20 designated officials of the local authority whose ordinances,  
21 rules, or regulations will govern the vehicular traffic. The  
22 appropriate officials shall be the city clerk and chief of  
23 police of the city in which the real property is located and  
24 the county sheriff and the county recorder of the county in  
25 which the real property is located. The notice shall include  
26 the legal description of the real property, the street address,  
27 if any, and the date and time when the owner wishes the  
28 election to become effective. The notice shall be signed by  
29 every titleholder of the real property and acknowledged by a  
30 notary public as provided in chapter 9B.

31     Sec. 42. Section 321G.29, subsection 3, Code Supplement  
32 2011, is amended to read as follows:

33     3. An owner of a snowmobile shall apply to the county  
34 recorder for issuance of a certificate of title within thirty  
35 days after acquisition. The application shall be on forms the



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1 department prescribes and accompanied by the required fee.  
 2 The application shall be signed and sworn to before a ~~notary~~  
 3 ~~public~~ notarial officer as provided in chapter 9B or other  
 4 person who administers oaths, or shall include a certification  
 5 signed in writing containing substantially the representation  
 6 that statements made are true and correct to the best of the  
 7 applicant's knowledge, information, and belief, under penalty  
 8 of perjury. The application shall contain the date of sale  
 9 and gross price of the snowmobile or the fair market value if  
 10 no sale immediately preceded the transfer and any additional  
 11 information the department requires. If the application is  
 12 made for a snowmobile last previously registered or titled in  
 13 another state or foreign country, the application shall contain  
 14 this information and any other information the department  
 15 requires.

16 Sec. 43. Section 321I.31, subsection 3, Code 2011, is  
 17 amended to read as follows:

18 3. An owner of an all-terrain vehicle shall apply to  
 19 the county recorder for issuance of a certificate of title  
 20 within thirty days after acquisition. The application shall  
 21 be on forms the department prescribes and accompanied by the  
 22 required fee. The application shall be signed and sworn to  
 23 before a notary public as provided in chapter 9B or other  
 24 person who administers oaths, or shall include a certification  
 25 signed in writing containing substantially the representation  
 26 that statements made are true and correct to the best of the  
 27 applicant's knowledge, information, and belief, under penalty  
 28 of perjury. The application shall contain the date of sale and  
 29 gross price of the all-terrain vehicle or the fair market value  
 30 if no sale immediately preceded the transfer and any additional  
 31 information the department requires. If the application is  
 32 made for an all-terrain vehicle last previously registered or  
 33 titled in another state or foreign country, the application  
 34 shall contain this information and any other information the  
 35 department requires.

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1     Sec. 44. Section 462A.77, subsection 4, Code 2011, is  
2 amended to read as follows:

3     4. Every owner of a vessel subject to titling under this  
4 chapter shall apply to the county recorder for issuance of a  
5 certificate of title for the vessel within thirty days after  
6 acquisition. The application shall be on forms the department  
7 prescribes, and accompanied by the required fee. The  
8 application shall be signed and sworn to before a notary public  
9 as provided in chapter 9B or other person who administers  
10 oaths, or shall include a certification signed in writing  
11 containing substantially the representation that statements  
12 made are true and correct to the best of the applicant's  
13 knowledge, information, and belief, under penalty of perjury.  
14 The application shall contain the date of sale and gross price  
15 of the vessel or the fair market value if no sale immediately  
16 preceded the transfer, and any additional information the  
17 department requires. If the application is made for a vessel  
18 last previously registered or titled in another state or  
19 foreign country, it shall contain this information and any  
20 other information the department requires.

21     Sec. 45. Section 535B.1, subsection 11, Code Supplement  
22 2011, is amended to read as follows:

23     11. *"Real estate closing services"* means the administrative  
24 and clerical services required to carry out the conveyance or  
25 transfer of real estate or an interest in real estate located  
26 in this state to a purchaser or lender. *"Real estate closing  
27 services"* include but are not limited to preparing settlement  
28 statements, determining that all closing documents conform  
29 to the parties' contract requirements, ascertaining that the  
30 lender's instructions have been satisfied, conducting a closing  
31 conference, receiving and disbursing funds, and completing  
32 form documents and instruments selected by and in accordance  
33 with instructions of the parties to the transaction. *"Real  
34 estate closing services"* do not include performing solely ~~notary~~  
35 ~~functions~~ notarial acts as provided in chapter 9B.

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1     Sec. 46. Section 554.3505, subsection 2, Code 2011, is  
2 amended to read as follows:

3     2. A protest is a certificate of dishonor made by a United  
4 States consul or vice consul, or a notary public as provided  
5 in chapter 9B or other person authorized to administer oaths  
6 by the law of the place where dishonor occurs. It may be made  
7 upon information satisfactory to that person. The protest must  
8 identify the instrument and certify either that presentment  
9 has been made or, if not made, the reason why it was not made,  
10 and that the instrument has been dishonored by nonacceptance  
11 or nonpayment. The protest may also certify that notice of  
12 dishonor has been given to some or all parties.

13     Sec. 47. Section 558.15, Code 2011, is amended to read as  
14 follows:

15     **558.15 ~~Notarial Official stamps or seals of nonresidents~~**  
16 **nonresident public notaries — presumption.**

17     Any ~~notarial official stamp or seal~~ purporting to have been  
18 affixed to any instrument in writing, by any notary public as  
19 provided in chapter 9B residing elsewhere than in this state,  
20 shall be prima facie evidence that the words thereon engraved  
21 conform to the requirements of the law of the place where such  
22 certificate purports to have been made.

23     Sec. 48. Section 558.20, Code 2011, is amended to read as  
24 follows:

25     **558.20 Acknowledgments.**

26     The acknowledgment of any deed, conveyance, or other  
27 instrument in writing by which real estate in this state  
28 is conveyed or encumbered, whether made within this state,  
29 outside this state, outside the United States, or under federal  
30 authority, shall comply with the provisions of chapter ~~9E~~ 9B.

31     Sec. 49. Section 558.40, Code 2011, is amended to read as  
32 follows:

33     **558.40 Liability of officer.**

34     Any officer, who knowingly misstates a material fact in any  
35 of the certificates mentioned in this chapter or chapter ~~9E~~ 9B,



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1 shall be liable for all damages caused thereby, and shall be  
2 guilty of a serious misdemeanor.

3 Sec. 50. Section 558.42, Code 2011, is amended to read as  
4 follows:

5 **558.42 Acknowledgment as condition precedent.**

6 A document shall not be deemed lawfully recorded, unless  
7 it has been previously acknowledged or proved in the manner  
8 prescribed in chapter ~~9E~~ 9B, except that affidavits, and  
9 certified copies of petitions in bankruptcy with or without the  
10 schedules appended, of decrees of adjudication in bankruptcy,  
11 and of orders approving trustees' bonds in bankruptcy, and  
12 uniform commercial code financing statements and financing  
13 statement changes as provided in chapter 554 need not be thus  
14 acknowledged.

15 Sec. 51. Section 589.4, Code 2011, is amended to read as  
16 follows:

17 **589.4 Acknowledgments by corporation officers.**

18 The acknowledgments of all deeds, mortgages, or other  
19 instruments in writing taken or certified more than ten years  
20 earlier, which instruments have been recorded in the recorder's  
21 office of any county of this state, including acknowledgments  
22 of instruments made by a corporation, or to which the  
23 corporation was a party, or under which the corporation was  
24 a beneficiary, and which have been acknowledged before or  
25 certified by a notary public as provided in chapter 9B who was  
26 at the time of the acknowledgment or certifying a stockholder  
27 or officer in the corporation, are legal and valid official  
28 acts of the notaries public, and entitle the instruments to be  
29 recorded, anything in the laws of the state of Iowa in regard  
30 to acknowledgments to the contrary notwithstanding. This  
31 section does not affect pending litigation.

32 Sec. 52. Section 589.5, Code 2011, is amended to read as  
33 follows:

34 **589.5 Acknowledgments by stockholders.**

35 All deeds and conveyances of lands within this state



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1 executed more than ten years earlier, but which have been  
2 acknowledged or proved according to and in compliance with  
3 the laws of this state before a notary public as provided  
4 in chapter 9B or other official authorized by law to take  
5 acknowledgments who was, at the time of the acknowledgment,  
6 an officer or stockholder of a corporation interested in the  
7 deed or conveyance, or otherwise interested in the deeds or  
8 conveyances, are, if otherwise valid, valid in law as though  
9 acknowledged or proved before an officer not interested in  
10 the deeds or conveyances; and if recorded more than ten years  
11 earlier, in the respective counties in which the lands are, the  
12 records are valid in law as though the deeds and conveyances,  
13 so acknowledged or proved and recorded, had, prior to being  
14 recorded, been acknowledged or proved before an officer having  
15 no interest in the deeds or conveyances.

16 Sec. 53. Section 600.7, subsection 2, paragraph b, Code  
17 2011, is amended to read as follows:

18 *b.* If by any other person, either in the presence of the  
19 juvenile court or court in which the adoption petition is filed  
20 or before a notary public as provided in chapter 9B.

21 Sec. 54. Section 602.8102, subsection 78, Code 2011, is  
22 amended to read as follows:

23 78. Certify an acknowledgment of a written instrument  
24 relating to real estate as provided in section ~~9E.10~~ 9B.10 or  
25 558.20.

26 Sec. 55. Section 622.86, Code 2011, is amended to read as  
27 follows:

28 **622.86 Foreign affidavits.**

29 Those taken out of the state before any judge or clerk of  
30 a court of record, or before a notary public as provided in  
31 chapter 9B, or a commissioner appointed by the governor of this  
32 state to take acknowledgment of deeds in the state where such  
33 affidavit is taken, are of the same credibility as if taken  
34 within the state.

35 Sec. 56. Section 624.37, subsection 1, Code Supplement





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1 testator and the witnesses, respectively, whose names are
2 signed to the attached or foregoing instrument, being first
3 duly sworn, declare to the undersigned authority that said
4 instrument is the testator's will and that the testator
5 willingly signed and executed such instrument, or expressly
6 directed another to sign the same in the presence of the
7 witnesses, as a free and voluntary act for the purposes therein
8 expressed; that said witnesses, and each of them, declare to
9 the undersigned authority that such will was executed and
10 acknowledged by the testator as the testator's will in their
11 presence and that they, in the testator's presence, at the
12 testator's request, and in the presence of each other, did
13 subscribe their names thereto as attesting witnesses on the
14 date of the date of such will; and that the testator, at the
15 time of the execution of such instrument, was of full age and
16 of sound mind and that the witnesses were sixteen years of age
17 or older and otherwise competent to be witnesses.

18 .....

19 Testator

20 .....

21 Witness

22 .....

23 Witness

24 Subscribed, sworn and acknowledged before me by .....,
25 the testator; and subscribed and sworn before me by .....
26 and ....., witnesses, this ... day of ..... (month), ...
27 (year)

28

.....

29

Notary Public, or other notarial

30

officer authorized to take

31 ~~(Seal)~~ (Stamp)

and certify acknowledgments

32

and administer oaths

33 Sec. 58. Section 633.295, Code 2011, is amended to read as
34 follows:

35 633.295 Testimony of witnesses.



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1 The proof may be made by the oral or written testimony of  
 2 one or more of the subscribing witnesses to the will. If such  
 3 testimony is in writing, it shall be substantially in the  
 4 following form executed and sworn to after the death of the  
 5 decedent:

6 In the District Court of Iowa  
 7 In and for ..... County  
 8 In the Matter of the Estate of .....  
 9 ....., Deceased

10 Probate No. ....

11 Testimony of Subscribing

12 Witness on Probate of Will.

13 State of ..... )

14 ..... County ) ss

15 I, ....., being first duly sworn, state:

16 I reside in the County of ....., State of .....; I  
 17 knew the testator on the .... day of ..... (month), ...  
 18 (year), the date of the instrument, the original or exact  
 19 reproduction of which is attached hereto, now shown to me,  
 20 and purporting to be the last will and testament of the said  
 21 ....., deceased; I am one of the subscribing witnesses to  
 22 said instrument; at the said date of said instrument, I knew  
 23 ....., the other subscribing witness; that said instrument was  
 24 exhibited to me and to the other subscribing witness by the  
 25 testator, who declared the same to be the testator's last will  
 26 and testament, and was signed by the testator at .....,  
 27 in the County of ....., State of ....., on the date shown  
 28 in said instrument, in the presence of myself and the other  
 29 subscribing witness; and the other subscribing witness and I  
 30 then and there, at the request of the testator, in the presence  
 31 of said testator and in the presence of each other, subscribed  
 32 our names thereto as witnesses.

33 .....

34 Name of witness

35 .....

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1 Address

2 Subscribed and sworn to before me this ... day of .....

3 (month), ... (year)

4

.....

5

Notary Public in and for

6 ~~(Seal)~~ (Stamp)

the State of .....

7 Sec. 59. Section 633A.4604, subsection 2, Code 2011, is

8 amended to read as follows:

9 2. The certification must contain a statement that the trust  
10 has not been revoked, modified, or amended in any manner which  
11 would cause the representations contained in the certification  
12 of trust to be incorrect and must contain a statement that it  
13 is being signed by all of the currently acting trustees of the  
14 trust and is sworn and subscribed to under penalty of perjury  
15 before a notary public as provided in chapter 9B.

16

DIVISION III

17

EFFECTIVE DATE

18 Sec. 60. EFFECTIVE DATE. This Act takes effect January 1,  
19 2013.

20

EXPLANATION

21 GENERAL. This bill is based in part on the Revised Uniform  
22 Law on Notarial Acts as proposed by the national conference  
23 of commissioners on uniform state laws (tentatively codified  
24 under Code chapter 9B), repeals the "Iowa Law on Notarial  
25 Acts" (currently codified under Code chapter 9E), and makes  
26 conforming changes throughout the Code concerning notaries  
27 public. The bill differs from the model act in several  
28 respects. For example, it does not include optional provisions  
29 requiring a notary public to maintain a journal or pass an  
30 examination. The bill also includes provisions that are part  
31 of the current law. For example, it requires the secretary  
32 of state to notify a notary public of an upcoming expiration.  
33 The secretary of state is responsible for administering  
34 requirements applicable to notaries public.

35 NOTARIAL OFFICERS. Under the bill, a notarial officer

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1 (a notary public or other authorized individual) may take  
2 an acknowledgment, administer an oath or affirmation, take  
3 a verification on oath or affirmation, witness or attest a  
4 signature, certify or attest a copy, and note a protest of a  
5 negotiable instrument. The bill requires a notarial officer  
6 to have personal knowledge or satisfactory evidence of the  
7 identity of someone appearing before the officer for certain  
8 notarial acts. The bill requires notaries public to use a  
9 stamp, and sets requirements for the stamp and stamping device.  
10 It establishes qualifications to become a notary public,  
11 including requiring a notary public to be a citizen or legal  
12 permanent resident. It provides grounds for the secretary of  
13 state to deny, suspend, or otherwise limit a notary public's  
14 appointment. It also requires a nonattorney notary public to  
15 state in any advertisement that they are not authorized to give  
16 legal advice. The bill replaces a reference to a notarial seal  
17 with an official stamp.

18 NOTARIAL ACTS. The bill provides for the recognition  
19 of notarial acts, under specified procedures, that are  
20 performed both within and outside the state. It prescribes  
21 requirements for different types of notarial acts as well as  
22 certificates that must be executed along with such acts. The  
23 bill authorizes a notarial act to be performed in Iowa by a  
24 notary public or other designated person (a judge, clerk or  
25 deputy clerk of a court, a person authorized by the law of this  
26 state to administer oaths, an individual authorized to perform  
27 a specific act by the law, or a registrar of vital statistics  
28 or a designee). Under the bill, the signature and title of  
29 someone performing a notarial act is prima facie evidence that  
30 the signature is genuine and that the individual holds the  
31 designated title. The bill recognizes a notarial act legally  
32 performed in another state, territory, or insular possession  
33 of the United States, or on the land of a federally recognized  
34 Indian tribe. The bill specifically applies to a notarial act  
35 performed with respect to a tangible or electronic record. It

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1 requires a notary public who wishes to perform a notarial act  
2 involving an electronic record to notify the secretary of state  
3 regarding the technology that the notary public will use.

4 FEES. The bill authorizes the secretary of state to collect  
5 fees for providing documents and certifying statements (the  
6 same provision is currently codified in Code section 9E.16).

7 RULEMAKING. The bill authorizes the secretary of state to  
8 adopt rules necessary to administer the bill.

9 COORDINATING AMENDMENTS. The bill amends a number of  
10 provisions which refer to a notary public, by expressly  
11 referencing the bill's new Code chapter. The affected Code  
12 chapters include those relating to the office of citizens'  
13 aide, military justice, elections, vital statistics, health  
14 care, family support, transportation and recreation, commercial  
15 law, court administration, property conveyances, family law,  
16 evidence, and probate.

17 EFFECTIVE DATE. The bill takes effect on January 1, 2013.



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**Senate File 2266 - Introduced**

SENATE FILE 2266  
BY COMMITTEE ON LOCAL  
GOVERNMENT

(SUCCESSOR TO SSB 3096)

**A BILL FOR**

1 An Act providing that a county enterprise includes natural  
2 gasworks.

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

TLSB 5767SV (2) 84  
md/sc



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1 Section 1. Section 331.461, subsection 2, Code 2011, is  
 2 amended by adding the following new paragraph:  
 3 NEW PARAGRAPH. *h.* Natural gasworks to serve customers  
 4 within the county, including natural gas transmission  
 5 and distribution systems, the acquisition, establishment,  
 6 construction, purchase, equipment, improvement, extension,  
 7 operation, maintenance, reconstruction, and repair of works  
 8 and facilities within or without the limits of the county,  
 9 investment in works and facilities to be owned by public  
 10 utilities and interstate pipeline companies, and works and  
 11 facilities to be jointly used by the county and other political  
 12 subdivisions, but excluding the acquisition of property or  
 13 facilities of a public utility or interstate pipeline company  
 14 by condemnation.

15 EXPLANATION

16 This bill amends the definition of "county enterprise" under  
 17 Code section 331.461 to include natural gasworks to serve  
 18 customers within the county, including natural gas transmission  
 19 and distribution systems, the acquisition, establishment,  
 20 construction, purchase, equipment, improvement, extension,  
 21 operation, maintenance, reconstruction, and repair of works  
 22 and facilities within or without the limits of the county,  
 23 investment in works and facilities to be owned by public  
 24 utilities and interstate pipeline companies, and works and  
 25 facilities to be jointly used by the county and other political  
 26 subdivisions, but excluding the acquisition of property or  
 27 facilities of a public utility or interstate pipeline company  
 28 by condemnation.

29 Code chapter 331 authorizes a county to undertake a county  
 30 enterprise and provides as part of such authorization the  
 31 ability to issue revenue bonds, establish rates, collect  
 32 charges for services provided by the county enterprise, and  
 33 enter into specified contracts and leases.



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**Senate File 2267 - Introduced**

SENATE FILE 2267  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3167)

**A BILL FOR**

1 An Act concerning oversight of schools offering postsecondary  
2 educational programs by the college student aid commission  
3 and making penalties applicable.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5342SV (2) 84  
je/sc





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1 participate in at a location in Iowa, provided that a person  
2 who provides instruction or supervision at the Iowa location is  
3 not compensated by the school.

4 ~~4.~~ 5. "School" means an agency of the state or political  
5 subdivision of the state, individual, partnership, company,  
6 firm, society, trust, association, corporation, or any  
7 combination which meets any of the following criteria:

8 a. Is, owns, or operates a ~~nonprofit~~ postsecondary  
9 educational institution.

10 b. Provides a postsecondary ~~instructional program or course~~  
11 of instruction leading to a degree.

12 c. Uses in its name the term "college", "academy",  
13 "institute", or "university" or a similar term to imply that the  
14 person is primarily engaged in the education of students at the  
15 postsecondary level, and which makes a charge for its services.

16 ~~5.~~ 6. "Student" means a person who enrolls in or seeks to  
17 enroll in a course of instruction offered or conducted by a  
18 school.

19 Sec. 2. Section 261B.3, Code 2011, is amended to read as  
20 follows:

21 **261B.3 Registration.**

22 1. Except as provided in section 261B.11, a school ~~that~~  
23 ~~maintains or shall register with the commission if a person~~  
24 compensated by the school conducts one or more courses any  
25 portion of a course of instruction, including courses of  
26 instruction by correspondence or other distance delivery  
27 method, offered in this state or which if the school otherwise  
28 has a presence in this state and offers courses in other states  
29 or foreign countries shall register with the commission.

30 a. Registrations shall be renewed every ~~four~~ two years  
31 ~~or~~ and shall be amended upon any substantive change in  
32 location, program offering, or accreditation. A school makes  
33 a substantive change in a program offering when the school  
34 proposes to offer or modify a program that requires the  
35 approval of the state board of education or any other state



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1 agency authorized to approve the school or its program in this  
 2 state.

3 b. Registration shall be made on application forms approved  
 4 and ~~supplied~~ made available by the commission and at the time  
 5 and in the manner prescribed by the commission. ~~Upon receipt~~  
 6 ~~of a complete and accurate registration application, the~~  
 7 ~~commission shall issue an acknowledgment of document filed and~~  
 8 ~~send it to the school.~~

9 2. The commission may ~~request~~ require a school to provide  
 10 additional information ~~as the commission deems necessary~~  
 11 ~~to enable the commission to determine the accuracy and~~  
 12 ~~completeness of the information contained in the~~ evaluate a  
 13 school's suitability for registration application.

14 3. The commission shall notify a school in writing of its  
 15 decision to grant or deny registration and any stipulation  
 16 associated with the school's registration.

17 4. If a school fails to meet any of the registration  
 18 criteria, or if the commission believes that false, misleading,  
 19 or incomplete information has been submitted in connection  
 20 with an application for registration, the commission may  
 21 deny registration. The commission shall conduct a hearing  
 22 on the denial if a hearing is requested by a school. ~~The~~  
 23 ~~commission may withhold an acknowledgment of document filed~~  
 24 ~~pending the outcome of the hearing.~~ Upon a finding after the  
 25 hearing that the school fails to meet any of the registration  
 26 criteria, or that information contained in the registration  
 27 application is false, misleading, or incomplete, the commission  
 28 shall deny ~~an acknowledgment of document filed to the school~~  
 29 registration. The commission shall make the final decision on  
 30 each registration. However, the decision of the commission is  
 31 subject to judicial review in accordance with section 17A.19.

32 ~~3-~~ 5. The commission shall adopt rules under chapter 17A  
 33 for the implementation of this chapter.

34 Sec. 3. Section 261B.3A, Code 2011, is amended to read as  
 35 follows:



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1     **261B.3A Requirements.**

2     1. In order to register, a school shall be accredited  
3 by an agency or organization approved or recognized by the  
4 United States department of education or a successor agency,  
5 be approved by any other state agency authorized to approve  
6 the school in this state, and, subsequently, be approved for  
7 operation by the commission.

8     2. A practitioner preparation program, as defined in  
9 section 272.1, operated by a school that applies to register  
10 the program in accordance with this chapter shall, in order to  
11 register, be accredited by an agency or organization approved  
12 or recognized by the United States department of education or a  
13 successor agency, be approved by the state board of education  
14 pursuant to section 256.7, subsection 3, and, subsequently, be  
15 approved for operation by the commission.

16     3. The commission may grant a provisional registration to  
17 a school that is not accredited by an agency or organization  
18 that is recognized by the United States department of education  
19 or its successor agency. The commission shall determine  
20 the duration of the provisional registration. During the  
21 provisional registration period, the school shall, at six-month  
22 intervals, submit to the commission documentation of its  
23 progress toward achieving accreditation. The commission may  
24 renew the school's provisional registration at its discretion  
25 if the documentation submitted indicates that the school is  
26 making progress toward accreditation.

27     ~~3-~~ 4. Nothing in this chapter shall be construed to exempt  
28 a school from the requirements of chapter 490, ~~or~~ 491, or 714.

29     Sec. 4. Section 261B.4, Code 2011, is amended to read as  
30 follows:

31     **261B.4 Registration information.**

32     As a basis for registration, schools shall provide the  
33 commission with the following information:

- 34     1. The name or title of the school.  
35     2. ~~The~~ As applicable, the principal location of the school



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1 in this state, in other states, and in foreign countries, and  
2 the location of the place or places in this state, in other  
3 states, and in foreign countries where instruction is likely  
4 to be given.

5 3. A schedule of the total tuition charges, fees, and other  
6 costs payable to the school by a student during the course of  
7 instruction.

8 4. The refund policy of the school for the return of  
9 refundable portions of tuition, fees, or other charges.  
10 The tuition refund policy for Iowa resident students of a  
11 for-profit school with at least one program of more than  
12 four months in length that leads to a recognized educational  
13 credential, such as an academic or professional degree,  
14 diploma, or license, must comply with section 714.23.

15 ~~5. The degrees granted by the school.~~

16 ~~6.~~ 5. The names and addresses of the principal owners of  
17 the school or the officers and members of the legal governing  
18 body of the school.

19 ~~7.~~ 6. The name and address of the chief executive officer  
20 of the school.

21 ~~8.~~ 7. A copy of or a description of the means by which the  
22 school intends to comply with section 261B.9.

23 ~~9.~~ 8. The name of the accrediting agency recognized by the  
24 United States department of education or a successor agency  
25 which has accredited the school, ~~and~~ the status under which  
26 accreditation is held, the name of any other accrediting or  
27 licensing entity that has accredited or licensed the school or  
28 its programs, a copy of the accrediting or licensure notice  
29 issued by the entity, and a record of any sanctions the entity  
30 has levied against the school.

31 ~~10.~~ 9. The name, address, and telephone number of a contact  
32 person in this state. A school that applies for registration  
33 to offer a course of instruction by distance delivery may  
34 provide the name and address of its registered agent in Iowa.

35 ~~11.~~ 10. The names or titles and a description of the



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1 courses and degrees to be offered in Iowa.  
 2 ~~12.~~ 11. A description of procedures for the preservation  
 3 of student records and the contact information to be used  
 4 by students and graduates who seek to obtain transcript  
 5 information.  
 6 ~~13.~~ 12. The academic and instructional methodologies and  
 7 delivery systems to be used by the school and the extent to  
 8 which the school anticipates each methodology and delivery  
 9 system will be used, including, but not limited to, classroom  
 10 instruction, correspondence, electronic telecommunications  
 11 distance delivery, independent study, and portfolio experience  
 12 evaluation.  
 13 13. The name, title, business address, telephone number,  
 14 and resume of an Iowa resident compensated by the school to  
 15 perform duties at a location in Iowa. A school that applies  
 16 for registration to offer a course of instruction by distance  
 17 delivery may provide an internet address as the business  
 18 address for an Iowa resident it compensates to perform duties  
 19 remotely from a location in Iowa.  
 20 14. The school's official Stafford loan cohort default rate  
 21 as calculated by the United States department of education for  
 22 the three most recent federal fiscal years, if applicable.  
 23 15. Average student loan debt upon graduation of students  
 24 completing programs at the school.  
 25 16. The graduation rate of undergraduate students as  
 26 reported to the United States department of education.  
 27 17. Evidence that the school meets the conditions of  
 28 financial responsibility established in section 714.18, or that  
 29 the school qualifies for an exemption under section 714.19 or  
 30 714.22.  
 31 **Sec. 5. Section 261B.7, Code 2011, is amended to read as**  
 32 **follows:**  
 33 **261B.7 Unauthorized representation.**  
 34 **Neither a A school nor its or a school's officials or**  
 35 **employees shall not advertise or represent that the school is**

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1 approved or accredited by the commission or the state of Iowa  
2 ~~nor shall it use the registration as a reference in promotional~~  
3 ~~materials.~~ However, a registered school shall disclose that  
4 the school is registered by the commission on behalf of the  
5 state of Iowa and provide the commission's contact information  
6 for students who wish to inquire about the school or file a  
7 complaint.

8     Sec. 6. Section 261B.9, subsection 5, Code 2011, is amended  
9 to read as follows:

10     5. Whether the postsecondary credential ~~or certificate~~  
11 issued, awarded, or credited to a student upon completion  
12 of the course or the fact of completion of the course is  
13 applicable toward a degree granted by the school and, if so,  
14 under what circumstances the application will be made.

15     Sec. 7. Section 261B.9, Code 2011, is amended by adding the  
16 following new subsection:

17     NEW SUBSECTION. 7. The disclosures required by the  
18 department of education for an out-of-state school that the  
19 board of education approves to offer a practitioner preparation  
20 program by distance delivery method.

21     Sec. 8. Section 261B.11, Code 2011, is amended to read as  
22 follows:

23     **261B.11 Exceptions.**

24     1. This chapter does not apply to the following types of  
25 schools and courses of instruction:

26     ~~1-~~ a. Schools and educational programs conducted by firms,  
27 corporations, or persons solely for the training of their own  
28 employees.

29     ~~2-~~ b. Apprentice or other training programs provided by  
30 labor unions solely to members or applicants for membership.

31     ~~3-~~ c. Courses of instruction of an avocational or  
32 recreational nature that do not lead to an occupational  
33 objective.

34     ~~4-~~ d. Seminars, refresher courses, and programs of  
35 instruction sponsored by professional, business, or farming



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1 organizations or associations for the members and employees of  
2 members of these organizations or associations.

3 ~~5.~~ e. Courses of instruction conducted by a public school  
4 district or a combination of public school districts.

5 ~~6.~~ f. Colleges and universities authorized by the laws of  
6 this state to grant degrees.

7 ~~7.~~ g. Schools or courses of instruction or courses of  
8 training that are offered by a vendor solely to the purchaser  
9 or prospective purchaser of the vendor's product when the  
10 objective of the school or course is to enable the purchaser  
11 or the purchaser's employees to gain skills and knowledge to  
12 enable the purchaser to use the product.

13 ~~8.~~ h. Schools and educational programs conducted by  
14 religious organizations solely for the religious instruction of  
15 leadership practitioners of that religious organization.

16 ~~9.~~ i. Postsecondary educational institutions licensed by  
17 the state of Iowa ~~prior to July 1, 2009,~~ under section 157.8  
18 or 158.7 to conduct business operate as schools of cosmetology  
19 arts and sciences or as barber schools in the state.

20 ~~10.~~ j. ~~Accredited higher~~ Higher education institutions  
21 that meet the criteria established under section ~~261.92,~~ 261.9,  
22 subsection 1.

23 ~~11.~~ k. Postsecondary educational institutions offering  
24 programs limited to nondegree specialty vocational training  
25 programs.

26 ~~12. Not-for-profit colleges and universities established~~  
27 ~~and authorized by city ordinance to grant degrees.~~

28 l. Higher education institutions located in Iowa that are  
29 affiliated with health care systems located in Iowa, and which  
30 offer health professions programs that are accredited by an  
31 accrediting agency recognized by the United States department  
32 of education.

33 m. Higher education institutions located in Iowa whose  
34 massage therapy curriculum is approved under administrative  
35 rules of the professional licensure division of the department



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1 of public health and whose instructors are licensed massage  
2 therapists under chapter 152C.  
3 2. A school that claims an exemption from registration  
4 under subsection 1, paragraph "h", "i", "k", "l", or "m", must  
5 demonstrate to the commission or its designee that it qualifies  
6 for the exemption. The school must apply for approval of its  
7 exemption claim on an application supplied by the commission.  
8 The commission or its designee may approve the school's  
9 exemption claim or deny it. A school whose exemption claim is  
10 approved must reapply to renew its exemption no less frequently  
11 than every two years.  
12 a. A school that is granted an exemption under this section  
13 must file evidence of financial responsibility under section  
14 714.18 or demonstrate to the commission or its designee that  
15 the school qualifies for an exemption under section 714.19 or  
16 714.22.  
17 b. A for-profit school with at least one program of  
18 more than four months in length that leads to a recognized  
19 educational credential, such as an academic or professional  
20 degree, diploma, or license, must submit to the commission or  
21 its designee a tuition refund policy that meets the conditions  
22 of section 714.23.  
23 3. A school that is denied an exemption claim by the  
24 commission or its designee, or that no longer qualifies for  
25 a claimed exemption, shall apply for registration or cease  
26 operating in Iowa.  
27 **Sec. 9. NEW SECTION. 261B.11A Ineligibility for state**  
28 **student aid programs.**  
29 1. Students attending schools required to register under  
30 this chapter are ineligible for state student financial aid  
31 programs established under chapter 261.  
32 2. A school required to register under this chapter is  
33 prohibited from offering state aid or advertising that state  
34 aid is or may be available to students attending the school.  
35

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1           POSTSECONDARY REGISTRATION — UNLAWFUL ACTIVITY  
2       Sec. 10. Section 714.17, Code 2011, is amended to read as  
3 follows:  
4       714.17 Unlawful advertising and selling of educational  
5 courses of instruction.  
6       It shall be unlawful for any person, firm, association,  
7 or corporation maintaining, advertising, or conducting in  
8 Iowa any educational course ~~of instruction~~ for profit, or  
9 for tuition charge, whether by classroom instructions, ~~or~~ by  
10 correspondence, or by other delivery method to:  
11       1. Falsely advertise or represent to any person any matter  
12 material to ~~such an educational~~ course ~~of instruction~~. All  
13 advertising of such courses ~~of instruction~~ shall adhere to and  
14 comply with the applicable rules and regulations of the federal  
15 trade commission ~~as of July 4, 1965~~.  
16       2. Collect tuition or other charges in excess of one hundred  
17 fifty dollars in the case of educational courses offered by  
18 correspondence ~~courses of study~~, in advance of the receipt and  
19 approval by the pupil of the first assignment or lesson of such  
20 course. Any contract providing for advance payment of more  
21 than one hundred fifty dollars shall be voidable on the part of  
22 the pupil or any person liable for the tuition provided for in  
23 the contract.  
24       3. Promise or guarantee employment utilizing information,  
25 training, or skill purported to be provided or otherwise  
26 enhanced by a an educational course, unless the promisor or  
27 guarantor offers the student or prospective student a bona  
28 fide contract of employment agreeing to employ said student  
29 or prospective student for a period of not less than one  
30 hundred twenty days in a business or other enterprise regularly  
31 conducted by the promisor or guarantor and in which such  
32 information, training, or skill is a normal condition of  
33 employment.  
34       Sec. 11. Section 714.18, subsection 1, Code 2011, is amended  
35 to read as follows:

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1     1. Except as otherwise provided in subsection 2, every  
2 person, firm, association, or corporation maintaining or  
3 conducting in Iowa any ~~such~~ educational ~~course of instruction~~  
4 by classroom instruction or by correspondence or by other  
5 ~~distance~~ delivery method, or soliciting in Iowa the sale of  
6 such course, shall file with the college student aid commission  
7 all of the following:

8     *a.* A continuous corporate surety bond to the state of  
9 Iowa in the sum of fifty thousand dollars conditioned ~~for~~  
10 on the faithful performance of all contracts and agreements  
11 with students made by such person, firm, association, or  
12 corporation, or their salespersons; but the aggregate liability  
13 of the surety for all breaches of the conditions of the bond  
14 shall not exceed the sum of the bond. The surety on the bond  
15 may cancel the bond upon giving thirty days' written notice  
16 to the college student aid commission and thereafter shall be  
17 relieved of liability for any breach of condition occurring  
18 after the effective date of the cancellation.

19     *b.* A statement designating a resident agent for the purpose  
20 of receiving service in civil actions. In the absence of such  
21 designation, service may be had upon the secretary of state if  
22 service cannot otherwise be made in this state.

23     *c.* A copy of any catalog, prospectus, brochure, or other  
24 advertising material intended for distribution in Iowa.  
25 Such material shall state the cost of the educational course  
26 offered, the schedule of tuition refunds for portions of the  
27 educational course not completed, and if no refunds are to  
28 be paid, the material shall so state. Any contract induced  
29 by advertising materials not previously filed as provided in  
30 this chapter shall be voidable on the part of the pupil or any  
31 person liable for the tuition provided for in the contract.

32     Sec. 12. Section 714.18, subsection 2, paragraph a,  
33 subparagraphs (1) and (4), Code 2011, are amended to read as  
34 follows:

35     (1) A continuous corporate surety bond to the state of



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1 Iowa in the sum of fifty thousand dollars or ten percent  
2 of the total annual tuition collected, whichever is less,  
3 conditioned ~~for~~ on the faithful performance of all contracts  
4 and agreements with students made by such school. A school  
5 desiring to file a surety bond based on a percentage of annual  
6 tuition shall provide to the college student aid commission, in  
7 the form prescribed by the commission, a notarized statement  
8 attesting to the total amount of tuition collected in the  
9 preceding twelve-month period. The commission shall determine  
10 the sufficiency of the statement and the amount of the bond.  
11 Tuition information submitted pursuant to this subparagraph  
12 shall be kept confidential.

13 (4) The college student aid commission may accept a letter  
14 of credit ~~from~~ issued by a bank in lieu of and for the amount of  
15 the corporate surety bond required by ~~this paragraph "a"~~  
16 subparagraphs (1) through (3), as applicable.

17 Sec. 13. Section 714.19, unnumbered paragraph 1, Code 2011,  
18 is amended to read as follows:

19 ~~None of the~~ The provisions of sections 714.17 to ~~714.22~~  
20 714.21 shall not apply to the following:

21 Sec. 14. Section 714.19, subsections 6 through 8, Code 2011,  
22 are amended to read as follows:

23 6. Schools and educational programs conducted by firms,  
24 corporations, or persons ~~for the training of their own~~  
25 ~~employees,~~ for which no fee is charged.

26 7. Seminars, refresher courses, and schools of instruction  
27 ~~sponsored~~ conducted by professional, business, or farming  
28 organizations or associations for the members and employees of  
29 members of such organizations or associations. A person who  
30 provides instruction under this subsection who is not a member  
31 or an employee of a member of the organization or association  
32 shall not be eligible for this exemption.

33 8. Private business schools accredited by ~~the accrediting~~  
34 ~~commission for business schools or an acknowledged~~ accrediting  
35 agency recognized by the United States department of education



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1 or the council for higher education accreditation.

2 Sec. 15. Section 714.19, Code 2011, is amended by adding the  
 3 following new subsection:

4 NEW SUBSECTION. 10. Private, nonprofit schools that meet  
 5 the criteria established under section 261.9, subsection 1.

6 Sec. 16. Section 714.23, Code 2011, is amended by adding the  
 7 following new subsection:

8 NEW SUBSECTION. 01. *a.* For the purposes of this section  
 9 and section 714.25, "postsecondary educational program" means  
 10 a series of postsecondary educational courses that lead to  
 11 a recognized educational credential such as an academic or  
 12 professional degree, diploma, or license.

13 *b.* For the purposes of this section, "school period" means  
 14 the course, term, payment period, postsecondary educational  
 15 program, or other period for which the school assessed tuition  
 16 charges to the student. A school that assesses tuition charges  
 17 to the student at the beginning of each course, term, payment  
 18 period, or other period that is shorter than the postsecondary  
 19 educational program's length shall base its tuition refund on  
 20 the amount of tuition costs the school charged for the course,  
 21 term, or other period in which the student terminated. A  
 22 school shall not base its tuition refund calculation on any  
 23 portion of a postsecondary educational program that remains  
 24 after a student terminates unless the student was charged for  
 25 that remaining portion of the postsecondary educational program  
 26 before the student's termination.

27 Sec. 17. Section 714.23, subsections 1 through 5, Code 2011,  
 28 are amended to read as follows:

29 1. A person offering a ~~course of instruction at the~~  
 30 postsecondary level at least one postsecondary educational  
 31 program, for profit, that is more than four months in  
 32 length and leads to a degree, diploma, or license recognized  
 33 educational credential, shall make a pro rata refund of ~~no less~~  
 34 ~~than ninety percent of the tuition for a terminating student to~~  
 35 ~~the appropriate agency based upon~~ charges to an Iowa resident

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1 student who terminates from any of the school's postsecondary  
 2 educational programs in an amount that is not less than  
 3 ninety percent of the amount of tuition charged to the student  
 4 multiplied by the ratio of completed number of scheduled school  
 5 days to the number of calendar days remaining in the school  
 6 period until the date equivalent to the completion of sixty  
 7 percent of the scheduled school calendar days of in the school  
 8 term or course period to the total number of calendar days in  
 9 the school period until the date equivalent to the completion  
 10 of sixty percent of the calendar days in the school period.

11 2. Notwithstanding the provisions of subsection 1, the  
 12 following tuition refund policy shall apply:

13 a. If a terminating student has completed sixty percent or  
 14 more of a school ~~term or course that is more than four months in~~  
 15 length period, the person offering the ~~course of instruction~~  
 16 postsecondary educational program is not required to refund  
 17 tuition ~~for~~ charges to the student. However, if, at any time,  
 18 a student terminates a ~~school term or course that is more than~~  
 19 four months in length postsecondary educational program due  
 20 to the student's physical incapacity or, for a program that  
 21 requires classroom instruction, due to the transfer of the  
 22 student's spouse's employment to another city, the terminating  
 23 student shall receive a refund of tuition charges in an amount  
 24 which that equals the amount of tuition charged to the student  
 25 multiplied by the ratio of the remaining number of school  
 26 calendar days in the school period to the total school number  
 27 of calendar days of in the school term or course period.

28 b. ~~A refund of ninety percent of the tuition for a~~  
 29 ~~terminating student shall be paid to the appropriate agency~~  
 30 ~~based upon the ratio of completed number of school days to~~  
 31 ~~the total school days of the school term or course. A school~~  
 32 shall provide to a terminating student a refund of tuition  
 33 charges in an amount that is not less than ninety percent of  
 34 the amount of tuition charged to the student multiplied by the  
 35 ratio of the remaining number of calendar days in the school

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1 period to the total number of calendar days in the school  
2 period. This paragraph "b" applies to those persons offering  
3 courses of instruction at the postsecondary level at least one  
4 postsecondary educational program of more than four months in  
5 length, for profit, whose cohort default rate for students  
6 under the Stafford loan program as defined reported by the  
7 United States department of education for the most recent  
8 federal fiscal year is more than one hundred ten percent of the  
9 national average cohort default rate of all schools for that  
10 program for that period the same federal fiscal year or six  
11 percent, whichever is higher.

12 3. ~~If the financial obligations of a student are for three~~  
13 ~~or fewer months duration, this section does not apply. In the~~  
14 case of a program in which student progress is measured only in  
15 clock hours, all occurrences of "calendar days" in subsections  
16 1 and 2 shall be replaced with "scheduled clock hours".

17 4. ~~Refunds~~ A refund of tuition charges shall be paid  
18 provided to the appropriate agency student within thirty  
19 forty-five days following the student's termination date of the  
20 school's determination that a student has terminated from a  
21 postsecondary educational program.

22 5. A student who terminates a ~~course of instruction or~~  
23 ~~term~~ postsecondary educational program shall not be charged  
24 any fee or other monetary penalty for terminating a course of  
25 instruction or term the postsecondary educational program,  
26 other than a reduction in tuition refund as specified in this  
27 section.

28 Sec. 18. **NEW SECTION. 714.24 Additional requirements.**

29 1. A required filing of evidence of financial  
30 responsibility pursuant to section 714.18 must be completed at  
31 least once every two years.

32 2. An entity that claims an exemption under section 714.19  
33 or 714.22 must file an exemption claim with the commission.  
34 The commission may approve or deny the exemption claim. Except  
35 for a school that claims an exemption under section 714.19,



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1 subsection 1, 3, or 10, a filing of a claim for an exemption  
2 pursuant to section 714.19 or 714.22 must be completed at least  
3 once every two years.

4 3. An entity that claims an exemption under section 714.19  
5 or 714.22 must file evidence of financial responsibility  
6 pursuant to section 714.18 within sixty calendar days following  
7 the date upon which conditions that qualify the entity for an  
8 exemption under section 714.19 no longer exist. The commission  
9 may grant an entity a longer period to file evidence of  
10 financial responsibility based on documentation the entity  
11 provides to the commission of its substantial progress to  
12 comply with section 714.18, subsection 1, paragraph "a".

13 4. An entity that is required to file evidence of financial  
14 responsibility under section 714.18, or an entity that files  
15 a claim of exemption under section 714.19 or 714.22, shall  
16 utilize required forms approved and supplied by the commission.

17 5. The commission may, at its discretion, require a  
18 proprietary school that must comply with section 714.23 to  
19 submit its tuition refund policy to the commission for its  
20 review and approval.

21 6. The commission and the attorney general may,  
22 individually or jointly, adopt rules pursuant to chapter 17A  
23 for the implementation of sections 714.18 through 714.25.

24 7. Except as provided in section 714.18, subsection 2,  
25 paragraph "a", the information submitted under sections 714.18,  
26 714.22, 714.23, and 714.25 are public records under chapter 22.

27 Sec. 19. Section 714.25, Code 2011, is amended to read as  
28 follows:

29 **714.25 Disclosure.**

30 1. For purposes of this ~~chapter section~~, unless the  
31 ~~context otherwise requires~~, "proprietary school" means a person  
32 offering a ~~course of instruction at the postsecondary level~~  
33 postsecondary educational program, for profit, that is more  
34 than four months in length and leads to a ~~degree, diploma, or~~  
35 license recognized educational credential, such as an academic

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1 or professional degree, diploma, or license.

2 2. A proprietary school shall, prior to the time a student  
3 is obligated for payment of any moneys, inform the student, the  
4 college student aid commission, and in the case of a school  
5 licensed under section 157.8, the board of cosmetology arts  
6 and sciences or in the case of a school licensed under section  
7 158.7, the board of barbering, of all of the following:

8 a. The total cost of the ~~course of instruction~~ postsecondary  
9 educational program as charged by the proprietary school.

10 b. An estimate of any fees which may be charged the  
11 student by others which would be required if the student is  
12 to successfully complete the ~~course~~ postsecondary educational  
13 program and, ~~if applicable,~~ obtain a ~~degree, diploma, or~~  
14 ~~license~~ recognized educational credential.

15 c. The percentage of students who successfully complete  
16 the ~~course~~ postsecondary educational program, the percentage  
17 who terminate prior to completing the ~~course~~ postsecondary  
18 educational program, and the period of time upon which the  
19 proprietary school has based these percentages. The reporting  
20 period shall not be less than one year in length and shall not  
21 extend more than five years into the past.

22 d. If claims are made by the proprietary school as to  
23 successful placement of students in jobs upon completion of the  
24 ~~course of study~~ proprietary school's postsecondary educational  
25 programs, the proprietary school shall provide the student with  
26 all of the following:

27 (1) The percentage of graduating students who were placed  
28 in jobs in fields related to the ~~course of instruction~~  
29 postsecondary educational programs.

30 (2) The percentage of graduating students who went on to  
31 further education immediately upon graduation.

32 (3) The percentage of students who, ninety days after  
33 graduation, were without a job and had not gone on to further  
34 education.

35 (4) The period of time upon which the reports required by



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1 paragraphs "a" through "c" were based. The reporting period  
2 shall not be less than one year in length and shall not extend  
3 more than five years into the past.

4 e. If claims are made by the proprietary school as to income  
5 levels of students who have graduated and are working in fields  
6 related to the proprietary school's ~~course of instruction~~  
7 postsecondary educational programs, the proprietary school  
8 shall inform the student of the method used to derive such  
9 information.

10 3. The requirements of subsection 2 shall not apply to  
11 a proprietary school that is eligible for federal student  
12 financial aid under Tit. IV of the federal Higher Education Act  
13 of 1965, as amended.

14 Sec. 20. REPEAL. Section 714.22, Code 2011, is repealed.

15 EXPLANATION

16 This bill makes changes regarding oversight by the college  
17 student aid commission of schools offering postsecondary  
18 educational programs.

19 Division I of the bill makes various changes relating to the  
20 college student aid commission's registration requirements for  
21 postsecondary schools governed by Code chapter 261B.

22 The bill expands the definition of a postsecondary school  
23 which maintains a presence in Iowa to include, with certain  
24 exceptions, a location in the state at which a student  
25 participates in any structured activity related to a school's  
26 distance education course of instruction, as well as any  
27 address, location, telephone number, or internet protocol  
28 address in Iowa from which the school conducts any aspect of  
29 its operations.

30 The bill requires postsecondary schools to renew  
31 registration with the commission every two years instead of  
32 every four years.

33 The bill allows the commission to grant a provisional  
34 registration to a postsecondary school that is not accredited  
35 by an agency or organization that is recognized by the United



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1 States department of education. Such a school must report on  
2 its progress toward seeking accreditation every six months.  
3 Provisional registration may be renewed at the department's  
4 discretion.

5 The bill expands the information a postsecondary school  
6 seeking to register must provide to the commission. The  
7 new requirements include the name, title, business address,  
8 telephone number, and resume of an Iowa resident compensated  
9 by the school to perform duties at a location in the state;  
10 the school's official Stafford loan cohort default rate as  
11 calculated by the United States department of education for the  
12 three most recent federal fiscal years; the average student  
13 loan debt upon graduation of students completing programs at  
14 the school; the graduation rate of undergraduate students as  
15 reported to the United States department of education; and  
16 evidence that the school meets the conditions of financial  
17 responsibility established in Code chapter 714.

18 The bill makes changes to postsecondary schools exempt from  
19 Code chapter 261B, including exemptions for schools at which  
20 students are eligible for tuition grants under Code chapter  
21 261, division II; certain schools affiliated with health care  
22 systems; and certain schools offering approved massage therapy  
23 curriculums.

24 The bill specifies that students attending schools which  
25 must register with the commission under Code chapter 261B  
26 are ineligible for state student financial aid programs  
27 established by Code chapter 261, and such schools may not offer  
28 such financial aid or advertise that such financial aid is  
29 available.

30 Division I of the bill also makes changes to terminology  
31 and other technical changes relating to the commission's  
32 registration requirements under Code chapter 261B.

33 Division II of the bill makes various changes relating to  
34 the college student aid commission's oversight functions over  
35 the advertising, financial responsibility, tuition refund, and

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1 disclosure requirements and restrictions governing certain  
2 educational programs and courses under Code chapter 714.  
3 The bill amends Code section 714.19, relating to the  
4 nonapplicability of Code sections 714.17 to 714.21, governing  
5 business and financial practices of sellers of educational  
6 courses, to provide that instructors for courses conducted  
7 by professional, business, or farming organizations or  
8 associations for the members and employees of members of such  
9 entities who are not members or employees of members themselves  
10 are ineligible for exemption from Code sections 714.17 to  
11 714.21. The bill specifies accreditation standards for private  
12 business schools exempt from Code sections 714.17 to 714.21.  
13 The bill creates a new exemption from Code sections 714.17  
14 to 714.21 for private, nonprofit schools eligible for state  
15 student financial aid programs authorized under Code chapter  
16 261. The bill repeals Code section 714.22, which exempts trade  
17 and vocational schools from Code sections 714.17 to 714.21 if  
18 certain conditions are met.  
19 The bill amends Code section 714.23 to remove the exemption  
20 for students with financial obligations of three or fewer  
21 months' duration from standards regarding tuition refund  
22 policies. The bill provides for the inclusion of educational  
23 programs in which student progress is measured only in clock  
24 hours under standards regarding tuition refund policies. The  
25 bill also provides that certain tuition refunds must be paid  
26 directly to students. A violation of Code section 714.23 is a  
27 simple misdemeanor, which is punishable by confinement for not  
28 more than 30 days or a fine of at least \$65 but not more than  
29 \$625 or by both.  
30 The bill amends Code section 714.25 to exempt from certain  
31 disclosure requirements proprietary schools, as defined in the  
32 bill, that are eligible for federal student financial aid under  
33 Title IV of the Higher Education Act of 1965.  
34 The bill provides that the commission and the attorney  
35 general may, individually or jointly, adopt rules pursuant

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1 to Code chapter 17A to carry out the commission's oversight  
2 functions under Code chapter 714.

3 Finally, division II of the bill makes changes to  
4 terminology, demonstration of compliance, and exemptions  
5 relating to the commission's oversight functions under Code  
6 chapter 714.



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**Senate File 2268 - Introduced**

SENATE FILE 2268  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SF 2087)

**A BILL FOR**

1 An Act establishing the creating outstanding instructional  
2 leaders pilot program for school districts, making an  
3 appropriation, and including a repeal date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **256.34 Creating outstanding**  
 2 **instructional leaders pilot program.**

3 1. For each fiscal year of the fiscal period beginning July  
 4 1, 2012, and ending June 30, 2015, there is appropriated from  
 5 the general fund of the state to the department the sum of two  
 6 million five hundred thousand dollars to establish the creating  
 7 outstanding instructional leaders pilot program to promote  
 8 excellence in the teaching profession. The department shall  
 9 distribute the funds in the following manner each fiscal year:

10 a. The thirty school districts in the state with the highest  
 11 student population shall receive sufficient funds to provide  
 12 for three peer coaching stipends in accordance with this  
 13 section.

14 b. The seventy school districts in the state with the  
 15 thirty-first through one hundredth highest student population  
 16 shall receive sufficient funds to provide for two peer coaching  
 17 stipends in accordance with this section.

18 c. The remaining funds shall be allocated to the area  
 19 education agencies in proportion to the number of students  
 20 in the school districts in the area education agencies which  
 21 did not receive funds pursuant to paragraph "a" or "b". The  
 22 funds shall be used to provide for peer coaching stipends in  
 23 accordance with this section for such school districts. The  
 24 area education agencies shall establish an application process  
 25 for such districts seeking funds for peer coaching stipends.

26 2. A school district receiving funds shall use such funds  
 27 to establish yearly peer coaching stipends for teachers in the  
 28 amount of eight thousand dollars. A school district shall use  
 29 the funds in the school year in which they are received and  
 30 shall only use the funds for the purposes provided in this  
 31 section. A teacher may volunteer for the program by submitting  
 32 the teacher's name to a teacher quality committee created  
 33 pursuant to section 284.4, subsection 1, paragraph "c". The  
 34 teacher quality committee shall select teachers to be awarded  
 35 stipends from among such volunteers. The board of directors in



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1 charge of a school district shall award a stipend to a teacher  
2 selected by the teacher quality committee.

3 3. A teacher receiving a peer coaching stipend shall, in  
4 lieu of the teacher's daily noninstructional student activities  
5 during the school day, engage in peer coaching in accordance  
6 with this section. A teacher receiving a peer coaching stipend  
7 shall engage in peer coaching for at least five hours per  
8 week. The board of directors in charge of a school district  
9 shall assign peer coaches to teachers in need of additional  
10 guidance in one or more aspects of the teaching profession.

11 Assignments shall be based on either a request from a principal  
12 or from an individual teacher upon approval of a principal.  
13 A peer coach shall still be responsible for completing daily  
14 noninstructional student activities outside of the school day.

15 4. Peer coaching shall include detailed preliminary  
16 discussions as to areas in which the teacher being coached  
17 desires to improve; formulation of an action plan to bring  
18 about such improvement; in-class supervision by the peer coach;  
19 postclass discussion of strengths, weaknesses, and strategies  
20 for improvement; dialogue between the peer coach and students  
21 and school officials regarding the teacher being coached;  
22 and documentation of progress of the peer coaching. A peer  
23 coach shall coordinate peer coaching activities relating to  
24 training and professional development with an area education  
25 agency where appropriate. The area education agency shall  
26 provide expertise for the purposes of the creating outstanding  
27 instructional leaders pilot program as needed.

28 5. a. Each school with a peer coach shall establish  
29 evaluation criteria for determining the success of the  
30 creating outstanding instructional leaders pilot program and of  
31 individual peer coaches. Evaluation criteria shall include but  
32 shall not be limited to at least one of the following:

- 33 (1) Enhanced academic performance.  
34 (2) Planning and preparation.  
35 (3) Meeting the needs of all students in assessment and

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1 instruction.

2 (4) Communication skills with students, parents, and the  
3 community.

4 (5) Classroom management.

5 (6) Specific professional development, as recommended by a  
6 principal or requested by a teacher.

7 *b.* Each school shall report its evaluation of the program  
8 and of individual peer coaches to the department of education.

9 6. The department shall submit to the general assembly  
10 by January 1, annually, a report on the creating outstanding  
11 instructional leaders pilot program. The report shall include  
12 the number of peer coaching stipends awarded and to which  
13 school districts, identifiable outcomes of the program, and  
14 other pertinent information.

15 7. This section is repealed June 30, 2015.

16 Sec. 2. IMPLEMENTATION OF ACT. The appropriation made  
17 in this Act is intended to cover the costs of any state  
18 mandate included in this Act and this specification of state  
19 funding shall be deemed to meet all the state funding-related  
20 requirements of section 25B.2, subsection 3, and no additional  
21 state funding shall be necessary for the full implementation of  
22 this Act by, and enforcement of this Act against, all affected  
23 political subdivisions.

24 **EXPLANATION**

25 This bill establishes the creating outstanding instructional  
26 leaders (COIL) pilot program to promote excellence in the  
27 teaching profession. The bill appropriates annually for the  
28 2012-2013, 2013-2014, and 2014-2015 fiscal years, \$2,500,000  
29 from the general fund of the state to the department of  
30 education to establish the program. The bill requires a school  
31 district receiving funds under the bill to use the funds to  
32 establish yearly peer coaching stipends for teachers in the  
33 amount of \$8,000. The bill provides that a school district  
34 receiving funds under the bill must use the funds in the school  
35 year in which they are received and must only use the funds for

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1 the purposes provided in the bill. Stipends are to be awarded  
2 by the board of directors in charge of a school district and  
3 can only be awarded to teachers who volunteer for the program  
4 and are selected by a teacher quality committee.

5 The bill requires the department of education to distribute  
6 the funds appropriated in the bill in a certain manner. The  
7 bill provides that the 30 school districts in the state with  
8 the highest student population shall receive sufficient funds  
9 to provide for three peer coaching stipends in accordance with  
10 the bill. The bill provides that the 70 school districts  
11 in the state with the 31st through 100th highest student  
12 population shall receive sufficient funds to provide for two  
13 peer coaching stipends in accordance with the bill. The  
14 bill provides that the remaining funds shall be allocated to  
15 the area education agencies in proportion to the number of  
16 students in school districts which did not otherwise receive  
17 funds pursuant to the bill. The funds shall be used to provide  
18 for peer coaching stipends in accordance with the bill for  
19 such school districts. The bill requires the area education  
20 agencies to establish an application process for such districts  
21 seeking funds for peer coaching stipends.

22 The bill provides that a teacher receiving a peer coaching  
23 stipend shall, in lieu of the teacher's daily noninstructional  
24 student activities during the school day, engage in peer  
25 coaching. The bill provides that a teacher receiving a peer  
26 coaching stipend shall engage in peer coaching for at least  
27 five hours per week. The board of directors in charge of a  
28 school district assigns peer coaches to teachers in need of  
29 additional guidance in one or more aspects of the teaching  
30 profession. Assignments are to be based on either a request  
31 from a principal or from an individual teacher upon approval of  
32 a principal. A peer coach is still responsible for completing  
33 daily noninstructional student activities outside of the school  
34 day.

35 The bill defines certain mandatory peer coaching activities,

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1 including detailed preliminary discussions as to areas in which  
2 the teacher being coached desires to improve; formulation  
3 of an action plan to bring about such improvement; in-class  
4 supervision by the peer coach; postclass discussion of  
5 strengths, weaknesses, and strategies for improvement; dialogue  
6 between the peer coach and students and school officials  
7 regarding the teacher being coached; and documentation of  
8 progress of the peer coaching.

9 The bill provides that a peer coach shall coordinate peer  
10 coaching activities relating to training and professional  
11 development with an area education agency where appropriate.  
12 The bill directs the area education agency to provide expertise  
13 for the purposes of the COIL pilot program as needed.

14 The bill provides that each school with a peer coach shall  
15 establish evaluation criteria for determining the success  
16 of the COIL pilot program and of individual peer coaches.  
17 The bill establishes criteria at least one of which must be  
18 included in an evaluation. The bill provides that each school  
19 shall report its evaluation of the program and individual peer  
20 coaches to the department of education.

21 The bill also directs the department to submit to the  
22 general assembly by January 1, annually, a report on the COIL  
23 pilot program, which shall include the number of peer coaching  
24 stipends awarded and to which school districts, identifiable  
25 outcomes of the program, and other pertinent information.

26 The COIL pilot program is repealed June 30, 2015.

27 The bill may include a state mandate as defined in Code  
28 section 25B.3. The bill provides that the appropriation made  
29 in the bill is intended to cover the costs of any state mandate  
30 included in the bill. The inclusion of this specification  
31 of state funding is intended to reinstate the requirement  
32 of political subdivisions to comply with any state mandates  
33 included in the bill.

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**Senate Resolution 112 - Introduced**

SENATE RESOLUTION NO. 112

BY BARTZ, FEENSTRA, HAHN, KETTERING, ERNST, ANDERSON,  
ZAUN, BEHN, KAPUCIAN, SEYMOUR, DIX, MCKINLEY,  
BACON, CHELGREN, WHITVER, GREINER, SORENSON,  
BERTRAND, JOHNSON, WARD, SMITH, BOETTGER, SENG,  
HANCOCK, and RIELLY

1 A Resolution supporting the tradition of youth  
2 involvement in family farming and opposing federal  
3 labor regulations to the contrary.  
4 WHEREAS, on September 2, 2011, the United States  
5 Department of Labor published new proposed regulations  
6 which would severely restrict the ability of youth to  
7 engage in agricultural work; and  
8 WHEREAS, working on a farm has long been a way of  
9 life for thousands of youth across Iowa; and  
10 WHEREAS, the proposed regulations would adversely  
11 impact the long-standing tradition in Iowa of youth  
12 working on farms to gain valuable skills and lessons in  
13 hard work, character, and leadership; and  
14 WHEREAS, the proposed regulations would be  
15 detrimental to the opportunity for Iowa youth to find  
16 educational, gainful, and hands-on work experience; and  
17 WHEREAS, the proposed regulations would hinder the  
18 ability of Iowa youth to participate in 4-H clubs,  
19 Future Farmers of America (FFA), the Iowa State Fair,  
20 county fairs, and other activities which are crucial to  
21 instilling an appreciation for agriculture and a strong  
22 work ethic; and  
23 WHEREAS, all farms depend on the contributions of  
24 youth for their successful operation; and



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1 WHEREAS, the proposed regulations would limit  
2 opportunities to recruit young farmers to agriculture  
3 at a time when the average age of farmers continues to  
4 rise; and

5 WHEREAS, a strong, enduring agricultural sector  
6 is vital to this country's long-term economic  
7 security; and

8 WHEREAS, in times of economic hardship, labor  
9 regulations should be designed to promote job  
10 growth and economic opportunity, while the proposed  
11 regulations would only make it more difficult for Iowa  
12 youth to find jobs; and

13 WHEREAS, agricultural work has only grown safer for  
14 youth over time without imposition of further federal  
15 regulation; and

16 WHEREAS, the proposed regulations demonstrate  
17 a profound lack of understanding of agricultural  
18 traditions and practices in this country; and

19 WHEREAS, the Department of Labor has received  
20 significant, compelling, detailed public comment from a  
21 wide variety of knowledgeable persons and organizations  
22 opposing the proposed regulations; NOW THEREFORE,

23 BE IT RESOLVED BY THE SENATE, That the Senate urges  
24 the United States Department of Labor to withdraw the  
25 proposed regulations; and

26 BE IT FURTHER RESOLVED, That the Senate urges  
27 President Barack Obama to rescind the proposed  
28 regulations if they should become effective; and

29 BE IT FURTHER RESOLVED, That the Senate urges  
30 Congress to overturn the proposed regulations if they



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1 should become effective; and  
2 BE IT FURTHER RESOLVED, That the Secretary of  
3 the Senate is directed to forward a copy of this  
4 resolution to President Barack Obama; United States  
5 Secretary of Labor Hilda L. Solis; United States  
6 Secretary of Agriculture Tom Vilsack; Representative  
7 John Boehner, Speaker of the United States House of  
8 Representatives; Senator Harry Reid, Senate Majority  
9 Leader; Representative Eric Cantor, House Majority  
10 Leader; Senator Mitch McConnell, Senate Minority  
11 Leader; Representative Nancy Pelosi, House Minority  
12 Leader; and Iowa's congressional delegation.



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Senate Resolution 113 - Introduced

SENATE RESOLUTION NO. 113

BY DANIELSON

1 A Resolution urging Congress to enact campaign finance  
2 restrictions relating to Citizens United v. Federal  
3 Election Commission.

4 WHEREAS, the protections afforded by the First  
5 Amendment of the Constitution of the United States  
6 to the people of our nation are fundamental to our  
7 democracy; and

8 WHEREAS, the First Amendment of the Constitution  
9 of the United States was designed to protect the free  
10 speech rights of people regardless of wealth, and not  
11 corporations; and

12 WHEREAS, corporations are not people who are  
13 entitled to constitutional rights of citizenship but  
14 instead are entities created by the laws of states and  
15 nations; and

16 WHEREAS, the Supreme Court's ruling in Citizens  
17 United v. Federal Election Commission overturned  
18 long-standing precedent prohibiting corporations  
19 from spending their general treasury funds in our  
20 elections; and

21 WHEREAS, the opinion of the four dissenting justices  
22 in Citizens United v. Federal Election Commission  
23 noted that corporations have special advantages not  
24 enjoyed by natural persons, such as limited liability,  
25 perpetual life, and favorable treatment of the  
26 accumulation and distribution of assets, that allow  
27 them to spend prodigious sums on campaign messages that  
28 have little or no correlation with the beliefs held by

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1 natural persons; and

2 WHEREAS, the majority opinion of the Supreme Court  
3 in *Austin v. Michigan Chamber of Commerce*, 494 U.S.  
4 652 (1990), ruled that the people have a compelling  
5 interest in preventing the corrosive and distorting  
6 effects of immense aggregations of wealth that are  
7 accumulated with the help of the corporate form and  
8 that have little or no correlation to the public's  
9 support for the corporation's political ideas from  
10 unduly influencing our political process; and

11 WHEREAS, the general public and political leaders in  
12 the United States have recognized, since the founding  
13 of our country, that the interests of corporations  
14 do not always correspond with the public interest  
15 and that, therefore, the political influence of  
16 corporations should be limited; and

17 WHEREAS, notwithstanding the decision in *Citizens*  
18 *United v. Federal Election Commission*, legislators have  
19 a duty to protect democracy and our Constitution and  
20 defend them from the potentially detrimental effects  
21 of corporate spending in local, state, and federal  
22 elections; NOW THEREFORE,

23 BE IT RESOLVED BY THE SENATE, That the Senate  
24 urges the United States Congress to enact appropriate  
25 legislation to regulate and restrict corporate  
26 participation in election campaigns; and

27 BE IT FURTHER RESOLVED, That the Secretary of the  
28 Senate is directed to forward a copy of this resolution  
29 to each member of the Iowa Congressional delegation.



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**Senate Study Bill 3187 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
SENATE APPROPRIATIONS  
SUBCOMMITTEE ON EDUCATION)

**A BILL FOR**

1 An Act relating to the funding of, the operation of, and  
2 appropriation of moneys to the college student aid  
3 commission, the department for the blind, the department of  
4 education, and the state board of regents, and providing  
5 effective date provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1     2. For costs associated with universal access to audio  
2 information over the phone on demand for blind and print  
3 handicapped Iowans:  
4 ..... \$     25,000  
5 ..... 50,000

6                   COLLEGE STUDENT AID COMMISSION

7     Sec. 3. 2011 Iowa Acts, chapter 132, section 98, is amended  
8 to read as follows:

9     SEC. 98. There is appropriated from the general fund of the  
10 state to the college student aid commission 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, to be used for the  
13 purposes designated:

14     1. GENERAL ADMINISTRATION

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

18 ..... \$     116,472  
19 ..... 232,943  
20 ..... FTEs           3.95

21     2. STUDENT AID PROGRAMS

22     For payments to students for the Iowa grant program  
23 established in section 261.93:

24 ..... \$     395,589  
25 ..... 791,177

26     3. ~~DES MOINES UNIVERSITY~~ — HEALTH CARE PROFESSIONAL  
27 RECRUITMENT PROGRAM

28     For ~~forgivable loans to Iowa students attending Des~~  
29 ~~Moines university — osteopathic medical center under the~~  
30 forgivable loan repayment program for health care professionals  
31 established pursuant to section 261.19:

32 ..... \$     162,987  
33 ..... 325,973

34     4. NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM

35     For purposes of providing national guard educational



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1 assistance under the program established in section 261.86:  
 2 ..... \$ ~~1,593,117~~  
 3 5,686,233

4 5. TEACHER SHORTAGE LOAN FORGIVENESS PROGRAM  
 5 For the teacher shortage loan forgiveness program  
 6 established in section 261.112:  
 7 ..... \$ 196,226  
 8 392,452

9 6. ALL IOWA OPPORTUNITY FOSTER CARE GRANT PROGRAM  
 10 For purposes of the all Iowa opportunity foster care grant  
 11 program established pursuant to section 261.6:  
 12 ..... \$ 277,029  
 13 554,057

14 7. ALL IOWA OPPORTUNITY SCHOLARSHIP PROGRAM  
 15 a. For purposes of the all Iowa opportunity scholarship  
 16 program established pursuant to section 261.87:  
 17 ..... \$ ~~1,120,427~~  
 18 2,240,854

19 b. If the moneys appropriated by the general assembly to the  
 20 college student aid commission for fiscal year 2012-2013 for  
 21 purposes of the all Iowa opportunity scholarship program exceed  
 22 \$500,000, "eligible institution" as defined in section 261.87,  
 23 shall, during fiscal year 2012-2013, include accredited private  
 24 institutions as defined in section 261.9, subsection 1.

25 8. REGISTERED NURSE AND NURSE EDUCATOR LOAN FORGIVENESS  
 26 PROGRAM  
 27 a. For purposes of the registered nurse and nurse educator  
 28 loan forgiveness program established pursuant to section  
 29 261.23:  
 30 ..... \$ 40,426  
 31 80,852

32 b. It is the intent of the general assembly that the  
 33 commission continue to consider moneys allocated pursuant to  
 34 this subsection as moneys that meet the state matching funds  
 35 requirements of the federal leveraging educational assistance

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1 program and the federal supplemental leveraging educational  
2 assistance program established under the Higher Education Act  
3 of 1965, as amended.

4 9. BARBER AND COSMETOLOGY ARTS AND SCIENCES TUITION GRANT  
5 PROGRAM

6 For purposes of the barber and cosmetology arts and sciences  
7 tuition grant program established pursuant to section 261.18:

8 .....	\$	<del>18,469</del>
9		<u>36,938</u>

10 Sec. 4. 2011 Iowa Acts, chapter 132, section 101, is amended  
11 to read as follows:

12 SEC. 101. WORK-STUDY APPROPRIATION FOR FY  
13 2012-2013. Notwithstanding section 261.85, for the fiscal year  
14 beginning July 1, 2012, and ending June 30, 2013, the amount  
15 appropriated from the general fund of the state to the college  
16 student aid commission for the work-study program under section  
17 261.85 shall be ~~zero~~ \$250,000.

18 DEPARTMENT OF EDUCATION

19 Sec. 5. 2011 Iowa Acts, chapter 132, section 102, is amended  
20 to read as follows:

21 SEC. 102. There is appropriated from the general fund of  
22 the state to the department of education for the fiscal year  
23 beginning July 1, 2012, and ending June 30, 2013, the following  
24 amounts, or so much thereof as is necessary, to be used for the  
25 purposes designated:

26 1. GENERAL ADMINISTRATION

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

30 .....	\$	2,956,906
31		<u>5,913,812</u>
32 .....	FTEs	81.67

33 2. VOCATIONAL EDUCATION ADMINISTRATION

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



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1 positions:

2 ..... \$ 224,638

3 ..... 547,840

4 ..... FTEs 11.50

5 3. VOCATIONAL REHABILITATION SERVICES DIVISION

6 a. For salaries, support, maintenance, miscellaneous

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

8 equivalent positions:

9 ..... \$ 2,481,584

10 ..... 4,963,168

11 ..... FTEs 255.00

12 b. For matching funds for programs to enable persons

13 with severe physical or mental disabilities to function more

14 independently, including salaries and support, and for not more

15 than the following full-time equivalent position:

16 ..... \$ 19,564

17 ..... 39,128

18 ..... FTEs 1.00

19 c. For the entrepreneurs with disabilities program

20 established pursuant to section 259.4, subsection 9:

21 ..... \$ 72,768

22 ..... 145,535

23 d. For costs associated with centers for independent

24 living:

25 ..... \$ 20,147

26 ..... 40,294

27 4. STATE LIBRARY

28 a. For salaries, support, maintenance, miscellaneous

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

30 equivalent positions:

31 ..... \$ 604,810

32 ..... 1,209,619

33 ..... FTEs 17.00

34 b. For the enrich Iowa program established under section

35 256.57:



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1 ..... \$ 837,114  
2 ..... 2,174,228  
3 5. LIBRARY SERVICE AREA SYSTEM  
4 For ~~state aid~~ salaries, support, maintenance, miscellaneous  
5 purposes, and for not more than the following full-time  
6 equivalent positions:  
7 ..... \$ 502,722  
8 ..... 1,005,444  
9 ..... FTEs 12.00  
10 6. PUBLIC BROADCASTING DIVISION  
11 For salaries, support, maintenance, capital expenditures,  
12 miscellaneous purposes, and for not more than the following  
13 full-time equivalent positions:  
14 ..... \$ 3,327,011  
15 ..... 6,969,021  
16 ..... FTEs 82.00  
17 ~~7. REGIONAL TELECOMMUNICATIONS COUNCILS~~  
18 ~~For state aid:~~  
19 ..... ~~\$ 496,457~~  
20 ~~The regional telecommunications councils established~~  
21 ~~in section 8D.5 shall use the moneys appropriated in this~~  
22 ~~subsection to provide technical assistance for network~~  
23 ~~classrooms, planning and troubleshooting for local area~~  
24 ~~networks, scheduling of video sites, and other related support~~  
25 ~~activities.~~  
26 8. VOCATIONAL EDUCATION TO SECONDARY SCHOOLS  
27 For reimbursement for vocational education expenditures made  
28 by secondary schools:  
29 ..... \$ ~~1,315,067~~  
30 ..... 2,630,134  
31 Moneys appropriated in this subsection shall be used  
32 to reimburse school districts for vocational education  
33 expenditures made by secondary schools to meet the standards  
34 set in sections 256.11, 258.4, and 260C.14.  
35 9. SCHOOL FOOD SERVICE



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1 For use as state matching funds for federal programs that  
 2 shall be disbursed according to federal regulations, including  
 3 salaries, support, maintenance, miscellaneous purposes, and for  
 4 not more than the following full-time equivalent positions:  
 5 ..... \$ 1,088,399  
 6 ..... 2,176,797  
 7 ..... FTEs 20.58

8 10. EARLY CHILDHOOD IOWA FUND — GENERAL AID

9 For deposit in the school ready children grants account of  
 10 the early childhood Iowa fund created in section 256I.11:  
 11 ..... \$ 2,693,057  
 12 ..... 5,386,113

13 a. From the moneys deposited in the school ready children  
 14 grants account for the fiscal year beginning July 1, 2012, and  
 15 ending June 30, 2013, not more than \$265,950 is allocated for  
 16 the early childhood Iowa office and other technical assistance  
 17 activities. The early childhood Iowa state board shall direct  
 18 staff to work with the early childhood stakeholders alliance  
 19 created in section 256I.12 to inventory technical assistance  
 20 needs. Moneys allocated under this lettered paragraph may be  
 21 used by the early childhood Iowa state board for the purpose of  
 22 skills development and support for ongoing training of staff.  
 23 However, except as otherwise provided in this subsection,  
 24 moneys shall not be used for additional staff or for the  
 25 reimbursement of staff.

26 b. As a condition of receiving moneys appropriated in  
 27 this subsection, each early childhood Iowa area board shall  
 28 report to the early childhood Iowa state board progress on  
 29 each of the local indicators approved by the area board. Each  
 30 early childhood Iowa area board must also submit an annual  
 31 budget for the area's comprehensive school ready children  
 32 grant developed for providing services for children from birth  
 33 through five years of age, and provide other information  
 34 specified by the early childhood Iowa state board, including  
 35 budget amendments as needed. The early childhood Iowa state









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1 strengthen protective factors, including parenting skills,  
 2 increasing parental knowledge of child development, and  
 3 increasing family functioning and problem solving skills. A  
 4 family support program may be used as an early intervention  
 5 strategy to improve birth outcomes, parental knowledge, family  
 6 economic success, the home learning environment, family and  
 7 child involvement with others, and coordination with other  
 8 community resources. A family support program may have a  
 9 specific focus on preventing child maltreatment or ensuring  
 10 children are safe, healthy, and ready to succeed in school.

11 (3) "Promising program" means a program that meets all of  
 12 the following requirements:

13 (a) The program conforms to a clear, consistent family  
 14 support model that has been in existence for at least three  
 15 years.

16 (b) The program is grounded in relevant empirically-based  
 17 knowledge.

18 (c) The program is linked to program-determined outcomes.

19 (d) The program is associated with a national or state  
 20 organization that either has comprehensive program standards  
 21 that ensure high-quality service delivery and continuous  
 22 program quality improvement or the program model has  
 23 demonstrated through the program's benchmark outcomes that the  
 24 program has achieved significant positive outcomes equivalent  
 25 to those achieved by program models with published significant  
 26 and sustained results in a peer-reviewed journal.

27 (e) The program has been awarded the Iowa family support  
 28 credential and has been reviewed onsite at least every five  
 29 years to ensure the program's adherence to the Iowa family  
 30 support standards approved by the early childhood Iowa  
 31 state board created in section 256I.3 or a comparable set of  
 32 standards. The onsite review is completed by an independent  
 33 review team that is not associated with the program or the  
 34 organization administering the program.

35 e. (1) The data reporting requirements adopted by the early







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1	.....	FTEs	2.00
2	17. JOBS FOR AMERICA'S GRADUATES		
3	For school districts to provide direct services to the		
4	most at-risk senior high school students enrolled in school		
5	districts through direct intervention by a jobs for America's		
6	graduates specialist:		
7	.....	\$	20,000
8			<u>540,000</u>
9	<u>17A. EDUCATION REFORM</u>		
10	<u>For purposes of implementing education reform:</u>		
11	.....	\$	<u>17,524,843</u>
12	18. COMMUNITY COLLEGES		
13	a. For general state financial aid to merged areas as		
14	defined in section 260C.2 in accordance with chapters 258 and		
15	260C:		
16	.....	\$	<u>81,887,324</u>
17			<u>188,774,647</u>
18	<del>The funds appropriated in this subsection shall be allocated</del>		
19	<del>pursuant to the formula established in section 206C.18C.</del>		
20	<u>Notwithstanding the allocation formula in section 260C.18C,</u>		
21	<u>the funds appropriated in this subsection shall be allocated</u>		
22	<u>as follows:</u>		
23	<u>(1) Merged Area I.....</u>	<u>\$</u>	<u>9,410,108</u>
24	<u>(2) Merged Area II.....</u>	<u>\$</u>	<u>9,618,608</u>
25	<u>(3) Merged Area III.....</u>	<u>\$</u>	<u>8,869,371</u>
26	<u>(4) Merged Area IV.....</u>	<u>\$</u>	<u>4,362,345</u>
27	<u>(5) Merged Area V.....</u>	<u>\$</u>	<u>10,583,054</u>
28	<u>(6) Merged Area VI.....</u>	<u>\$</u>	<u>8,504,520</u>
29	<u>(7) Merged Area VII.....</u>	<u>\$</u>	<u>12,895,629</u>
30	<u>(8) Merged Area IX.....</u>	<u>\$</u>	<u>16,261,078</u>
31	<u>(9) Merged Area X.....</u>	<u>\$</u>	<u>29,382,410</u>
32	<u>(10) Merged Area XI.....</u>	<u>\$</u>	<u>30,644,465</u>
33	<u>(11) Merged Area XII.....</u>	<u>\$</u>	<u>10,588,450</u>
34	<u>(12) Merged Area XIII.....</u>	<u>\$</u>	<u>11,187,562</u>
35	<u>(13) Merged Area XIV.....</u>	<u>\$</u>	<u>4,444,054</u>

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1 under section 262.9, subsection 22:  
 2 ..... \$ 33,301  
 3 ..... 66,601  
 4 d. For moneys to be allocated to the quad-cities graduate  
 5 studies center:  
 6 ..... \$ 64,888  
 7 ..... 129,776  
 8 The board may transfer moneys appropriated under paragraph  
 9 "b", "c", or "d", of this subsection to any of the other  
 10 centers specified in paragraph "b", "c", or "d", if the board  
 11 notifies, in writing, the general assembly and the legislative  
 12 services agency of the amount, the date, and the purpose of the  
 13 transfer.  
 14 e. For moneys to be distributed to Iowa public radio for  
 15 public radio operations:  
 16 ..... \$ 195,784  
 17 ..... 391,568  
 18 2. STATE UNIVERSITY OF IOWA  
 19 a. General university, including lakeside laboratory  
 20 For salaries, support, maintenance, equipment, miscellaneous  
 21 purposes, and for not more than the following full-time  
 22 equivalent positions:  
 23 ..... \$104,868,656  
 24 ..... 222,354,717  
 25 ..... FTEs 5,058.55  
 26 b. Oakdale campus  
 27 For salaries, support, maintenance, miscellaneous purposes,  
 28 and for not more than the following full-time equivalent  
 29 positions:  
 30 ..... \$ 1,093,279  
 31 ..... 2,186,558  
 32 ..... FTEs 38.25  
 33 c. State hygienic laboratory  
 34 For salaries, support, maintenance, miscellaneous purposes,  
 35 and for not more than the following full-time equivalent

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1 12.

2 (2) The university of northern Iowa shall work with the  
3 community colleges to develop STEM professional development  
4 programs for community college instructors and STEM curriculum  
5 development.

6 d. Real estate education program

7 For purposes of the real estate education program, and for  
8 not more than the following full-time equivalent position:

9 .....	\$	62,651
10 .....		<u>125,302</u>
11 .....	FTEs	1.00

12 5. STATE SCHOOL FOR THE DEAF

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

16 .....	\$	4,339,982
17 .....		<u>8,679,964</u>
18 .....	FTEs	126.60

19 6. IOWA BRAILLE AND SIGHT SAVING SCHOOL

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

23 .....	\$	1,809,466
24 .....		<u>3,618,931</u>
25 .....	FTEs	62.87

26 7. TUITION AND TRANSPORTATION COSTS

27 For payment to local school boards for the tuition and  
28 transportation costs of students residing in the Iowa braille  
29 and sight saving school and the state school for the deaf  
30 pursuant to section 262.43 and for payment of certain clothing,  
31 prescription, and transportation costs for students at these  
32 schools pursuant to section 270.5:

33 .....	\$	5,882
34 .....		<u>11,763</u>

35 8. LICENSED CLASSROOM TEACHERS









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1 colleges and schools accrediting agency; and promote equal  
 2 opportunity and affirmative action efforts in the recruitment,  
 3 appointment, assignment, and advancement of personnel at the  
 4 institution and provide information regarding such efforts to  
 5 the commission upon request.

6 Sec. 13. Section 284.13, subsection 1, paragraphs a, b, c,  
 7 and d, Code Supplement 2011, are amended to read as follows:

8 a. For the fiscal year beginning July 1, ~~2011~~ 2012, and  
 9 ending June 30, ~~2012~~ 2013, to the department of education, the  
 10 amount of ~~six~~ five hundred eighty-five thousand dollars for the  
 11 issuance of national board certification awards in accordance  
 12 with section 256.44. Of the amount allocated under this  
 13 paragraph, not less than eighty-five thousand dollars shall  
 14 be used to administer the ambassador to education position in  
 15 accordance with section 256.45.

16 b. For the fiscal year beginning July 1, ~~2011~~ 2012, and  
 17 ending June 30, ~~2012~~ 2013, an amount up to two million ~~three~~  
 18 four hundred ~~ninety-five~~ thousand ~~one hundred fifty-seven~~  
 19 dollars for first-year and second-year beginning teachers,  
 20 to the department of education for distribution to school  
 21 districts and area education agencies for purposes of the  
 22 beginning teacher mentoring and induction programs. A school  
 23 district or area education agency shall receive one thousand  
 24 three hundred dollars per beginning teacher participating  
 25 in the program. If the funds appropriated for the program  
 26 are insufficient to pay mentors, school districts, and  
 27 area education agencies as provided in this paragraph, the  
 28 department shall prorate the amount distributed to school  
 29 districts and area education agencies based upon the amount  
 30 appropriated. Moneys received by a school district or  
 31 area education agency pursuant to this paragraph shall be  
 32 expended to provide each mentor with an award of five hundred  
 33 dollars per semester, at a minimum, for participation in  
 34 the school district's or area education agency's beginning  
 35 teacher mentoring and induction program; to implement the



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1 plan; and to pay any applicable costs of the employer's share  
2 of contributions to federal social security and the Iowa  
3 public employees' retirement system or a pension and annuity  
4 retirement system established under chapter 294, for such  
5 amounts paid by the district or area education agency.

6     *c.* For the fiscal year beginning July 1, ~~2011~~ 2012,  
7 and ending June 30, ~~2012~~ 2013, up to six hundred thousand  
8 dollars to the department for purposes of implementing the  
9 professional development program requirements of section 284.6,  
10 assistance in developing model evidence for teacher quality  
11 committees established pursuant to section 284.4, subsection  
12 1, paragraph "c", and the evaluator training program in section  
13 284.10. A portion of the funds allocated to the department for  
14 purposes of this paragraph may be used by the department for  
15 administrative purposes and for not more than four full-time  
16 equivalent positions.

17     *d.* For the fiscal year beginning July 1, ~~2011~~ 2012, and  
18 ending June 30, ~~2012~~ 2013, an amount up to one million ~~one~~  
19 six hundred four ten thousand eight one hundred forty-three  
20 fifty-seven dollars to the department for the establishment  
21 of teacher development academies in accordance with section  
22 284.6, subsection 10. A portion of the funds allocated to  
23 the department for purposes of this paragraph may be used for  
24 administrative purposes.

25     Sec. 14. REPEAL. 2011 Iowa Acts, chapter 132, section 99,  
26 is repealed.

27     Sec. 15. EFFECTIVE UPON ENACTMENT. The section of this Act  
28 amending 2011 Iowa Acts, chapter 132, section 7, subsection 1,  
29 paragraph a, being deemed of immediate importance, takes effect  
30 upon enactment.

EXPLANATION

31  
32     This bill relates to moneys appropriated for fiscal year  
33 2012-2013 from the general fund of the state to the college  
34 student aid commission, the department for the blind, the  
35 department of education, and the state board of regents and its



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1 institutions in 2011 Iowa Acts, chapter 132 (HF 645).

2 The bill relates to moneys appropriated to the department  
3 for the blind for its administration and for costs associated  
4 with universal access to audio information over the phone on  
5 demand.

6 The bill relates to appropriations to the college student  
7 aid commission for general administrative purposes, student  
8 aid programs, loan repayment for health care professionals,  
9 the national guard educational assistance program, the teacher  
10 shortage loan forgiveness program, the all Iowa opportunity  
11 foster care grant and scholarship programs, the registered  
12 nurse loan and nurse educator forgiveness program, and the  
13 barber and cosmetology arts and sciences tuition grant program.

14 The bill increases the standing appropriation for Iowa  
15 tuition grants for students attending nonprofit institutions.

16 The bill increases the appropriation for the work-study  
17 program from zero in 2011 Iowa Acts, chapter 132, to \$250,000,  
18 though the amount is still less than the amount that would have  
19 been provided had the standing appropriation not been reduced  
20 by the bill.

21 The bill relates to moneys appropriated to the department  
22 of education for purposes of the midwestern higher education  
23 compact, and the department's general administration,  
24 vocational education administration, division of vocational  
25 rehabilitation services including independent living and  
26 the entrepreneurs with disabilities program and independent  
27 living centers, state library for general administration and  
28 the enrich Iowa program, library service area system, public  
29 broadcasting division, vocational education to secondary  
30 schools, school food service, early childhood Iowa fund,  
31 expansion of the federal Individuals with Disabilities  
32 Education Improvement Act birth through age three services,  
33 textbooks for nonpublic school pupils, the core curriculum and  
34 career information and decision-making system, the student  
35 achievement and teacher quality program, jobs for America's

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1 graduates, and community colleges. The bill adds a new line  
2 item for purposes of education reform, and eliminates funding  
3 for regional telecommunications councils.

4 The bill specifies legislative intent for the phase-in of  
5 funding priorities for the home visitation program; expands  
6 data reporting requirements relating to family support  
7 programs; and requires the early childhood Iowa state board  
8 to identify minimum competency standards, adopt criminal  
9 and child abuse record check requirements for employees and  
10 supervisors of family support programs, and to develop a plan  
11 to implement a coordinated intake and referral process for  
12 publicly funded family support programs statewide. The bill  
13 includes statutory language permitting the administrator of a  
14 family support program receiving public funds to have access to  
15 child abuse information if the data relates to a record check  
16 of an employee working directly with families.

17 The bill relates to moneys appropriated to the state  
18 board of regents for the board office, universities' general  
19 operating budgets; the southwest Iowa graduate studies center;  
20 the siouxland interstate metropolitan planning council; the  
21 quad-cities graduate studies center; Iowa public radio; the  
22 state university of Iowa; Iowa state university of science  
23 and technology; the university of northern Iowa; and for the  
24 Iowa school for the deaf and the Iowa braille and sight saving  
25 school, including tuition and transportation costs for students  
26 residing in the schools and licensed classroom teachers. The  
27 bill adds a new line item for purposes of priorities identified  
28 by the board. The bill also permits the board to redistribute  
29 moneys appropriated for purposes of the graduate studies  
30 centers among the graduate studies centers in fiscal years  
31 2011-2012 and 2012-2013. The provision authorizing fiscal year  
32 2011-2012 transfers takes effect upon enactment.



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Senate Study Bill 3188 - Introduced

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DVORSKY)

A BILL FOR

1 An Act relating to the types of containers included under the  
2 beverage container control laws and the reimbursement amount  
3 paid by a distributor for empty beverage containers and  
4 making appropriations.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 455C.1, subsections 1 and 2, Code  
 2 Supplement 2011, are amended to read as follows:  
 3 1. "Beverage" means includes but is not limited to wine as  
 4 defined in section 123.3, subsection 47, alcoholic liquor as  
 5 defined in section 123.3, subsection 5, and beer all as defined  
 6 in section 123.3, subsection 7, mineral water, soda water and  
 7 similar carbonated soft drinks and any nonalcoholic carbonated  
 8 and noncarbonated drinks, in liquid form and intended for human  
 9 consumption. "Beverage" does not include any of the following:  
 10 a. Fruit and vegetable juice and drink products.  
 11 b. Grade 'A' milk and milk products as specified in the  
 12 grade 'A' pasteurized milk ordinance, as provided in section  
 13 192.102.  
 14 c. A liquid that is any of the following:  
 15 (1) A syrup.  
 16 (2) In a concentrated form.  
 17 (3) Typically added as a minor flavoring ingredient in  
 18 food or drink, such as extracts, cooking additives, sauces, or  
 19 condiments.  
 20 d. A liquid that is ingested in very small quantities and  
 21 consumed for medicinal purposes only.  
 22 e. A liquid that is designed and consumed only as a  
 23 nutritional supplement, as defined by the department, and not  
 24 as a beverage.  
 25 f. Products frozen at the time of sale to the consumer,  
 26 or, in the case of institutional users such as hospitals and  
 27 nursing homes, at the time of sale to such users.  
 28 g. Products designed to be consumed in a frozen state.  
 29 h. Instant drink powders.  
 30 i. Seafood, meat, or vegetable broths or soups.  
 31 j. Farm-produced apple cider that has not been heated,  
 32 pasteurized, or otherwise processed.  
 33 k. Infant formula.  
 34 2. "Beverage container" means any sealed glass, plastic,  
 35 or metal bottle, can, jar, or carton containing a beverage.



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- 1 "Beverage container" does not include any of the following:  
 2 a. A bottle, can, jar, or carton of three liters or more in  
 3 size containing a noncarbonated beverage.  
 4 b. A bottle, can, jar, or carton made of high-density  
 5 polyethylene.

6 Sec. 2. Section 455C.2, subsection 2, Code 2011, is amended  
 7 to read as follows:

8 2. In addition to the refund value provided in subsection  
 9 ~~1 of this section~~, a dealer, or person operating a redemption  
 10 center who redeems empty beverage containers or a dealer agent  
 11 shall be reimbursed by the distributor required to accept  
 12 the empty beverage containers an amount which is one cent  
 13 per container. However, the distributor shall provide an  
 14 additional one cent reimbursement for each beverage container  
 15 made of plastic. A dealer, dealer agent, or person operating a  
 16 redemption center may compact empty metal beverage containers  
 17 with the approval of the distributor required to accept the  
 18 containers.

19 Sec. 3. APPROPRIATION. There is appropriated from the  
 20 general fund of the state to the department of natural  
 21 resources for the fiscal year beginning July 1, 2012, and  
 22 ending June 30, 2013, the following amount, or so much thereof  
 23 as is necessary, to be used for the purposes designated:

24 For administering chapter 455C, including salaries, support,  
 25 maintenance, and miscellaneous purposes:  
 26 ..... \$ 10,000

EXPLANATION

28 This bill relates to the types of containers included under  
 29 the beverage container control laws and the reimbursement  
 30 amount paid by a distributor for empty beverage containers.

31 The bill expands the list of beverages whose containers are  
 32 regulated under Code chapter 455C, commonly referred to as  
 33 the bottle bill. The newly regulated beverages include any  
 34 nonalcoholic, carbonated and noncarbonated drinks excluding  
 35 fruit and vegetable juices and fruit drinks and grade "A" milk



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1 and milk products as specified in the grade "A" pasteurized  
2 milk ordinance. The bill also includes a list of other  
3 exceptions to the newly regulated beverages.

4 The bill limits the type of bottles, cans, jars, and cartons  
5 that are included under the definition for the term "beverage  
6 container". The bill excludes from the term bottles, cans,  
7 jars, and cartons of three liters or more in size containing  
8 a noncarbonated beverage and bottles, cans, jars, and cartons  
9 made of high-density polyethylene.

10 The reimbursement amount, commonly referred to as a handling  
11 fee, is paid by the distributor who collects the beverage  
12 containers from the dealer or person operating a redemption  
13 center. Currently, the reimbursement amount is 1 cent per  
14 container. The bill requires distributors to pay an additional  
15 1 cent for each collected beverage container that is made of  
16 plastic.

17 The bill appropriates moneys from the general fund of the  
18 state to the department of natural resources for purposes  
19 of administering Code chapter 455C relating to the beverage  
20 container control laws.



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**Senate Study Bill 3189 - Introduced**

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

**A BILL FOR**

1 An Act relating to and making appropriations to state  
2 departments and agencies from the rebuild Iowa  
3 infrastructure fund, the technology reinvestment fund,  
4 the general fund of the state, and providing for related  
5 matters.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 ..... \$ 125,000  
2 5. DEPARTMENT OF PUBLIC DEFENSE  
3 For major maintenance projects at national guard armories  
4 and facilities:  
5 ..... \$ 2,000,000  
6 6. DEPARTMENT OF NATURAL RESOURCES  
7 a. For implementation of lake projects that have  
8 established watershed improvement initiatives and community  
9 support in accordance with the department's annual lake  
10 restoration plan and report, notwithstanding section 8.57,  
11 subsection 6, paragraph "c":  
12 ..... \$ 5,459,000  
13 b. For the restoration and reconstruction of a dam in a  
14 county with a population between seventeen thousand seven  
15 hundred and seventeen thousand eight hundred as determined  
16 by the 2010 federal decennial census, for a lake with public  
17 access that has the support of a benefited lake district:  
18 ..... \$ 2,500,000  
19 7. BOARD OF REGENTS  
20 For allocation by the state board of regents to the state  
21 university of Iowa, the Iowa state university of science and  
22 technology, and the university of northern Iowa to reimburse  
23 the institutions for deficiencies in the operating funds  
24 resulting from the pledging of tuition, student fees and  
25 charges, and institutional income to finance the cost of  
26 providing academic and administrative buildings and facilities  
27 and utility services at the institutions, notwithstanding  
28 section 8.57, subsection 6, paragraph "c":  
29 ..... \$ 25,130,412  
30 8. DEPARTMENT OF TRANSPORTATION  
31 a. For acquiring, constructing, and improving recreational  
32 trails within the state:  
33 ..... \$ 2,500,000  
34 b. For deposit into the public transit infrastructure  
35 grant fund created in section 324A.6A, for projects that meet

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1 designated:

2 1. DEPARTMENT OF CORRECTIONS

3 For costs associated with the Iowa corrections offender  
4 network data system:

5 ..... \$ 500,000

6 2. DEPARTMENT OF EDUCATION

7 a. For maintenance and lease costs associated with  
8 connections for part III of the Iowa communications network:

9 ..... \$ 2,727,000

10 b. For the implementation of an educational data warehouse  
11 that will be utilized by teachers, parents, school district  
12 administrators, area education agency staff, department of  
13 education staff, and policymakers:

14 ..... \$ 600,000

15 The department may use a portion of the moneys appropriated  
16 in this lettered paragraph for an e-transcript data system  
17 capable of tracking students throughout their education via  
18 interconnectivity with multiple schools.

19 3. DEPARTMENT OF HUMAN RIGHTS

20 For the cost of equipment and computer software for the  
21 implementation of Iowa's criminal justice information system:

22 ..... \$ 1,689,307

23 4. IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

24 For replacement of equipment for the Iowa communications  
25 network:

26 ..... \$ 2,248,653

27 The commission may continue to enter into contracts pursuant  
28 to section 8D.13 for the replacement of equipment and for  
29 operations and maintenance costs of the network.

30 In addition to moneys appropriated in this subsection,  
31 the commission may use a financing agreement entered into by  
32 the treasurer of state in accordance with section 12.28 for  
33 the replacement of equipment for the network. For purposes  
34 of this subsection, the treasurer of state is not subject to  
35 the maximum principal limitation contained in section 12.28,

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1 subsection 6. Repayment of any amounts financed shall be made  
2 from receipts associated with fees charged for use of the  
3 network.

4 5. DEPARTMENT OF MANAGEMENT

5 For the continued development and implementation of a  
6 searchable database that can be placed on the internet for  
7 budget and financial information:

8 ..... \$ 45,000

9 Sec. 4. REVERSION. For purposes of section 8.33, unless  
10 specifically provided otherwise, unencumbered or unobligated  
11 moneys made from an appropriation in this division of this Act  
12 shall not revert but shall remain available for expenditure for  
13 the purposes designated until the close of the fiscal year that  
14 ends three years after the end of the fiscal year for which the  
15 appropriation was made. However, if the project or projects  
16 for which such appropriation was made are completed in an  
17 earlier fiscal year, unencumbered or unobligated moneys shall  
18 revert at the close of that same fiscal year.

19 DIVISION III

20 MISCELLANEOUS CODE CHANGES

21 Sec. 5. Section 8.57A, subsection 4, paragraph c, Code  
22 Supplement 2011, is amended to read as follows:

23 c. There is appropriated from the rebuild Iowa  
24 infrastructure fund for the fiscal year beginning July 1, 2012,  
25 and ending June 30, 2013, the sum of ~~thirty-five~~ thirty-three  
26 million dollars to the environment first fund, notwithstanding  
27 section 8.57, subsection 6, paragraph "c".

28 Sec. 6. Section 8.57C, subsection 3, paragraph a, Code  
29 Supplement 2011, is amended to read as follows:

30 a. There is appropriated from the general fund of the state  
31 for the fiscal year beginning July 1, ~~2012~~ 2013, and for each  
32 subsequent fiscal year thereafter, the sum of seventeen million  
33 five hundred thousand dollars to the technology reinvestment  
34 fund.

35 Sec. 7. Section 8.57C, subsection 3, Code Supplement 2011,



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1 is amended by adding the following new paragraph:  
 2 NEW PARAGRAPH. *e.* There is appropriated from the rebuild  
 3 Iowa infrastructure fund for the fiscal year beginning July  
 4 1, 2012, and ending June 30, 2013, the sum of fifteen million  
 5 dollars to the technology reinvestment fund, notwithstanding  
 6 section 8.57, subsection 6, paragraph "c".

7 Sec. 8. Section 15F.204, subsection 8, paragraph g, Code  
 8 Supplement 2011, is amended by striking the paragraph.

9 Sec. 9. Section 16.181A, Code 2011, is amended to read as  
 10 follows:

11 **16.181A Housing trust fund — appropriations.**

12 1. There is appropriated from the rebuild Iowa  
 13 infrastructure fund to the Iowa finance authority for deposit  
 14 in the housing trust fund created in section 16.181, for the  
 15 fiscal year beginning July 1, 2009, and beginning July 1, 2011,  
 16 and beginning July 1, 2013, and for each succeeding fiscal  
 17 year, the sum of three million dollars.

18 2. There is appropriated from the rebuild Iowa  
 19 infrastructure fund to the Iowa finance authority for deposit  
 20 in the housing trust fund created in section 16.181, for the  
 21 fiscal year beginning July 1, 2010 and ending June 30, 2011,  
 22 the sum of one million dollars.

23 3. There is appropriated from the rebuild Iowa  
 24 infrastructure fund to the Iowa finance authority for deposit  
 25 in the housing trust fund created in section 16.181, for the  
 26 fiscal year beginning July 1, 2012, and ending June 30, 2013,  
 27 the sum of two million dollars.

28 EXPLANATION

29 This bill relates to and makes appropriations to state  
 30 departments and agencies from the rebuild Iowa infrastructure  
 31 fund and the technology reinvestment fund, and provides for  
 32 related matters. The bill is organized by divisions.

33 REBUILD IOWA INFRASTRUCTURE FUND. This division  
 34 appropriates project funding for FY 2012-2013 from the  
 35 rebuild Iowa infrastructure fund, including projects

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1 for the departments of corrections, cultural affairs,  
2 education, management, natural resources, public defense, and  
3 transportation, and for the treasurer of state and the board  
4 of regents.

5 TECHNOLOGY REINVESTMENT FUND. This division appropriates  
6 project funding for FY 2012-2013 from the technology  
7 reinvestment fund, including projects for the departments of  
8 corrections, education, human rights, and management, and for  
9 the Iowa telecommunications and technology commission.

10 MISCELLANEOUS CODE CHANGES. The division reduces the  
11 standing appropriation from the rebuild Iowa infrastructure  
12 fund for FY 2012-2013 to the environment first fund from \$35  
13 million to \$33 million.

14 The division provides a standing general fund appropriation  
15 of \$17.5 million to the technology reinvestment fund beginning  
16 in FY 2013-2014.

17 The division appropriates \$15 million from the rebuild Iowa  
18 infrastructure fund to the technology reinvestment fund for FY  
19 2012-2013.

20 The division eliminates the \$5 million standing  
21 appropriation from the rebuild Iowa infrastructure fund to the  
22 community attraction and tourism fund for FY 2012-2013.

23 The division appropriates \$3 million from the rebuild Iowa  
24 infrastructure fund to the Iowa finance authority for deposit  
25 in the housing trust fund beginning with FY 2013-2014, and for  
26 each succeeding fiscal year.

27 The division appropriates \$2 million from the rebuild Iowa  
28 infrastructure fund to the Iowa finance authority for deposit  
29 in the housing trust fund for FY 2012-2013.