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SENATE FILE 416
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1322)

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

A BILL FOR

1 An Act relating to additional educational funding by increasing
2 the state regular program foundation base per pupil, by
3 modifying the community college operations levy, creating
4 local workforce and economic development funds for community
5 colleges, increasing the state cigarette tax, modifying an
6 appropriation, and including effective and applicability date
7 provisions.

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

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516-15

1 Section 1. Section 257.1, subsection 2, unnumbered
2 paragraph 2, Code 2005, is amended to read as follows:

3 For the budget year commencing July 1, ~~1999~~ 2005, and for
4 each succeeding budget year the regular program foundation
5 base per pupil is ~~eighty-seven-and-five-tenths~~ eighty-nine and
6 seventy-eight hundredths percent of the regular program state
7 cost per pupil. For the budget year commencing July 1, 1991,
8 and for each succeeding budget year the special education
9 support services foundation base is seventy-nine percent of
10 the special education support services state cost per pupil.
11 The combined foundation base is the sum of the regular program
12 foundation base and the special education support services
13 foundation base.

14 Sec. 2. Section 260C.17, Code 2005, is amended by striking
15 the section and inserting in lieu thereof the following:

16 260C.17 PREPARATION AND APPROVAL OF BUDGET -- OPERATIONS
17 LEVY.

18 1. BUDGET APPROVAL. The board of directors of each merged
19 area shall prepare an annual budget designating the proposed
20 expenditures for operation of the community college. The
21 board shall further designate the amounts which are to be
22 raised by local taxation and the amounts which are to be
23 raised by other sources of revenue for the operation. The
24 budget of each merged area shall be submitted to the state
25 board no later than May 1 preceding the next fiscal year for
26 approval. The state board shall review the proposed budget
27 and shall, prior to June 1, either grant its approval or
28 return the budget without approval with the comments of the
29 state board attached to it. Any unapproved budget shall be
30 resubmitted to the state board for final approval.

31 2. BASE LEVEL. Upon approval of the budget by the state
32 board, the board of directors shall certify the amount to the
33 respective county auditors and the boards of supervisors
34 annually shall levy a tax of twenty and one-fourth cents per
35 thousand dollars of assessed value on taxable property in a

1 merged area for the operation of a community college.

2 3. OPTIONAL SUPPLEMENTAL AMOUNT. In addition to the
3 amount of the operations levy under subsection 2, the board of
4 directors of each community college may certify an additional
5 amount for levy by March 15 to the respective county auditors
6 for collection in the subsequent fiscal year, and the boards
7 of supervisors shall levy a tax on all taxable property in the
8 merged area for deposit in the local workforce and economic
9 development fund created in section 260C.18C. Subject to
10 subsection 4, the sum of the moneys collected by a community
11 college under this subsection shall not exceed the sum of
12 twenty percent of the following for the fiscal year beginning
13 July 1, 2006, thirty-three and twenty-three hundredths percent
14 of the following for the fiscal year beginning July 1, 2007,
15 forty-six and forty-five hundredths percent of the following
16 for the fiscal year beginning July 1, 2008, and fifty-nine and
17 sixty-eight hundredths percent of the following for fiscal
18 years beginning on or after July 1, 2009:

19 a. The community college's budgeted employer contributions
20 under the Federal Insurance Contributions Act, as defined in
21 section 97C.2, for the fiscal year of collection.

22 b. The community college's budgeted employer contributions
23 to the community college's employees' retirement systems for
24 the fiscal year of collection.

25 c. The community college's budgeted utility costs for the
26 fiscal year of collection. As used in this paragraph,
27 "utility costs" includes the cost of electricity, water, waste
28 collection, fuel oil and gas for heating, heat, and air
29 conditioning expenditures. "Utility costs" does not include
30 telephone service, or gas used in laboratories and shops for
31 community college purposes.

32 d. The moneys the community college would receive from the
33 collection of a property tax of ten cents per thousand dollars
34 of assessed valuation for the fiscal year of collection.

35 Moneys collected under this subsection shall be deposited

1 in the community college's local workforce and economic
2 development fund.

3 4. LIMITATION.

4 a. Notwithstanding the amount calculated in subsection 3,
5 the sum of moneys collected by each community college under
6 subsection 3 for the fiscal year beginning July 1, 2009, and
7 succeeding fiscal years, shall not exceed the following, as
8 adjusted pursuant to paragraphs "b" and "c":

9 (1) For merged area one, two million two hundred fifty-
10 six thousand four hundred seventy-four dollars.

11 (2) For merged area two, one million six hundred eighty
12 thousand five hundred two dollars.

13 (3) For merged area three, one million eight hundred
14 ninety-six thousand four hundred seventy-two dollars.

15 (4) For merged area four, seven hundred sixty-seven
16 thousand three hundred thirty-seven dollars.

17 (5) For merged area five, two million one hundred seventy-
18 nine thousand three hundred ninety-eight dollars.

19 (6) For merged area six, one million seven hundred
20 seventy-eight thousand one hundred three dollars.

21 (7) For merged area seven, two million four hundred sixty-
22 six thousand two hundred thirty-nine dollars.

23 (8) For merged area nine, three million three hundred
24 seven thousand forty-nine dollars.

25 (9) For merged area ten, five million seven hundred three
26 thousand five hundred fifty-one dollars.

27 (10) For merged area eleven, six million three hundred
28 eighty-two thousand two hundred fifty-eight dollars.

29 (11) For merged area twelve, two million forty-one
30 thousand one hundred thirty dollars.

31 (12) For merged area thirteen, two million two hundred
32 forty-eight thousand five hundred eighty-nine dollars.

33 (13) For merged area fourteen, eight hundred thirty-six
34 thousand three hundred eighty dollars.

35 (14) For merged area fifteen, two million four hundred

1 eighty-four thousand three hundred sixty-seven dollars.

2 (15) For merged area sixteen, one million four hundred
3 seventy-five thousand four hundred twenty-eight dollars.

4 b. For the fiscal years beginning July 1, 2010, July 1,
5 2011, July 1, 2012, July 1, 2013, and July 1, 2014, the
6 maximum amounts specified in paragraph "a" shall be increased
7 by one and three-tenths percent each year.

8 c. For the fiscal year beginning July 1, 2015, and
9 succeeding fiscal years, the maximum amount which may be
10 collected by each community college shall not exceed the
11 maximum amount which could be collected pursuant to this
12 subsection for the fiscal year beginning July 1, 2014.

13 5. TAXES COLLECTED. Taxes collected pursuant to the levy
14 shall be paid by the respective county treasurers to the
15 treasurer of the merged area as provided in section 331.552,
16 subsection 29.

17 6. TWO-YEAR PLAN. Each community college shall do all of
18 the following:

19 a. Adopt a two-year local workforce and economic
20 development fund plan outlining the community college's
21 proposed use of moneys deposited into the fund under
22 subsection 3.

23 b. Update the two-year plan annually.

24 c. Prepare an annual progress report on the two-year
25 plan's implementation.

26 d. Annually submit the two-year plan and progress report
27 to the department of economic development in a manner
28 prescribed by rules adopted by the department pursuant to
29 chapter 17A.

30 Sec. 3. NEW SECTION. 260C.18C LOCAL WORKFORCE AND
31 ECONOMIC DEVELOPMENT FUND.

32 1. LOCAL WORKFORCE AND ECONOMIC DEVELOPMENT FUND. A local
33 workforce and economic development fund is created at each
34 community college. Moneys shall be deposited and expended
35 from the fund as provided in this section.

1 2. ALLOWABLE USE. Moneys deposited in the fund are at the
2 disposal of the community college to be spent only on the
3 following, provided that no more than fifteen percent of the
4 moneys deposited may be used as provided under paragraph "f"
5 and provided that seventy percent of the moneys used as
6 provided in paragraphs "a" through "e" shall be used on
7 projects in the areas of advanced manufacturing, information
8 technology and insurance, and life sciences which include the
9 areas of biotechnology, health care technology, and nursing
10 care technology:

11 a. Projects for which an agreement with the community
12 college and an employer within the community college's merged
13 area meet all of the requirements of the accelerated career
14 education program under chapter 260G.

15 b. Projects for which an agreement with the community
16 college and a business meet all the requirements of the Iowa
17 jobs training Act under chapter 260F. However, such projects
18 are not subject to the maximum advance or award limitations
19 contained in section 260F.6, subsection 2, or the allocation
20 limitations contained in section 260F.8, subsection 1.

21 c. For the development and implementation of career
22 academies that are designed to provide new career preparation
23 opportunities for high school students and that are formally
24 linked with postsecondary career and technical education
25 programs. For purposes of this section, "career academy"
26 means a program of study that combines a minimum of two years
27 of secondary education with an associate degree, or the
28 equivalent, career preparatory program in a nonduplicative,
29 sequential course of study that is standards-based, integrates
30 academic and technical instruction, utilizes work-based and
31 worksite learning where appropriate and available, utilizes an
32 individual career planning process with parent involvement,
33 and leads to an associate degree or postsecondary diploma or
34 certificate in a career field that prepares an individual for
35 entry and advancement in a high-skill and rewarding career

1 field and further education. The department of economic
2 development, in conjunction with the state board of education
3 and the division of community colleges and workforce
4 preparation of the department of education, shall adopt
5 administrative rules for the development and implementation of
6 such career academies pursuant to section 256.11, subsection
7 5, paragraph "h", section 260C.1, and Title II of Pub. L. No.
8 105-332, the Carl D. Perkins Vocational and Technical
9 Education Act of 1998.

10 d. Programs and courses that provide vocational and
11 technical training and programs for in-service training and
12 retraining of workers under section 260C.1, subsections 2 and
13 3.

14 e. Job retention projects under section 260F.9.

15 f. Student support services, including but not limited to:

16 (1) Student counseling, including personal counseling,
17 academic counseling, behavioral counseling, and career
18 counseling.

19 (2) Support groups for high-need students.

20 (3) Student mentoring.

21 (4) Orientation to college classes taught in high school
22 which include career planning.

23 (5) Back-to-college training for nontraditional students.

24 (6) Utilization of software for assessing the students'
25 work interests, listing current job openings, and projecting
26 future job openings in the state of Iowa to assist students in
27 planning their careers.

28 g. Tuition replacement.

29 Moneys deposited in the fund shall be utilized for tuition
30 replacement only if the primary campus of the community
31 college is located within thirty miles of the primary campus
32 of all of the following:

33 (1) An out-of-state public university.

34 (2) An out-of-state private university.

35 (3) An out-of-state community college.

1 Sec. 4. Section 260G.3, subsection 2, paragraph e, Code
2 2005, is amended to read as follows:

3 e. Moneys from a workforce training and economic
4 development fund created in section 260C.18A, or from a local
5 workforce and economic development fund created in section
6 260C.18C, based on the number of program job positions agreed
7 to by the employer to be available under the agreement, the
8 amount of which shall be calculated in the same manner as the
9 program job credits provided for in section 260G.4A.

10 Sec. 5. Section 453A.6, subsection 1, Code 2005, is
11 amended to read as follows:

12 1. There is imposed, and shall be collected and paid to
13 the department, ~~the following taxes~~ a tax on all cigarettes
14 used or otherwise disposed of in this state for any purpose
15 whatsoever:

16 ~~CLASS-A:--On-cigarettes-weighing-not-more-than-three-pounds~~
17 ~~per-thousand,-eighteen-mills-on-each-such-cigarette-~~

18 ~~CLASS-B:--On-cigarettes-weighing-more-than-three-pounds-per~~
19 ~~thousand,-eighteen-mills-on-each-such~~ equal to three and six-
20 tenths cents on each cigarette.

21 Sec. 6. Section 453A.6, Code 2005, is amended by adding
22 the following new subsection:

23 NEW SUBSECTION. 5A. Cigarettes shall be sold in packages
24 of twenty or more.

25 Sec. 7. Section 15G.111, subsection 5, if enacted by House
26 File 809, is amended to read as follows:

27 5. For the fiscal ~~period~~ year beginning July 1, 2005, and
28 ending June 30, ~~2015~~ 2006, there is appropriated ~~each-fiscal~~
29 year from the grow Iowa values fund created in section
30 15G.108, if enacted, to the department of economic development
31 seven million dollars for deposit into the workforce training
32 and economic development funds of the community colleges
33 created pursuant to section 260C.18A.

34 Sec. 8. EFFECTIVE AND APPLICABILITY DATES.

35 1. The section of this Act amending section 257.1, being

1 deemed of immediate importance, takes effect upon enactment
2 and applies to school budget years beginning on or after July
3 1, 2005.

4 2. The sections of this Act amending sections 260C.17 and
5 260G.3, and enacting section 260C.18C, take effect January 1,
6 2006, and are applicable to school budget years beginning on
7 or after July 1, 2006.

8 3. The sections of this Act amending section 453A.6, being
9 deemed of immediate importance, take effect on the first day
10 of the month that begins following enactment of this Act.

11 EXPLANATION

12 This bill increases the regular program foundation base per
13 pupil from 87.5 percent to 89.78 percent of the regular
14 program state cost per pupil. This change takes effect for
15 school budget years beginning on or after July 1, 2005.

16 The bill modifies the community college operations levy to
17 provide for an optional supplemental amount above the base
18 levy of 20.25 cents per \$1,000. The additional amount for
19 levy shall be certified by the board of directors of each
20 community college by March 15 for collection in the subsequent
21 fiscal year, and shall not exceed a specified percentage of
22 the sum of designated community college employee-related
23 contributions, utility costs, and projected revenues. The
24 percentages correspond to 20 percent for the fiscal year
25 beginning July 1, 2006, 33.23 percent for the fiscal year
26 beginning July 1, 2007, 46.45 percent for the fiscal year
27 beginning July 1, 2008, and 59.68 percent for fiscal years
28 beginning on or after July 1, 2009. The bill applies these
29 percentages, for the given fiscal year of collection, to the
30 sum of a community college's budgeted employer contributions
31 under the federal Insurance Contributions Act, a community
32 college's budgeted employer contributions to employees'
33 retirement systems, a community college's budgeted utility
34 costs, as defined in the bill, and moneys a community college
35 would receive from the collection of a property tax of 10

1 cents per \$1,000 of assessed valuation for the fiscal year of
2 collection. The bill provides that the amount collected for
3 the fiscal year beginning July 1, 2009, and succeeding fiscal
4 years, shall not exceed a specified dollar figure for each
5 community college merged area, increased by a percentage of
6 1.3 percent for the fiscal years beginning July 1 of 2010,
7 2011, 2012, 2013, and 2014. The bill provides that for the
8 fiscal year beginning July 1, 2015, and succeeding fiscal
9 years, the maximum amount which may be collected by each
10 community college shall not exceed the maximum amount which
11 could be collected for the fiscal year beginning July 1, 2014.

12 The bill provides for the establishment of a local
13 workforce and economic development fund. Authorized
14 expenditures from the fund include projects in which an
15 agreement with the community college and an employer within
16 the community college's merged area meets all of the
17 requirements of the accelerated career education program under
18 Code chapter 260G and projects in which an agreement with the
19 community college and a business meets all the requirements of
20 the Iowa jobs training Act under Code chapter 260F with stated
21 exemptions from advance, award, and allocation limitations.
22 The bill provides that revenue may also be expended for the
23 development and implementation of career academies, as defined
24 in the bill, designed to provide new career preparation
25 opportunities for high school students that are formally
26 linked with postsecondary career and technical education
27 programs; for programs and courses that provide vocational and
28 technical training and programs for in-service training and
29 retraining under Code section 260C.1, subsections 2 and 3; for
30 job retention projects under Code section 260F.9; for student
31 support services, as defined in the bill; and for tuition
32 replacement under specified circumstances. The bill provides
33 that no more than 15 percent of the revenue deposited in the
34 fund may be expended for student support services, and that 70
35 percent of the revenue allocated for all other authorized

1 purposes shall be used on projects in the areas of advanced
2 manufacturing, information technology and insurance, and life
3 sciences.

4 The community college levy provisions take effect January
5 1, 2006, and are applicable for the school budget years
6 beginning on or after July 1, 2006.

7 The bill also increases the tax on cigarettes from 36 cents
8 on a pack of 20 to 72 cents on a pack of 20. The bill also
9 requires cigarettes to be sold in packages of 20 or more.
10 These provisions take effect on the first day of the month
11 that begins following enactment of the bill.

12 The bill amends an appropriation from the grow Iowa values
13 fund to the workforce training and economic development fund
14 established in section 260C.18A to be applicable for FY 2005-
15 2006 only.

16 The bill contains effective and applicability date
17 provisions.

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1 Amend Senate File 415 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. Section 22.7, Code 2005, is amended by
5 adding the following new subsection:

6 NEW SUBSECTION. 51. Confidential information, as
7 defined in section 86.45, subsection 1, filed with the
8 workers' compensation commissioner.

9 Sec. 2. Section 85.27, subsection 7, Code 2005, is
10 amended to read as follows:

11 7. If, after the third day of incapacity to work
12 following the date of sustaining a compensable injury
13 which does not result in permanent partial disability,
14 or if, at any time after sustaining a compensable
15 injury which results in permanent partial disability,
16 an employee, who is not receiving weekly benefits
17 under section 85.33 or section 85.34, subsection 1,
18 returns to work and is required to leave work for one
19 full day or less to receive services pursuant to this
20 section, the employee shall be paid an amount
21 equivalent to the wages lost at the employee's regular
22 rate of pay for the time the employee is required to
23 leave work. For the purposes of this subsection, "day
24 of incapacity to work" means eight hours of
25 accumulated absence from work due to incapacity to
26 work or due to the receipt of services pursuant to
27 this section. The employer shall make the payments
28 under this subsection as wages to the employee after
29 making such deductions from the amount as legally
30 required or customarily made by the employer from
31 wages. Payments made under this subsection shall be
32 required to be reimbursed pursuant to any insurance
33 policy covering workers' compensation. Payments under
34 this subsection shall not be construed to be payment
35 of weekly benefits.

36 Sec. 3. Section 85.35, Code 2005, is amended to
37 read as follows:

38 85.35 ~~SETTLEMENT IN CONTESTED CASE~~ SETTLEMENTS.

39 1. The parties to a contested case or persons who
40 are involved in a dispute which could culminate in a
41 contested case may enter into a settlement of any
42 claim arising under this chapter or chapter 85A, 85B,
43 or 86, providing for final disposition of the claim,
44 ~~provided that no final disposition affecting rights to~~
45 ~~future benefits may be had when the only dispute is~~
46 ~~the degree of disability resulting from an injury for~~
47 ~~which an award for payments or agreement for~~
48 ~~settlement under section 86.13 has been made.~~ The
49 settlement shall be in writing on forms prescribed by
50 the workers' compensation commissioner and submitted

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1 to the workers' compensation commissioner for
2 approval.

3 2. The parties may enter into an agreement for
4 settlement that establishes the employer's liability,
5 fixes the nature and extent of the employee's current
6 right to accrued benefits, and establishes the
7 employee's right to statutory benefits that accrue in
8 the future.

9 3. The parties may enter into a compromise
10 settlement of the employee's claim to benefits as a
11 full and final disposition of the claim.

12 4. The parties may enter into a settlement that is
13 a combination of an agreement for settlement and a
14 compromise settlement that establishes the employer's
15 liability for part of a claim but makes a full and
16 final disposition of other parts of a claim.

17 5. A contingent settlement may be made and
18 approved, conditioned upon subsequent approval by a
19 court or governmental agency, or upon any other
20 subsequent event that is expected to occur within one
21 year from the date of the settlement. If the
22 subsequent approval or event does not occur, the
23 contingent settlement and its approval may be vacated
24 by order of the workers' compensation commissioner
25 upon a petition for vacation filed by one of the
26 parties or upon agreement by all parties. If a
27 contingent settlement is vacated, the running of any
28 period of limitation provided for in section 85.26 is
29 tolled from the date the settlement was initially
30 approved until the date that the settlement is
31 vacated, and the claim is restored to the status that
32 the claim held when the contingent settlement was
33 initially approved. The contingency on a settlement
34 lapses and the settlement becomes final and fully
35 enforceable if an action to vacate the contingent
36 settlement or to extend the period of time allowed for
37 the subsequent approval or event to occur is not
38 initiated within one year from the date that the
39 contingent settlement was initially approved.

40 6. The parties may agree that settlement proceeds,
41 which are paid in a lump sum, are intended to
42 compensate the injured worker at a given monthly or
43 weekly rate over the life expectancy of the injured
44 worker. If such an agreement is reached, neither the
45 weekly compensation rate which either has been paid,
46 or should have been paid, throughout the case, nor the
47 maximum statutory weekly rate applicable to the injury
48 shall apply. Instead, the rate set forth in the
49 settlement agreement shall be the rate for the case.

50 ~~The settlement shall not be approved unless~~

1 ~~evidence of a bona fide dispute exists concerning any~~
2 ~~of the following:~~

3 1. ~~The claimed injury arose out of or in the~~
4 ~~course of the employment.~~

5 2. ~~The injured employee gave notice under section~~
6 ~~85.23.~~

7 3. ~~Whether or not the statutes of limitations as~~
8 ~~provided in section 85.26 have run. When the issue~~
9 ~~involved is whether or not the statute of limitations~~
10 ~~of section 85.26, subsection 2, has run, the final~~
11 ~~disposition shall pertain to the right to weekly~~
12 ~~compensation unless otherwise provided for in~~
13 ~~subsection 7 of this section.~~

14 4. ~~The injury was caused by the employee's willful~~
15 ~~intent to injure the employee's self or to willfully~~
16 ~~injure another.~~

17 5. ~~Intoxication, which did not arise out of and in~~
18 ~~the course of employment but which was due to the~~
19 ~~effects of alcohol or another narcotic, depressant,~~
20 ~~stimulant, hallucinogenic, or hypnotic drug not~~
21 ~~prescribed by an authorized medical practitioner, was~~
22 ~~a substantial factor in causing the employee's injury.~~

23 6. ~~The injury was caused by the willful act of a~~
24 ~~third party directed against the employee for reasons~~
25 ~~personal to such employee.~~

26 7. ~~This chapter or chapter 85A, 85B, 86 or 87~~
27 ~~applies to the party making the claim.~~

28 8. ~~A substantial portion of the claimed disability~~
29 ~~is related to physical or mental conditions other than~~
30 ~~those caused by the injury.~~

31 7. A settlement shall be approved by the workers'
32 compensation commissioner if the parties show all of
33 the following:

34 a. Substantial evidence exists to support the
35 terms of the settlement.

36 b. Waiver of the employee's right to a hearing,
37 decision, and statutory benefits is made knowingly by
38 the employee.

39 c. The settlement is a reasonable and informed
40 compromise of the competing interests of the parties.

41 If an employee is represented by legal counsel, it
42 is presumed that the required showing for approval of
43 the settlement has been made.

44 8. Approval of a settlement by the workers'
45 compensation commissioner shall be is binding on the
46 parties and shall not be construed as an original
47 proceeding. Notwithstanding any provisions of this
48 chapter and chapters 85A, 85B, 86 and 87, an approved
49 compromise settlement shall constitute a final bar to
50 any further rights arising under this chapter and

1 chapters 85A, 85B, 86, and 87.—Such regarding the
2 subject matter of the compromise and a payment made
3 pursuant to a compromise settlement agreement shall
4 not be construed as the payment of weekly
5 compensation.

6 Sec. 4. Section 85.38, subsection 2, unnumbered
7 paragraph 2, Code 2005, is amended to read as follows:

8 If an employer denies liability under this chapter,
9 chapter 85A, or chapter 85B, for payment for any
10 medical services received or weekly compensation
11 requested by an employee with a disability, and the
12 employee is a beneficiary under either an individual
13 or group plan for nonoccupational illness, injury, or
14 disability, the nonoccupational plan shall not deny
15 payment for the medical services received or for
16 benefits under the plan on the basis that the
17 employer's liability for the medical services under
18 this chapter, chapter 85A, or chapter 85B is
19 unresolved.

20 Sec. 5. Section 85.71, Code 2005, is amended by
21 adding the following new subsection:

22 NEW SUBSECTION. 5. The employer has a place of
23 business in Iowa, and the employee is working under a
24 contract of hire which provides that the employee's
25 workers' compensation claims be governed by Iowa law.

26 Sec. 6. Section 86.24, subsection 4, Code 2005, is
27 amended to read as follows:

28 4. A transcript of a contested case proceeding
29 shall be provided to the workers' compensation
30 commissioner by an appealing party at the party's cost
31 ~~and an affidavit shall be filed by the appealing party~~
32 ~~or the party's attorney with the workers' compensation~~
33 ~~commissioner within ten days after the filing of the~~
34 ~~appeal to the workers' compensation commissioner~~
35 ~~stating that the transcript has been ordered and~~
36 ~~identifying the name and address of the reporter or~~
37 ~~reporting firm from which the transcript has been~~
38 ~~ordered.~~

39 Sec. 7. NEW SECTION. 86.45 CONFIDENTIAL
40 INFORMATION.

41 1. "Confidential information", for the purposes of
42 this section, means all information that is filed with
43 the workers' compensation commissioner as a result of
44 an employee's injury or death that would allow the
45 identification of the employee or the employee's
46 dependents. Confidential information includes first
47 reports of injury and subsequent reports of claim
48 activity. Confidential information does not include
49 pleadings, motions, decisions, opinions, or
50 applications for settlement that are filed with the

1 workers' compensation commissioner.

2 2. The workers' compensation commissioner shall
3 not disclose confidential information except as
4 follows:

5 a. Pursuant to the terms of a written waiver of
6 confidentiality executed by the employee or the
7 dependents of the employee whose information is filed
8 with the workers' compensation commissioner.

9 b. To another governmental agency, or to an
10 advisory, rating, or research organization, for the
11 purpose of compiling statistical data, evaluating the
12 state's workers' compensation system, or conducting
13 scientific, medical, or public policy research, where
14 such disclosure will not allow the identification of
15 the employee or the employee's dependents.

16 c. To the employee or to the agent or attorney of
17 the employee whose information is filed with the
18 workers' compensation commissioner.

19 d. To the person or to the agent of the person who
20 submitted the information to the workers' compensation
21 commissioner.

22 e. To an agent, representative, attorney,
23 investigator, consultant, or adjuster of an employer,
24 or insurance carrier or third-party administrator of
25 workers' compensation benefits, who is involved in
26 administering a claim for such benefits related to the
27 injury or death of the employee whose information is
28 filed with the workers' compensation commissioner.

29 f. To all parties to a contested case proceeding
30 before the workers' compensation commissioner in which
31 the employee or a dependent of the employee, whose
32 information is filed with the workers' compensation
33 commissioner, is a party.

34 g. In compliance with a subpoena.

35 h. To an agent, representative, attorney,
36 investigator, consultant, or adjuster of the employee,
37 employer, or insurance carrier or third-party
38 administrator of insurance benefits, who is involved
39 in administering a claim for insurance benefits
40 related to the injury or death of the employee whose
41 information is filed with the workers' compensation
42 commissioner.

43 i. To another governmental agency that is charged
44 with the duty of enforcing liens or rights of
45 subrogation or indemnity.

46 3. This section does not create a cause of action
47 for a violation of its provisions against the workers'
48 compensation commissioner or against the state or any
49 governmental subdivision of the state.

50 Sec. 8. Section 87.11, unnumbered paragraph 1,

1 Code 2005, is amended to read as follows:

2 When an employer coming under this chapter
3 furnishes satisfactory proofs to the insurance
4 commissioner of such employer's solvency and financial
5 ability to pay the compensation and benefits as by law
6 provided and to make such payments to the parties when
7 entitled thereto, or when such employer deposits with
8 the insurance commissioner security satisfactory to
9 the insurance commissioner ~~and the workers'~~
10 ~~compensation commissioner~~ as guaranty for the payment
11 of such compensation, such employer shall be relieved
12 of the provisions of this chapter requiring insurance;
13 but such employer shall, from time to time, furnish
14 such additional proof of solvency and financial
15 ability to pay as may be required by such insurance
16 commissioner ~~or workers' compensation commissioner~~.
17 Such security shall be held in trust for the sole
18 purpose of paying compensation and benefits and is not
19 subject to attachment, levy, execution, garnishment,
20 liens, or any other form of encumbrance. However, the
21 insurance commissioner shall be reimbursed from the
22 security for all costs and fees incurred by the
23 insurance commissioner in resolving disputes involving
24 the security. A political subdivision, including a
25 city, county, community college, or school
26 corporation, that is self-insured for workers'
27 compensation is not required to submit a plan or
28 program to the insurance commissioner for review and
29 approval.

30 Sec. 9. Section 87.14A, Code 2005, is amended to
31 read as follows:

32 87.14A ~~INSURANCE OR BOND~~ REQUIRED.

33 An employer subject to this chapter and chapters
34 85, 85A, 85B, and 86 shall not engage in business
35 without first obtaining insurance covering
36 compensation benefits or obtaining relief from
37 insurance as provided in this chapter ~~or furnishing a~~
38 ~~bond pursuant to section 87.16.~~ A person who
39 willfully and knowingly violates this section is
40 guilty of a class "D" felony.

41 Sec. 10. Section 87.19, unnumbered paragraph 1,
42 Code 2005, is amended to read as follows:

43 Upon the receipt of information by the workers'
44 compensation commissioner of any employer failing to
45 comply with ~~sections 87.16 and 87.17~~ section 87.14A,
46 the commissioner shall at once notify such employer by
47 certified mail that unless such employer comply with
48 the requirements of law, legal proceedings will be
49 instituted to enforce such compliance.

50 Sec. 11. Section 87.20, Code 2005, is amended to

1 read as follows:

2 87.20 REVOCATION OF RELEASE FROM INSURANCE.

3 The insurance commissioner ~~with the concurrence of~~
4 ~~the workers' compensation commissioner~~ may, at any
5 time, upon reasonable notice to such employer and upon
6 hearing, revoke for cause any order theretofore made
7 relieving any employer from carrying insurance as
8 provided by this chapter.

9 Sec. 12. Section 91A.3, subsection 3, Code 2005,
10 is amended to read as follows:

11 3. The wages paid under subsection 1 shall be sent
12 to the employee by mail or be paid at the employee's
13 normal place of employment during normal employment
14 hours or at a place and hour mutually agreed upon by
15 the employer and employee, or the employee may elect
16 to have the wages sent for direct deposit, on or by
17 the regular payday of the employee, into a financial
18 institution designated by the employee. An employer
19 shall not require a current employee to participate in
20 direct deposit. The employer may require, as a
21 condition of hire, a new employee to sign up for
22 direct deposit of the employee's wages in a financial
23 institution of the employee's choice unless either of
24 the following conditions exist:

25 a. The costs to the employee of establishing and
26 maintaining an account for purposes of the direct
27 deposit would effectively reduce the employee's wages
28 to a level below the minimum wage provided under
29 section 91D.1.

30 b. The provisions of a collective bargaining
31 agreement mutually agreed upon by the employer and the
32 employee organization prohibit the employer from
33 requiring an employee to sign up for direct deposit as
34 a condition of hire.

35 Sec. 13. Section 91A.6, Code 2005, is amended by
36 adding the following new subsection:

37 NEW SUBSECTION. 4. On each regular payday, the
38 employer shall send to each employee by mail or shall
39 provide at the employee's normal place of employment
40 during normal employment hours a statement showing the
41 hours the employee worked, the wages earned by the
42 employee, and deductions made for the employee. An
43 employer who provides each employee access to view an
44 electronic statement of the employee's earnings and
45 provides the employee free and unrestricted access to
46 a printer to print the employee's statement of
47 earnings, if the employee chooses, is in compliance
48 with this subsection.

49 Sec. 14. Sections 87.16 and 87.17, Code 2005, are
50 repealed."

1 3. Title page, line 1, by inserting after the
2 word "to" the following: "employment, including the
3 payment of weekly workers' compensation benefits,
4 workers' compensation settlements and filings, and".

5 4. Title page, lines 2 and 3, by striking the
6 words "a civil penalty" and inserting the following:
7 "civil penalties".

8 5. By renumbering as necessary.

By WILLIAM A. DOTZLER

S-3237 FILED MAY 3, 2005

ADOPTED

S-3278

1 Amend Senate File 416 as follows:

2 1. Page 1, by striking lines 1 through 13 and
3 inserting the following:

4 "Sec. ____ . Section 257.1, subsection 2, unnumbered
5 paragraph 2, Code 2005, is amended by striking the
6 unnumbered paragraph and inserting in lieu thereof the
7 following:

8 The regular program foundation base per pupil is
9 the following:

10 a. For the budget year commencing July 1, 2005,
11 the regular program foundation base per pupil is
12 ninety and five hundredths percent of the regular
13 program state cost per pupil.

14 b. For the budget year commencing July 1, 2006,
15 the regular program foundation base per pupil is
16 ninety-two and four hundredths percent of the regular
17 program state cost per pupil.

18 c. For the budget year commencing July 1, 2007,
19 the regular program foundation base per pupil is
20 ninety-four and three hundredths percent of the
21 regular program state cost per pupil.

22 d. For the budget year commencing July 1, 2008,
23 the regular program foundation base per pupil is
24 ninety-six and two hundredths percent of the regular
25 program state cost per pupil.

26 e. For the budget year commencing July 1, 2009,
27 the regular program foundation base per pupil is
28 ninety-eight and one hundredth percent of the regular
29 program state cost per pupil.

30 f. For the budget year commencing July 1, 2010,
31 and succeeding budget years, the regular program
32 foundation base per pupil is one hundred percent of
33 the regular program state cost per pupil.

34 For each budget year the special education support
35 services foundation base is seventy-nine percent of
36 the special education support services state cost per
37 pupil. The combined foundation base is the sum of the
38 regular program foundation base and the special
39 education support services foundation base."

40 2. By renumbering as necessary.

By CHARLES W. LARSON, JR.

DAVID JOHNSON

BRAD ZAUN

MARK ZIEMAN

HUBERT M. HOUSER

JAMES HAHN

LARRY McKIBBEN

E. THURMAN GASKILL

JOHN PUTNEY

STEVE KETTERING

RON WIECK

DAVE MULDER

PAT WARD

JERRY BEHN

DAVID MILLER

JAMES SEYMOUR

MARY A. LUNDBY

DOUG SHULL

S-3278 FILED MAY 5, 2005

LOST

S-3279

1 Amend Senate File 416 as follows:

2 1. By striking page 1, line 14 through page 5,
3 line 1 and inserting the following:

4 "Sec. ____ . NEW SECTION. 260C.26 WORKFORCE
5 TRAINING, ECONOMIC DEVELOPMENT, AND TUITION
6 REPLACEMENT -- APPROPRIATION -- SUPPLEMENTAL FUND
7 ESTABLISHED.

8 1. A workforce training, economic development, and
9 tuition replacement supplemental fund is created for
10 each community college. Moneys shall be deposited and
11 expended from the fund as provided under this section.

12 2. For the fiscal year beginning July 1, 2006, and
13 succeeding fiscal years, there is appropriated
14 annually from the general fund of the state to the
15 department of education ten million dollars, or so
16 much thereof as is necessary, for the purposes
17 specified in subsection 3. The department shall
18 allocate the moneys appropriated pursuant to this
19 section to the community college workforce training,
20 economic development, and tuition replacement
21 supplemental funds utilizing the same distribution
22 formula used for the allocation of state general aid
23 to the community colleges. For the fiscal year
24 beginning July 1, 2007, and succeeding fiscal years,
25 the amount appropriated pursuant to this section shall
26 annually increase in an amount equal to the state
27 percent of growth applicable for the fiscal year
28 multiplied by the amount appropriated by this section
29 for the previous fiscal year.

30 3. Moneys deposited in the fund are at the".

31 2. Page 7, by striking lines 1 through 9.

32 3. Page 7, by striking lines 25 through 33.

33 4. Page 8, by striking lines 4 through 7 and
34 inserting the following:

35 "2. The section of this Act relating to the
36 appropriation to and creation of a workforce training,
37 economic development, and tuition replacement
38 supplemental fund in each community college takes
39 effect January 1, 2006, and is applicable for the
40 fiscal year beginning July 1, 2006."

41 5. Title page, by striking lines 3 through 7 and
42 inserting the following: "establishing a workforce
43 training, economic development, and tuition
44 replacement supplemental fund, making an
45 appropriation, increasing the state cigarette tax, and
46 including effective and applicability date
47 provisions."

48 6. By renumbering as necessary.

By HUBERT M. HOUSER

MARK ZIEMAN

LARRY MCKIBBEN

JAMES HAHN

MAGGIE TINSMAN

STEVE KETTERING

RON WIECK

S-3281

1 Amend Senate File 416 as follows:

2 1. Page 1, by striking lines 1 through 13, and
3 inserting the following:

4 "DIVISION I

5 EDUCATION FUNDING AND PROPERTY TAXATION

6 Section 1. Section 257.1, subsection 2, unnumbered
7 paragraph 2, Code 2005, is amended to read as follows:

8 For the budget year commencing July 1, ~~1999~~ 2005,
9 and for each succeeding budget year, the regular
10 program foundation base per pupil is ~~eighty-seven and~~
11 ~~five-tenths~~ one hundred percent of the regular program
12 state cost per pupil. For the budget year commencing
13 July 1, ~~1991~~ 2005, and for each succeeding budget
14 year, the special education support services
15 foundation base is ~~seventy-nine~~ one hundred percent of
16 the special education support services state cost per
17 pupil. The combined foundation base is the sum of the
18 regular program foundation base and the special
19 education support services foundation base.

20 Sec. _____. Section 257.3, subsection 1, unnumbered
21 paragraph 1, Code 2005, is amended to read as follows:

22 Except as provided in subsections 1A, 2, and 3, a
23 school district shall cause to be levied each year,
24 for the school general fund, a foundation property tax
25 equal to ~~five~~ eight dollars and ~~forty~~ eighty-six cents
26 per thousand dollars of assessed valuation on all
27 taxable property in the district. The county auditor
28 shall spread the foundation levy over all taxable
29 property in the district.

30 Sec. _____. Section 257.3, Code 2005, is amended by
31 adding the following new subsection:

32 NEW SUBSECTION. 1A. For the school budget year
33 beginning July 1, 2005, and succeeding budget years,
34 there shall be a credit on all taxable property of ten
35 cents per thousand dollars of assessed valuation
36 applicable against the foundation property tax levy
37 rate specified in subsection 1 or 2, as applicable.

38 Sec. _____. Section 257.3, subsection 2, paragraphs
39 a and b, Code 2005, are amended to read as follows:

40 a. Notwithstanding subsection 1, a reorganized
41 school district shall cause a foundation property tax
42 of ~~four~~ seven dollars and ~~forty~~ eighty-six cents per
43 thousand dollars of assessed valuation to be levied on
44 all taxable property which, in the year preceding a
45 reorganization, was within a school district affected
46 by the reorganization as defined in section 275.1, or
47 in the year preceding a dissolution was a part of a
48 school district that dissolved if the dissolution
49 proposal has been approved by the director of the
50 department of education pursuant to section 275.55.

S-3281

1 b. In succeeding school years, the foundation
2 property tax levy on that portion shall be increased
3 to the rate of ~~four~~ eight dollars and ~~ninety~~ thirty-
4 six cents per thousand dollars of assessed valuation
5 the first succeeding year, ~~five~~ eight dollars and
6 ~~fifteen~~ sixty-one cents per thousand dollars of
7 assessed valuation the second succeeding year, and
8 ~~five~~ eight dollars and ~~forty~~ eighty-six cents per
9 thousand dollars of assessed valuation the third
10 succeeding year and each year thereafter.

11 Sec. _____. Section 257.16, subsection 1, Code 2005,
12 is amended to read as follows:

13 1. There is appropriated each year from the
14 general fund of the state an amount necessary to pay
15 the foundation aid, supplementary aid pursuant to
16 subsection 5 of this section, and supplementary aid
17 under section 257.4, subsection 2.

18 Sec. _____. Section 257.16, Code 2005, is amended by
19 adding the following new subsection:

20 NEW SUBSECTION. 5. a. For the school budget year
21 beginning July 1, 2005, the department of management
22 shall calculate for each district the difference
23 between the sum of the revenues generated by the
24 foundation property tax and the additional property
25 tax in the district calculated at the rates applicable
26 for the budget year beginning July 1, 2005, and the
27 revenues that would have been generated by the
28 foundation property tax and the additional property
29 tax in that district at the rates applicable for the
30 budget year beginning July 1, 2004. If the property
31 tax revenues for a district calculated at the rates
32 applicable for the budget year beginning July 1, 2005,
33 exceed the property tax revenues for that district
34 which would have been generated calculated at the
35 rates applicable for the budget year beginning July 1,
36 2004, the department of management shall reduce the
37 revenues raised by the foundation property tax and the
38 additional property tax levy in that district by that
39 difference and the department of education shall pay
40 property tax adjustment aid to the district equal to
41 that difference from moneys appropriated for property
42 tax adjustment aid.

43 b. For the budget year beginning July 1, 2006, and
44 succeeding budget years, the department of education
45 shall pay property tax adjustment aid to a school
46 district equal to the amount paid to the district for
47 the base year. The department of management shall
48 adjust the rate of the foundation property tax and the
49 additional property tax accordingly and notify the
50 department of education of the amount of aid to be

1 paid to each district from moneys appropriated for
2 property tax adjustment aid.

3 c. There is appropriated from the general fund of
4 the state to the department of education, for each
5 fiscal year, an amount necessary to pay property tax
6 adjustment aid to school districts under this section.
7 Property tax adjustment aid shall be paid to school
8 districts in the manner provided in this section.

9 d. For purposes of this subsection, "the rates
10 applicable" means the rates specified in section
11 257.3, subsection 1 or 2, and section 257.4."

12 2. By striking page 1, line 14 through page 5,
13 line 1 and inserting the following:

14 "Sec. ____ . NEW SECTION. 260C.26 WORKFORCE
15 TRAINING, ECONOMIC DEVELOPMENT, AND TUITION
16 REPLACEMENT -- APPROPRIATION -- SUPPLEMENTAL FUND
17 ESTABLISHED.

18 1. A workforce training, economic development, and
19 tuition replacement supplemental fund is created for
20 each community college. Moneys shall be deposited and
21 expended from the fund as provided under this section.

22 2. For the fiscal year beginning July 1, 2006, and
23 succeeding fiscal years, there is appropriated
24 annually from the general fund of the state to the
25 department of education ten million dollars, or so
26 much thereof as is necessary, for the purposes
27 specified in subsection 3. The department shall
28 allocate the moneys appropriated by this section to
29 the community college workforce training, economic
30 development, and tuition replacement supplemental
31 funds utilizing the same distribution formula used for
32 the allocation of state general aid to the community
33 colleges. For the fiscal year beginning July 1, 2007,
34 and succeeding fiscal years, the amount appropriated
35 by this section shall annually increase in an amount
36 equal to the state percent of growth applicable for
37 the fiscal year multiplied by the amount appropriated
38 by this section for the previous fiscal year.

39 3. Moneys deposited in the fund are at the".

40 3. Page 7, by striking lines 1 through 9.

41 4. Page 7, by inserting before line 10 the
42 following:

43 "Sec. ____ . Section 384.4, Code 2005, is amended by
44 adding the following new subsection:

45 NEW SUBSECTION. 5. Principal and interest on
46 obligations issued prior to July 1, 2005, for urban
47 renewal project activities under chapter 403, but only
48 to the extent necessary to make up any shortfall in
49 the revenues allocated to the special fund of the city
50 pursuant to section 403.19, subsection 2, which

1 results from the increase in the regular program
2 foundation base pursuant to section 257.1, subsection
3 2, as amended by this Act. Notwithstanding section
4 384.18, a municipality may, before June 1, 2005, amend
5 its budget to provide for certification of the portion
6 of the debt service levy allowed under this
7 subsection. This subsection is repealed effective
8 January 1, 2025.

9 Sec. _____. Section 425A.3, subsection 1, Code 2005,
10 is amended to read as follows:

11 1. The family farm tax credit fund shall be
12 apportioned each year in the manner provided in this
13 chapter so as to give a credit against the tax on each
14 eligible tract of agricultural land within the several
15 school districts of the state in which the levy for
16 the general school fund exceeds five eight dollars and
17 forty seventy-six cents per thousand dollars of
18 assessed value. The amount of the credit on each
19 eligible tract of agricultural land shall be the
20 amount the tax levied for the general school fund
21 exceeds the amount of tax which would be levied on
22 each eligible tract of agricultural land were the levy
23 for the general school fund five eight dollars and
24 forty seventy-six cents per thousand dollars of
25 assessed value for the previous year. However, in the
26 case of a deficiency in the family farm tax credit
27 fund to pay the credits in full, the credit on each
28 eligible tract of agricultural land in the state shall
29 be proportionate and applied as provided in this
30 chapter.

31 Sec. _____. Section 425A.5, Code 2005, is amended to
32 read as follows:

33 425A.5 COMPUTATION BY COUNTY AUDITOR.

34 The family farm tax credit allowed each year shall
35 be computed as follows: On or before April 1, the
36 county auditor shall list by school districts all
37 tracts of agricultural land which are entitled to
38 credit, the taxable value for the previous year, the
39 budget from each school district for the previous
40 year, and the tax rate determined for the general fund
41 of the school district in the manner prescribed in
42 section 444.3 for the previous year, and if the tax
43 rate is in excess of five eight dollars and forty
44 seventy-six cents per thousand dollars of assessed
45 value, the auditor shall multiply the tax levy which
46 is in excess of five eight dollars and forty seventy-
47 six cents per thousand dollars of assessed value by
48 the total taxable value of the agricultural land
49 entitled to credit in the school district, and on or
50 before April 1, certify the total amount of credit and

1 the total number of acres entitled to the credit to
2 the department of revenue.

3 Sec. _____. Section 426.3, Code 2005, is amended to
4 read as follows:

5 426.3 WHERE CREDIT GIVEN.

6 The agricultural land credit fund shall be
7 apportioned each year in the manner hereinafter
8 provided so as to give a credit against the tax on
9 each tract of agricultural lands within the several
10 school districts of the state in which the levy for
11 the general school fund exceeds five eight dollars and
12 forty seventy-six cents per thousand dollars of
13 assessed value; the amount of such credit on each
14 tract of such lands shall be the amount the tax levied
15 for the general school fund exceeds the amount of tax
16 which would be levied on said tract of such lands were
17 the levy for the general school fund five eight
18 dollars and forty seventy-six cents per thousand
19 dollars of assessed value for the previous year,
20 except in the case of a deficiency in the agricultural
21 land credit fund to pay said credits in full, in which
22 case the credit on each eligible tract of such lands
23 in the state shall be proportionate and shall be
24 applied as hereinafter provided.

25 Sec. _____. Section 426.6, unnumbered paragraph 1,
26 Code 2005, is amended to read as follows:

27 The agricultural land tax credit allowed each year
28 shall be computed as follows: On or before April 1,
29 the county auditor shall list by school districts all
30 tracts of agricultural lands which are entitled to
31 credit, together with the taxable value for the
32 previous year, together with the budget from each
33 school district for the previous year, and the tax
34 rate determined for the general fund of the district
35 in the manner prescribed in section 444.3 for the
36 previous year, and if such tax rate is in excess of
37 five eight dollars and forty seventy-six cents per
38 thousand dollars of assessed value, the auditor shall
39 multiply the tax levy which is in excess of five eight
40 dollars and forty seventy-six cents per thousand
41 dollars of assessed value by the total taxable value
42 of the agricultural lands entitled to credit in the
43 district, and on or before April 1, certify the amount
44 to the department of revenue."

45 5. By striking page 7, line 25, through page 8,
46 line 3, and inserting the following:

47 "1. The sections of this division of this Act
48 increasing the regular program foundation base and the
49 special education support services foundation base,
50 increasing the foundation property tax, and providing

1 for property tax adjustment aid pursuant to section
 2 257.16, subsection 5, being deemed of immediate
 3 importance, take effect upon enactment and apply to
 4 school budget years beginning on or after July 1,
 5 2005."

6 6. Page 8, by striking lines 4 through 7 and
 7 inserting the following:

8 "2. The section of this division of this Act
 9 relating to the appropriation to and creation of a
 10 workforce training, economic development, and tuition
 11 replacement supplemental fund in each community
 12 college takes effect January 1, 2006, and is
 13 applicable for the fiscal year beginning July 1,
 14 2006."

15 7. Page 8, line 8, by inserting after the word
 16 "sections" the following: "of this division".

17 8. Page 8, by inserting after line 10, the
 18 following:

19 "____. The sections of this division of this Act
 20 amending provisions relating to the family farm tax
 21 credit under chapter 425A and the agricultural land
 22 tax credit under chapter 426 take effect January 1,
 23 2007, for taxes due and payable in fiscal years
 24 beginning on or after July 1, 2007."

25 9. Page 8, by inserting after line 10 the
 26 following:

27 "DIVISION II

28 FOUNDATION PROPERTY TAX -- URBAN RENEWAL

29 Sec. _____. Section 403.19, subsection 2, Code 2005,
 30 is amended to read as follows:

31 2. That portion of the taxes each year in excess
 32 of such amount shall be allocated to and when
 33 collected be paid into a special fund of the
 34 municipality to pay the principal of and interest on
 35 loans, moneys advanced to, or indebtedness, whether
 36 funded, refunded, assumed, or otherwise, including
 37 bonds issued under the authority of section 403.9,
 38 subsection 1, incurred by the municipality to finance
 39 or refinance, in whole or in part, an urban renewal
 40 project within the area, and to provide assistance for
 41 low and moderate income family housing as provided in
 42 section 403.22, ~~except that.~~ However, taxes for the
 43 regular and voter-approved physical plant and
 44 equipment levy of a school district imposed pursuant
 45 to section 298.2, and taxes for the payment of bonds
 46 and interest of each taxing district ~~must,~~ and the
 47 foundation property tax imposed pursuant to section
 48 257.3, subsection 1, but only as provided in
 49 subsection 8, shall be collected against all taxable
 50 property within the taxing district without limitation

1 by the provisions of this subsection. ~~However~~ In
2 addition, all or a portion of the taxes for the
3 physical plant and equipment levy shall be paid by the
4 school district to the municipality if the auditor
5 certifies to the school district by July 1 the amount
6 of such levy that is necessary to pay the principal
7 and interest on bonds issued by the municipality to
8 finance an urban renewal project, which bonds were
9 issued before July 1, 2001. Indebtedness incurred to
10 refund bonds issued prior to July 1, 2001, shall not
11 be included in the certification. Such school
12 district shall pay over the amount certified by
13 November 1 and May 1 of the fiscal year following
14 certification to the school district. Unless and
15 until the total assessed valuation of the taxable
16 property in an urban renewal area exceeds the total
17 assessed value of the taxable property in such area as
18 shown by the last equalized assessment roll referred
19 to in subsection 1, all of the taxes levied and
20 collected upon the taxable property in the urban
21 renewal area shall be paid into the funds for the
22 respective taxing districts as taxes by or for the
23 taxing districts in the same manner as all other
24 property taxes. When such loans, advances,
25 indebtedness, and bonds, if any, and interest thereon,
26 have been paid, all moneys thereafter received from
27 taxes upon the taxable property in such urban renewal
28 area shall be paid into the funds for the respective
29 taxing districts in the same manner as taxes on all
30 other property.

31 Sec. _____. Section 403.19, Code 2005, is amended by
32 adding the following new subsection:

33 NEW SUBSECTION. 8. a. For urban renewal plans
34 adopted on or after the effective date of this Act,
35 taxes collected under subsection 2 shall not include
36 the foundation property tax imposed pursuant to
37 section 257.3, subsection 1.

38 b. For urban renewal plans adopted before the
39 effective date of this Act, taxes collected under
40 subsection 2 shall not include the foundation property
41 tax imposed pursuant to section 257.3, subsection 1,
42 for fiscal years beginning on or after July 1, 2025.

43 c. On or before January 1, 2006, a municipality
44 shall report to the department of management the
45 status of any loans, advances, indebtedness, or bonds
46 issued or incurred before the effective date of this
47 Act for urban renewal purposes and payable from the
48 special fund in section 403.19, subsection 2. The
49 report shall include a schedule of payments for such
50 loans, advances, indebtedness, or bonds. Based on the

1 information in the reports, the governor shall
2 recommend to the general assembly legislation
3 necessary to address tax increment financing revenue
4 shortfalls that may result from exempting the
5 foundation property tax levy from collection as tax
6 increment financing revenue.

7 Sec. ____ . EFFECTIVE DATE. This division of this
8 Act, being deemed of immediate importance, takes
9 effect upon enactment.

10 DIVISION III

11 TASK FORCE ON LOCAL ECONOMIC DEVELOPMENT

12 Sec. ____ .

13 1. On or before August 1, 2005, the department of
14 economic development shall initiate and coordinate the
15 establishment of a local economic development task
16 force. The chairperson of the task force shall be the
17 director of the department of economic development or
18 the director's designee. Participants on the task
19 force shall be appointed by the director and shall
20 include representatives of the Iowa state association
21 of counties, representatives of the Iowa league of
22 cities, and other participants deemed appropriate by
23 the director. The department of economic development
24 shall provide staffing assistance to the task force.

25 2. The task force shall identify and study the
26 economic development programs currently available to
27 cities and counties. Such programs shall include
28 those operated by the state and those implemented by
29 cities and counties pursuant to statutory authority.
30 The task force shall analyze the effectiveness of
31 these programs.

32 3. On or before January 15, 2006, and on or before
33 January 15, 2007, the task force shall report its
34 findings to the general assembly and to the office of
35 the governor."

36 10. Title page, by striking lines 1 through 7 and
37 inserting the following: "An Act related to property
38 taxation and related aspects of education funding by
39 increasing the state regular program and special
40 education support services foundation base per pupil,
41 by increasing the foundation property tax, by
42 establishing a workforce training, economic
43 development, and tuition replacement supplemental
44 fund, making an appropriation, increasing the state
45 cigarette tax, adjusting the calculations for the
46 family farm and agricultural land tax credits,
47 modifying provisions relating to urban renewal
48 projects, establishing a task force to develop
49 recommendations regarding economic development tools
50 for municipalities, and including effective and

1 applicability date provisions."

By BOB BRUNKHORST

Fiscal Services Division
Legislative Services Agency
Fiscal Note

SF 416 - Tobacco Tax, Schools and Community Colleges # 5 (LSB 3682 SV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.state.ia.us)
Fiscal Note Version - New

Description

Senate File 416 makes changes affecting property taxes and the state cigarette tax. The Bill:

- Increases the FY 2006 regular program foundation and regular school special education funding from 87.5% to 89.78%. The Area Education Agency special education foundation level remains unchanged at 79.0%.
- Creates the Local Workforce and Economic Development Fund that is funded by a supplemental property tax for community colleges which begins a four-year phase-in in FY 2007. The Bill ties the supplemental property tax amount to the community colleges expenses for Federal Insurance Contribution Act (FICA), employers' retirement contributions, utility costs, and a \$0.10 per \$1,000 taxable valuation property tax. The Bill specifies a \$37.5 million cap on the supplemental property tax, which is projected to be 59.68% of the four specified expenses. The programs to receive these funds are specified. From FY 2011 through FY 2015, the caps are increased by 1.3% annually to a FY 2015 total of \$40.0 million.
- Increases the cigarette tax from 36 cents per pack to 72 cents. The Bill reduces the discount on the purchase of cigarette tax stamps from 2.0% to 1.0%. The increase is effective the first day of the month following enactment.

Assumptions

School Foundation Level:

- The allowable growth rate is 4.0% for FY 2006 and FY 2007.
- Property valuations will increase by 2.3% in FY 2006 and 2.0% in FY 2007.
- Budget enrollment will decrease by 0.4% in FY 2006 and 0.1% in FY 2007.
- Supplemental weightings will increase by 1.1% for special education in FY 2006 and 3.5% in FY 2007; 10.0% in both fiscal years for shared weightings and for English as a second language, and will be unchanged for at-risk and reorganization incentive weightings in both years.

Local Workforce and Economic Development Fund and the Community College

Supplemental Property Tax funding estimate was based on recent historical expenditures:

- Salaries are the basis for FICA and retirement contributions and increase 4.5% annually.
- Utility costs increase 9.4% annually.
- Taxable values increase at the rates specified for the K-12 foundation formula.
- The phase-in will begin in FY 2007 at a level equal to 20.0% of the permitted expenses, 33.23% in FY 2008, 46.45% in FY 2009, and 59.68% in FY 2010 without exceeding the \$37.5 million cap. The cap will increase 1.3% annually from FY 2011 to FY 2015.

Cigarette Tax:

- The Bill will become effective in May 2005 and the tax increase will start June 1, 2005.
- The 36-cent cigarette tax increase will raise an estimated \$63.4 million in additional revenue annually, starting July 2005.
- The month of June 2005 will raise one-twelfth of a full year estimate and that revenue will be credited to FY 2005.

- Since the revenue projection model is based on net tax revenue (after the discount), the \$150.5 million projection for total cigarette tax revenue (\$87.1 million current revenue plus \$63.4 million new revenue) after the increase is 1.0% too low if the discount rate is changed at the same time. This will add an additional \$1.5 million per year to the revenue estimate.

Fiscal Impact

The change to the State Foundation Level will increase the cost to the State General Fund by \$62.7 million in FY 2006 and \$65.8 million in FY 2007 compared to current law. Foundation property taxes will decrease by corresponding amounts.

Community College Supplemental Property Tax will increase property taxes to the following amounts: \$10.8 million in FY 2007, \$18.9 million in FY 2008, \$27.8 million in FY 2009, and \$37.5 million in FY 2010 and subsequent years. The subsequent 1.3% incremental increase will bring the property tax to \$40.0 million in FY 2015.

The cigarette sales tax change will increase net State General Fund revenue by \$5.4 million in FY 2005 and \$64.9 million in FY 2006 and future fiscal years.

Sources

Department of Management
Department of Education
Department of Revenue
Des Moines Area Community College

/s/ Holly M. Lyons

May 9, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

Connolly Co-chair
Zieman Co-chair
Bolkcom
Zawn

SSB# 1322
Ways & Means

Succeeded By
(SF) / HF 416

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

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

A BILL FOR

1 An Act relating to additional educational funding by increasing
2 the state regular program foundation base per pupil, by
3 modifying the community college operations levy, creating
4 local workforce and economic development funds for community
5 colleges, increasing the state cigarette tax, modifying an
6 appropriation, and including effective and applicability date
7 provisions.

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

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1 Section 1. Section 257.1, subsection 2, unnumbered
2 paragraph 2, Code 2005, is amended to read as follows:

3 For the budget year commencing July 1, ~~1999~~ 2005, and for
4 each succeeding budget year the regular program foundation
5 base per pupil is ~~eighty-seven-and-five-tenths~~ eighty-nine and
6 seventy-eight hundredths percent of the regular program state
7 cost per pupil. For the budget year commencing July 1, 1991,
8 and for each succeeding budget year the special education
9 support services foundation base is seventy-nine percent of
10 the special education support services state cost per pupil.
11 The combined foundation base is the sum of the regular program
12 foundation base and the special education support services
13 foundation base.

14 Sec. 2. Section 260C.17, Code 2005, is amended by striking
15 the section and inserting in lieu thereof the following:

16 260C.17 PREPARATION AND APPROVAL OF BUDGET -- OPERATIONS
17 LEVY.

18 1. BUDGET APPROVAL. The board of directors of each merged
19 area shall prepare an annual budget designating the proposed
20 expenditures for operation of the community college. The
21 board shall further designate the amounts which are to be
22 raised by local taxation and the amounts which are to be
23 raised by other sources of revenue for the operation. The
24 budget of each merged area shall be submitted to the state
25 board no later than May 1 preceding the next fiscal year for
26 approval. The state board shall review the proposed budget
27 and shall, prior to June 1, either grant its approval or
28 return the budget without approval with the comments of the
29 state board attached to it. Any unapproved budget shall be
30 resubmitted to the state board for final approval.

31 2. BASE LEVEL. Upon approval of the budget by the state
32 board, the board of directors shall certify the amount to the
33 respective county auditors and the boards of supervisors
34 annually shall levy a tax of twenty and one-fourth cents per
35 thousand dollars of assessed value on taxable property in a

1 merged area for the operation of a community college.

2 3. OPTIONAL SUPPLEMENTAL AMOUNT. In addition to the
3 amount of the operations levy under subsection 2, the board of
4 directors of each community college may certify an additional
5 amount for levy by March 15 to the respective county auditors
6 for collection in the subsequent fiscal year, and the boards
7 of supervisors shall levy a tax on all taxable property in the
8 merged area for deposit in the local workforce and economic
9 development fund created in section 260C.18C. Subject to
10 subsection 4, the sum of the moneys collected by a community
11 college under this subsection shall not exceed the sum of
12 twenty percent of the following for the fiscal year beginning
13 July 1, 2006, thirty-three and twenty-three hundredths percent
14 of the following for the fiscal year beginning July 1, 2007,
15 forty-six and forty-five hundredths percent of the following
16 for the fiscal year beginning July 1, 2008, and fifty-nine and
17 sixty-eight hundredths percent of the following for fiscal
18 years beginning on or after July 1, 2009:

19 a. The community college's budgeted employer contributions
20 under the Federal Insurance Contributions Act, as defined in
21 section 97C.2, for the fiscal year of collection.

22 b. The community college's budgeted employer contributions
23 to the community college's employees' retirement systems for
24 the fiscal year of collection.

25 c. The community college's budgeted utility costs for the
26 fiscal year of collection. As used in this paragraph,
27 "utility costs" includes the cost of electricity, water, waste
28 collection, fuel oil and gas for heating, heat, and air
29 conditioning expenditures. "Utility costs" does not include
30 telephone service, or gas used in laboratories and shops for
31 community college purposes.

32 d. The moneys the community college would receive from the
33 collection of a property tax of ten cents per thousand dollars
34 of assessed valuation for the fiscal year of collection.

35 Moneys collected under this subsection shall be deposited

1 in the community college's local workforce and economic
2 development fund.

3 4. LIMITATION.

4 a. Notwithstanding the amount calculated in subsection 3,
5 the sum of moneys collected by each community college under
6 subsection 3 for the fiscal year beginning July 1, 2009, and
7 succeeding fiscal years, shall not exceed the following, as
8 adjusted pursuant to paragraphs "b" and "c":

9 (1) For merged area one, two million two hundred fifty-
10 six thousand four hundred seventy-four dollars.

11 (2) For merged area two, one million six hundred eighty
12 thousand five hundred two dollars.

13 (3) For merged area three, one million eight hundred
14 ninety-six thousand four hundred seventy-two dollars.

15 (4) For merged area four, seven hundred sixty-seven
16 thousand three hundred thirty-seven dollars.

17 (5) For merged area five, two million one hundred seventy-
18 nine thousand three hundred ninety-eight dollars.

19 (6) For merged area six, one million seven hundred
20 seventy-eight thousand one hundred three dollars.

21 (7) For merged area seven, two million four hundred sixty-
22 six thousand two hundred thirty-nine dollars.

23 (8) For merged area nine, three million three hundred
24 seven thousand forty-nine dollars.

25 (9) For merged area ten, five million seven hundred three
26 thousand five hundred fifty-one dollars.

27 (10) For merged area eleven, six million three hundred
28 eighty-two thousand two hundred fifty-eight dollars.

29 (11) For merged area twelve, two million forty-one
30 thousand one hundred thirty dollars.

31 (12) For merged area thirteen, two million two hundred
32 forty-eight thousand five hundred eighty-nine dollars.

33 (13) For merged area fourteen, eight hundred thirty-six
34 thousand three hundred eighty dollars.

35 (14) For merged area fifteen, two million four hundred

1 eighty-four thousand three hundred sixty-seven dollars.

2 (15) For merged area sixteen, one million four hundred
3 seventy-five thousand four hundred twenty-eight dollars.

4 b. For the fiscal years beginning July 1, 2010, July 1,
5 2011, July 1, 2012, July 1, 2013, and July 1, 2014, the
6 maximum amounts specified in paragraph "a" shall be increased
7 by one and three-tenths percent each year.

8 c. For the fiscal year beginning July 1, 2015, and
9 succeeding fiscal years, the maximum amount which may be
10 collected by each community college shall not exceed the
11 maximum amount which could be collected pursuant to this
12 subsection for the fiscal year beginning July 1, 2014.

13 5. TAXES COLLECTED. Taxes collected pursuant to the levy
14 shall be paid by the respective county treasurers to the
15 treasurer of the merged area as provided in section 331.552,
16 subsection 29.

17 6. TWO-YEAR PLAN. Each community college shall do all of
18 the following:

19 a. Adopt a two-year local workforce and economic
20 development fund plan outlining the community college's
21 proposed use of moneys deposited into the fund under
22 subsection 3.

23 b. Update the two-year plan annually.

24 c. Prepare an annual progress report on the two-year
25 plan's implementation.

26 d. Annually submit the two-year plan and progress report
27 to the department of economic development in a manner
28 prescribed by rules adopted by the department pursuant to
29 chapter 17A.

30 Sec. 3. NEW SECTION. 260C.18C LOCAL WORKFORCE AND
31 ECONOMIC DEVELOPMENT FUND.

32 1. LOCAL WORKFORCE AND ECONOMIC DEVELOPMENT FUND. A local
33 workforce and economic development fund is created at each
34 community college. Moneys shall be deposited and expended
35 from the fund as provided in this section.

1 2. ALLOWABLE USE. Moneys deposited in the fund are at the
2 disposal of the community college to be spent only on the
3 following, provided that no more than fifteen percent of the
4 moneys deposited may be used as provided under paragraph "f"
5 and provided that seventy percent of the moneys used as
6 provided in paragraphs "a" through "e" shall be used on
7 projects in the areas of advanced manufacturing, information
8 technology and insurance, and life sciences which include the
9 areas of biotechnology, health care technology, and nursing
10 care technology:

11 a. Projects for which an agreement with the community
12 college and an employer within the community college's merged
13 area meet all of the requirements of the accelerated career
14 education program under chapter 260G.

15 b. Projects for which an agreement with the community
16 college and a business meet all the requirements of the Iowa
17 jobs training Act under chapter 260F. However, such projects
18 are not subject to the maximum advance or award limitations
19 contained in section 260F.6, subsection 2, or the allocation
20 limitations contained in section 260F.8, subsection 1.

21 c. For the development and implementation of career
22 academies that are designed to provide new career preparation
23 opportunities for high school students and that are formally
24 linked with postsecondary career and technical education
25 programs. For purposes of this section, "career academy"
26 means a program of study that combines a minimum of two years
27 of secondary education with an associate degree, or the
28 equivalent, career preparatory program in a nonduplicative,
29 sequential course of study that is standards-based, integrates
30 academic and technical instruction, utilizes work-based and
31 worksite learning where appropriate and available, utilizes an
32 individual career planning process with parent involvement,
33 and leads to an associate degree or postsecondary diploma or
34 certificate in a career field that prepares an individual for
35 entry and advancement in a high-skill and rewarding career

1 field and further education. The department of economic
2 development, in conjunction with the state board of education
3 and the division of community colleges and workforce
4 preparation of the department of education, shall adopt
5 administrative rules for the development and implementation of
6 such career academies pursuant to section 256.11, subsection
7 5, paragraph "h", section 260C.1, and Title II of Pub. L. No.
8 105-332, the Carl D. Perkins Vocational and Technical
9 Education Act of 1998.

10 d. Programs and courses that provide vocational and
11 technical training and programs for in-service training and
12 retraining of workers under section 260C.1, subsections 2 and
13 3.

14 e. Job retention projects under section 260F.9.

15 f. Student support services, including but not limited to:

16 (1) Student counseling, including personal counseling,
17 academic counseling, behavioral counseling, and career
18 counseling.

19 (2) Support groups for high-need students.

20 (3) Student mentoring.

21 (4) Orientation to college classes taught in high school
22 which include career planning.

23 (5) Back-to-college training for nontraditional students.

24 (6) Utilization of software for assessing the students'
25 work interests, listing current job openings, and projecting
26 future job openings in the state of Iowa to assist students in
27 planning their careers.

28 g. Tuition replacement.

29 Moneys deposited in the fund shall be utilized for tuition
30 replacement only if the primary campus of the community
31 college is located within thirty miles of the primary campus
32 of all of the following:

33 (1) An out-of-state public university.

34 (2) An out-of-state private university.

35 (3) An out-of-state community college.

1 Sec. 4. Section 260G.3, subsection 2, paragraph e, Code
2 2005, is amended to read as follows:

3 e. Moneys from a workforce training and economic
4 development fund created in section 260C.18A, or from a local
5 workforce and economic development fund created in section
6 260C.18C, based on the number of program job positions agreed
7 to by the employer to be available under the agreement, the
8 amount of which shall be calculated in the same manner as the
9 program job credits provided for in section 260G.4A.

10 Sec. 5. Section 453A.6, subsection 1, Code 2005, is
11 amended to read as follows:

12 1. There is imposed, and shall be collected and paid to
13 the department, ~~the following taxes~~ a tax on all cigarettes
14 used or otherwise disposed of in this state for any purpose
15 whatsoever.

16 ~~CLASS-A---On-cigarettes-weighing-not-more-than-three-pounds~~
17 ~~per-thousand, eighteen-mills-on-each-such-cigarette.~~

18 ~~CLASS-B---On-cigarettes-weighing-more-than-three-pounds-per~~
19 ~~thousand, eighteen-mills-on-each-such~~ equal to three and six-
20 tenths cents on each cigarette.

21 Sec. 6. Section 453A.6, Code 2005, is amended by adding
22 the following new subsection:

23 NEW SUBSECTION. 5A. Cigarettes shall be sold in packages
24 of twenty or more.

25 Sec. 7. Section 15G.111, subsection 5, if enacted by House
26 File 809, is amended to read as follows:

27 5. For the fiscal period year beginning July 1, 2005, and
28 ending June 30, ~~2015~~ 2006, there is appropriated ~~each-fiscal~~
29 ~~year~~ from the grow Iowa values fund created in section
30 15G.108, if enacted, to the department of economic development
31 seven million dollars for deposit into the workforce training
32 and economic development funds of the community colleges
33 created pursuant to section 260C.18A.

34 Sec. 8. EFFECTIVE AND APPLICABILITY DATES.

35 1. The section of this Act amending section 257.1, being

1 deemed of immediate importance, takes effect upon enactment
2 and applies to school budget years beginning on or after July
3 1, 2005.

4 2. The sections of this Act amending sections 260C.17 and
5 260G.3, and enacting section 260C.18C, take effect January 1,
6 2006, and are applicable to school budget years beginning on
7 or after July 1, 2006.

8 3. The sections of this Act amending section 453A.6, being
9 deemed of immediate importance, take effect on the first day
10 of the month that begins following enactment of this Act.

11

EXPLANATION

12 This bill increases the regular program foundation base per
13 pupil from 87.5 percent to 89.78 percent of the regular
14 program state cost per pupil. This change takes effect for
15 school budget years beginning on or after July 1, 2005.

16 The bill modifies the community college operations levy to
17 provide for an optional supplemental amount above the base
18 levy of 20.25 cents per \$1,000. The additional amount for
19 levy shall be certified by the board of directors of each
20 community college by March 15 for collection in the subsequent
21 fiscal year, and shall not exceed a specified percentage of
22 the sum of designated community college employee-related
23 contributions, utility costs, and projected revenues. The
24 percentages correspond to 20 percent for the fiscal year
25 beginning July 1, 2006, 33.23 percent for the fiscal year
26 beginning July 1, 2007, 46.45 percent for the fiscal year
27 beginning July 1, 2008, and 59.68 percent for fiscal years
28 beginning on or after July 1, 2009. The bill applies these
29 percentages, for the given fiscal year of collection, to the
30 sum of a community college's budgeted employer contributions
31 under the federal Insurance Contributions Act, a community
32 college's budgeted employer contributions to employees'
33 retirement systems, a community college's budgeted utility
34 costs, as defined in the bill, and moneys a community college
35 would receive from the collection of a property tax of 10

1 cents per \$1,000 of assessed valuation for the fiscal year of
2 collection. The bill provides that the amount collected for
3 the fiscal year beginning July 1, 2009, and succeeding fiscal
4 years, shall not exceed a specified dollar figure for each
5 community college merged area, increased by a percentage of
6 1.3 percent for the fiscal years beginning July 1 of 2010,
7 2011, 2012, 2013, and 2014. The bill provides that for the
8 fiscal year beginning July 1, 2015, and succeeding fiscal
9 years, the maximum amount which may be collected by each
10 community college shall not exceed the maximum amount which
11 could be collected for the fiscal year beginning July 1, 2014.

12 The bill provides for the establishment of a local
13 workforce and economic development fund. Authorized
14 expenditures from the fund include projects in which an
15 agreement with the community college and an employer within
16 the community college's merged area meets all of the
17 requirements of the accelerated career education program under
18 Code chapter 260G and projects in which an agreement with the
19 community college and a business meets all the requirements of
20 the Iowa jobs training Act under Code chapter 260F with stated
21 exemptions from advance, award, and allocation limitations.
22 The bill provides that revenue may also be expended for the
23 development and implementation of career academies, as defined
24 in the bill, designed to provide new career preparation
25 opportunities for high school students that are formally
26 linked with postsecondary career and technical education
27 programs; for programs and courses that provide vocational and
28 technical training and programs for in-service training and
29 retraining under Code section 260C.1, subsections 2 and 3; for
30 job retention projects under Code section 260F.9; for student
31 support services, as defined in the bill; and for tuition
32 replacement under specified circumstances. The bill provides
33 that no more than 15 percent of the revenue deposited in the
34 fund may be expended for student support services, and that 70
35 percent of the revenue allocated for all other authorized

1 purposes shall be used on projects in the areas of advanced
2 manufacturing, information technology and insurance, and life
3 sciences.

4 The community college levy provisions take effect January
5 1, 2006, and are applicable for the school budget years
6 beginning on or after July 1, 2006.

7 The bill also increases the tax on cigarettes from 36 cents
8 on a pack of 20 to 72 cents on a pack of 20. The bill also
9 requires cigarettes to be sold in packages of 20 or more.
10 These provisions take effect on the first day of the month
11 that begins following enactment of the bill.

12 The bill amends an appropriation from the grow Iowa values
13 fund to the workforce training and economic development fund
14 established in section 260C.18A to be applicable for FY 2005-
15 2006 only.

16 The bill contains effective and applicability date
17 provisions.

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