

**NINETIETH GENERAL ASSEMBLY  
2024 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

**March 12, 2024**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">HF 2168</a> .....	<a href="#">H-8184</a> .....	Filed	HARRIS of Appanoose
<a href="#">HF 2235</a> .....	<a href="#">H-8187</a> .....		JUDGE of Dallas
<a href="#">HF 2401</a> .....	<a href="#">H-8190</a> .....	Filed	LUNDGREN of Dubuque
<a href="#">HF 2450</a> .....	<a href="#">H-8189</a> .....	Filed	LATHAM of Franklin
<a href="#">HF 2487</a> .....	<a href="#">H-8185</a> .....		BODEN of Warren
<a href="#">HF 2487</a> .....	<a href="#">H-8188</a> .....		INGELS of Fayette
<a href="#">HF 2543</a> .....	<a href="#">H-8186</a> .....	Filed	GEHLBACH of Dallas
<a href="#">HF 2547</a> .....	<a href="#">H-8191</a> .....	Filed	MOHR of Scott, et al
<a href="#">HF 2580</a> .....	<a href="#">H-8183</a> .....	Filed	LOHSE of Polk
<a href="#">HF 2605</a> .....	<a href="#">H-8182</a> .....	Filed	KONFRST of Polk

**Fiscal Notes**

[HF 2017](#) — [Nurse Preceptor Tax Credit](#) (LSB5138YH)

[HF 2401](#) — [Regulation of Pharmacy Benefit Managers](#) (LSB5093HV)

[HF 2420](#) — [Workforce Housing Tax Credits](#) (LSB5966HV)

[HF 2503](#) — [Retired Farmer Lease Income Exclusion, Pass-Through Entities](#) (LSB5832YH)

[HF 2649](#) — [Capital Gains Deduction, Sale of Livestock](#) (LSB5662HV)

[HF 2650](#) — [Business Expense Deductions, Medical Cannabidiol](#) (LSB5498HV)

HOUSE FILE 2168

H-8184

- 1 Amend the amendment, H-8119, to House File 2168, as follows:
- 2 1. Page 1, by striking lines 2 through 23 and inserting:
- 3 <\_\_\_. Page 3, lines 10 and 11, by striking <— enforcement>
- 4 \_\_\_. Page 4, by striking lines 1 through 23.
- 5 \_\_\_. Page 4, line 24, by striking <7.> and inserting <4.>
- 6 \_\_\_. Page 4, line 28, by striking <8.> and inserting <5.>
- 7 \_\_\_. Page 4, line 30, by striking <9.> and inserting <6.>
- 8 \_\_\_. By striking page 4, line 33, through page 5, line 26.>
- 9 2. By renumbering as necessary.

By HARRIS of Appanoose

H-8184 FILED MARCH 11, 2024

HOUSE FILE 2235

H-8187

1 Amend the amendment, H-8181, to House File 2235, as follows:  
2 1. Page 1, by striking lines 4 through 19 and inserting:  
3 <Sec. \_\_\_\_ . NEW SECTION. 499C.3 Vacancy on executive board.  
4 If an executive board fills a vacancy on the board, the  
5 executive board shall submit the name of the appointed board  
6 member for a ratification vote at the next annual meeting or  
7 at a special meeting called pursuant to the bylaws of the unit  
8 owners association, or pursuant to the chapter under subtitle  
9 3 or subtitle 5 of Title XII that the unit owners association  
10 is organized under. If the appointed board member is ratified  
11 by the vote of the members, the appointed board member shall  
12 serve the remainder of the term of the vacant position. If  
13 the appointed board member is not ratified by the vote of the  
14 members, the members may fill the vacancy pursuant to the  
15 bylaws of the unit owners association, or pursuant to the  
16 chapter under subtitle 3 or subtitle 5 of Title XII that the  
17 unit owners association is organized under. Notwithstanding  
18 this section, a unit owners association shall be governed by  
19 the chapter under subtitle 3 or subtitle 5 of Title XII that  
20 the unit owners association is organized under.>  
21 2. Title page, by striking lines 1 and 2 and inserting <An  
22 Act relating to filling a vacancy on a unit owners association  
23 executive board.>

By JUDGE of Dallas

H-8187 FILED MARCH 11, 2024

HOUSE FILE 2401

H-8190

1 Amend the amendment, H-8179, to House File 2401, as follows:

2 1. Page 2, after line 17 by inserting:

3 <\_\_\_. Page 4, after line 14 by inserting:

4 <DIVISION \_\_\_\_

5 PHARMACY BENEFITS MANAGER REVERSE AUCTIONS

6 Sec. \_\_\_\_. NEW SECTION. 8A.319 Pharmacy benefits manager  
7 reverse auctions.

8 1. This section may be cited as *"The Iowa Competitive*  
9 *Pharmacy Benefits Managers Marketplace Act"*.

10 2. As used in this section, unless the context otherwise  
11 requires:

12 a. *"Market check"* means a technology-driven evaluation of an  
13 incumbent pharmacy benefits manager's prescription drug pricing  
14 based on benchmark comparators derived from pharmacy benefits  
15 manager reverse auction processes conducted in the United  
16 States over the immediately preceding twelve months.

17 b. *"Participant bidding agreement"* means an online  
18 agreement that details common definitions, prescription drug  
19 classifications, rules, data access and use rights, and other  
20 optimal contract terms that benefit the state and that all  
21 bidders must accept as a prerequisite for participation in a  
22 pharmacy benefits manager reverse auction.

23 c. *"Pharmacy benefits manager"* means the same as defined in  
24 section 510B.1.

25 d. *"Pharmacy benefits manager reverse auction"* means an  
26 automated, transparent, and competitive bidding process  
27 conducted online that starts with an opening round of bids  
28 and allows qualified pharmacy benefits manager bidders to  
29 counteroffer a lower price for as many rounds of bidding  
30 as determined by the department for a multiple health plan  
31 prescription drug purchasing group.

32 e. *"Price"* means the projected cost of a pharmacy benefits  
33 manager's bid to provide prescription drug benefits to allow  
34 direct comparison of the comparably calculated costs of  
35 competing pharmacy benefits managers' proposals over the

1 duration of the pharmacy benefits manager's services contract.

2 *f.* "Real-time" means within no more than one hour.

3 *g.* "Self-funded private sector health plan" means any  
4 self-funded private sector employer or multi-employer health  
5 plan.

6 *h.* "Self-funded public sector health plan" means any group  
7 benefit plan under chapter 509A.

8 3. Consistent with section 8A.311, and notwithstanding any  
9 other law to the contrary, the department shall enter into a  
10 contract for the services of a pharmacy benefits manager for  
11 the administration of benefits of self-funded public sector  
12 health plans in compliance with this section.

13 4. Prior to November 1, 2024, the department shall  
14 procure, through solicitation of proposals from qualified  
15 professional services vendors, all of the following based on  
16 price, capabilities, and other factors deemed relevant by the  
17 department:

18 *a.* A technology platform with the capabilities to conduct  
19 a pharmacy benefits manager reverse auction. The department  
20 shall ensure that the technology platform possesses, at a  
21 minimum, the capacity to do all of the following:

22 (1) Conduct an automated, online, reverse auction of  
23 pharmacy benefits manager services using a software application  
24 and high-performance data infrastructure to intake, cleanse,  
25 and normalize pharmacy benefits manager data with development  
26 methods and information security standards that have been  
27 validated by receiving service organization control 2 and  
28 national institute of standards and technology certification,  
29 or successor information technology security certifications, as  
30 identified by the office of the chief information officer.

31 (2) Automate repricing of diverse and complex pharmacy  
32 benefits managers' prescription drug pricing proposals to allow  
33 direct comparison by the state of the comparably calculated  
34 costs of pharmacy benefits managers' bids using one hundred  
35 percent of annual prescription drug claims data available

1 for state-funded health plans, or a multiple health plan  
2 prescription drug purchasing group, and using code-based  
3 classification of drugs from nationally accepted drug sources.

4 (3) Simultaneously evaluate in real-time diverse and  
5 complex multiple proposals from full-service pharmacy benefits  
6 managers, including average wholesale price, guaranteed  
7 net cost, and national average drug acquisition cost  
8 pricing models, as well as proposals from pharmacy benefits  
9 administrators and specialty drug and rebate carve-out service  
10 providers.

11 (4) Produce an automated report and analysis of pharmacy  
12 benefits managers' bids, including ranking of pharmacy benefits  
13 managers' bids based on comparative costs and qualitative  
14 aspects of the bids in real-time following the close of each  
15 round of reverse auction bidding.

16 (5) Perform real-time, electronic, line-by-line,  
17 claim-by-claim review of one hundred percent of invoiced  
18 pharmacy benefits managers' prescription drug claims, and  
19 identify all deviations from the specific terms of the pharmacy  
20 benefits manager's services contract that resulted from the  
21 reserve auction process.

22 *b.* Related services from the operator of the technology  
23 platform identified in paragraph "a", which at a minimum shall  
24 include all of the following:

25 (1) Evaluation of the qualifications of pharmacy benefits  
26 manager bidders.

27 (2) Pharmacy benefits manager reverse auction services to  
28 support the department in comparing pricing for the pharmacy  
29 benefits manager procurement.

30 (3) Related professional services.

31 5. The department shall not award a contract for the  
32 technology platform and technology operator services to a  
33 vendor that is a pharmacy benefits manager or to a vendor that  
34 is managed by, or a subsidiary or affiliate of, a pharmacy  
35 benefits manager.

1 6. The vendor awarded the contract by the department shall  
2 not outsource any part of the pharmacy benefits manager reverse  
3 auction or any part of the automated, real-time, electronic,  
4 line-by-line, claim-by-claim review of invoiced pharmacy  
5 benefits manager prescription drug claims.

6 7. With technical assistance and support provided by the  
7 technology platform operator, the department shall specify the  
8 terms of the participant bidding agreement. The terms of the  
9 participant bidding agreement shall not be modified except by  
10 specific consent of the department.

11 8. *a.* The technology platform used to conduct the reverse  
12 auction shall be repurposed over the duration of the pharmacy  
13 benefits manager's services contract as an automated pharmacy  
14 claims adjudication engine to perform real-time, electronic,  
15 line-by-line, claim-by-claim review of one hundred percent of  
16 invoiced pharmacy benefits manager's prescription drug claims,  
17 and to identify all deviations from the specific terms of the  
18 pharmacy benefits manager's services contract.

19 *b.* The department shall reconcile the electronically  
20 adjudicated pharmacy claims, as described in paragraph "a",  
21 with pharmacy benefits manager's invoices on a monthly or  
22 quarterly basis to ensure that state payments shall not exceed  
23 the terms specified in any pharmacy benefits manager's services  
24 contract.

25 *c.* If following state payment to the pharmacy benefits  
26 manager on the basis of the reconciliation under paragraph  
27 "b" the pharmacy benefits manager asserts that the department  
28 paid less than the amount owed, the pharmacy benefits manager  
29 may seek resolution through a mutually acceptable dispute  
30 resolution process that the parties agreed to in the terms of  
31 the services contract under subsection 9, paragraph "a".

32 9. *a.* The first pharmacy benefits manager reverse auction  
33 shall be completed and the services contract shall be awarded  
34 to the winning pharmacy benefits manager with an effective date  
35 beginning July 1, 2025. Subsequent contracts must be awarded

1 no later than three months prior to termination or expiration  
2 of the current pharmacy benefits manager's services contract  
3 for a covered group, such as the state employees benefits  
4 group, that includes only active employees and dependents, but  
5 does not include retiree participants in a Medicare part D  
6 employer group waiver program pursuant to the federal Medicare  
7 Prescription Drug, Improvement, and Modernization Act of 2003,  
8 Pub. L. No. 108-173.

9     *b.* In the event an eligible covered group that includes  
10 retiree participants in a Medicare part D employer group  
11 waiver program pursuant to the federal Medicare Prescription  
12 Drug, Improvement, and Modernization Act of 2003, Pub. L. No.  
13 108-173, opts to use the processes and procedures under this  
14 section, the relevant pharmacy benefits manager reverse auction  
15 shall be completed and the pharmacy benefits manager services  
16 contract shall be awarded to the winning pharmacy benefits  
17 manager no later than six months prior to termination or  
18 expiration of the pharmacy benefits manager's services contract  
19 currently covering the retiree employer group waiver program  
20 participants.

21     10. The department may perform a market check for providing  
22 pharmacy benefits manager services during the term of the  
23 current pharmacy benefits manager's services contract in order  
24 to ensure continuing competitiveness of incumbent prescription  
25 drug pricing during the term of a pharmacy benefits manager's  
26 services contract.

27     11. To ensure that the department does not incur additional  
28 expenditures associated with the pharmacy benefits manager  
29 reverse auction, ongoing electronic review and validation  
30 of pharmacy benefits managers' claims, and periodic market  
31 checks, the department shall implement a no-pay option that  
32 obligates the winning pharmacy benefits manager, rather than  
33 the state, to pay the cost of the technology platform and  
34 related technology platform operator services by assessing the  
35 pharmacy benefits manager a per-prescription fee in an amount

1 agreed to by the department and the technology operator, and  
2 requiring the pharmacy benefits manager to pay the fees to the  
3 technology operator over the duration of the pharmacy benefits  
4 manager's services contract. The obligation of the winning  
5 pharmacy benefits manager to pay the per-prescription fee shall  
6 be incorporated as a term of the participant bidding agreement  
7 and the pharmacy benefits manager's services contract awarded  
8 to the pharmacy benefits manager reverse auction winner.

9 12. *a.* This section shall apply to group benefit plans  
10 under chapter 509A. This section shall not apply to nonprofit,  
11 nongovernmental health maintenance organizations with respect  
12 to managed care plans that provide a majority of covered health  
13 care services through a single contracted medical group.

14 *b.* (1) Three years after the first service contract is  
15 awarded to a pharmacy benefits manager pursuant to subsection  
16 9, paragraph "a", any self-funded private sector health plan  
17 with substantial participation by Iowa employees and the  
18 employees' dependents shall have the option to conduct a  
19 pharmacy benefits manager reverse auction for the specific  
20 self-funded private sector health plan utilizing the technology  
21 platform and technology operator services selected by the  
22 department under this section. The department may charge the  
23 self-funded private sector health plan a fee, as established  
24 by the department by rule, sufficient to cover any incremental  
25 cost associated with the pharmacy benefits manager reverse  
26 auction.

27 (2) A pharmacy benefits manager selected by a self-funded  
28 private sector health plan as a result of a pharmacy benefits  
29 manager reverse auction conducted pursuant to subparagraph  
30 (1) shall be assessed a per-prescription fee, pursuant to  
31 subsection 11, in an amount determined by the department by  
32 rule.

33 *c.* Any self-funded public sector health plans or self-funded  
34 private sector health plans that opt to conduct a pharmacy  
35 benefits manager reverse auction shall retain full autonomy

1 over determination of the individual health plan's respective  
2 prescription drug formularies and pharmacy benefit designs,  
3 and shall not be required to adopt a common prescription drug  
4 formulary or common prescription pharmacy benefit design.

5 *d.* Any pharmacy benefits manager providing services to the  
6 department, to a self-funded public sector health plan, or  
7 to a self-funded private sector health plan as described in  
8 this section shall provide the department, each participating  
9 self-funded public sector health plan, and each participating  
10 self-funded private sector health plan access to complete  
11 pharmacy claims data necessary to conduct the pharmacy  
12 benefits manager reverse auction and to carry out applicable  
13 administrative and management duties.

14 13. Notwithstanding subsection 3, the department may elect  
15 to vacate the outcome of a pharmacy benefits manager reverse  
16 auction if the lowest-cost pharmacy benefits manager's bid  
17 is not less than the projected cost trend for the incumbent  
18 pharmacy benefits manager's services contract as verified by  
19 the department. The department may utilize a consultant to  
20 conduct the verification. The cost trend shall be projected  
21 by the technology platform operator using industry-recognized  
22 data sources and shall be subject to review and approval by  
23 the department in advance of the pharmacy benefits manager  
24 reverse auction. Methodology shall be applied consistently in  
25 projection of cost and savings to the state with regard to the  
26 incumbent pharmacy benefits manager's services contract and  
27 competing pharmacy benefits manager reverse auction bids.>>

28 2. By renumbering, redesignating, and correcting internal  
29 references as necessary.

By LUNDGREN of Dubuque

H-8190 FILED MARCH 11, 2024

HOUSE FILE 2450

H-8189

1 Amend House File 2450 as follows:

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

4 <DIVISION I

5 ECONOMIC DEVELOPMENT PROGRAMS

6 Section 1. Section 15.106B, subsection 5, paragraph b, Code  
7 2024, is amended by striking the paragraph.

8 Sec. 2. NEW SECTION. 15.106E **Application or award —**  
9 **prohibition.**

10 1. The authority may prohibit a person from receiving an  
11 award of financial assistance, or from being selected as a  
12 vendor to provide goods or services to the authority in any of  
13 the following circumstances:

14 a. An act or omission by the person seriously affects or  
15 threatens public health, public safety, or the environment.

16 b. The person is charged with or convicted of a crime  
17 involving dishonesty.

18 c. An act or omission by the person indicates a lack of  
19 integrity or honesty.

20 d. The person violates the terms of an agreement or  
21 transaction that detrimentally impacts the integrity of a  
22 program administered by the authority, or other governmental  
23 entity as defined in section 8A.101.

24 e. A compelling cause exists that is relevant to and affects  
25 the person's obligations under the programs administered by the  
26 authority, or is relevant to and affects the provision of goods  
27 and services to the authority by a vendor.

28 2. Upon a determination by the authority, a person shall  
29 be prohibited from receiving an award of financial assistance,  
30 or from being selected as a vendor pursuant to subsection 1.  
31 The authority shall provide written notice to the prohibited  
32 person stating the reason for the prohibition. The authority  
33 may immediately disqualify a prohibited person from receiving  
34 financial assistance, or from being selected as a vendor.

35 3. A prohibited person may request a review of the

1 determination made by the authority pursuant to subsection 2.

2     *a.* The request to review the determination shall be made  
3 within thirty-five calendar days of the date the authority  
4 provided written notice to the prohibited person. The request  
5 to review the determination must be in writing and state the  
6 specific reasons or legal basis for review.

7     *b.* Within sixty calendar days of the receipt of the request  
8 to review, the authority shall approve, deny, or modify the  
9 determination, if the authority finds that the determination  
10 is based on a clear error of material fact or law, or if the  
11 authority finds the determination was arbitrary, capricious, or  
12 an abuse of discretion.

13     *c.* The authority shall issue its decision in writing and  
14 provide written notice of the decision to the prohibited  
15 person.

16     *d.* The decision of the authority pursuant to this subsection  
17 shall be considered final agency action. A petition for  
18 judicial review of the decision of the authority shall be filed  
19 pursuant to section 17A.19.

20     4. The authority shall adopt rules as necessary pursuant to  
21 chapter 17A to administer this section.

22     Sec. 3. Section 15.108, subsection 2, Code 2024, is amended  
23 by striking the subsection and inserting in lieu thereof the  
24 following:

25     2. *Marketing.* To aid in all of the following:

26     *a.* The marketing and promotion of Iowa products and  
27 services.

28     *b.* The promotion and development of the agricultural  
29 processing industry in the state.

30     Sec. 4. Section 15.108, subsection 3, paragraph a,  
31 subparagraph (5), Code 2024, is amended to read as follows:

32     (5) Encourage cities, counties, local and regional  
33 government organizations, and local and regional economic  
34 development organizations to develop and implement  
35 comprehensive community and economic development plans. ~~In~~

1 ~~evaluating financial assistance applications, the authority~~  
2 ~~shall award supplementary credit to applications submitted by~~  
3 ~~cities, counties, local and regional government organizations,~~  
4 ~~and local and regional economic development organizations~~  
5 ~~that have developed a comprehensive community and economic~~  
6 ~~development plan.~~

7 Sec. 5. Section 15.108, subsection 4, Code 2024, is amended  
8 by striking the subsection and inserting in lieu thereof the  
9 following:

10 4. *Exporting.* To promote and aid in the marketing and  
11 sale of Iowa industrial and agricultural products and services  
12 outside of the state. To carry out this responsibility, the  
13 authority shall:

14 a. Perform the duties and activities specified for the  
15 agricultural marketing program under sections 15.201 and  
16 15.202.

17 b. Seek assistance and advice from the Iowa district export  
18 council which advises the United States department of commerce.

19 Sec. 6. Section 15.108, subsection 5, paragraph d, Code  
20 2024, is amended to read as follows:

21 ~~d. Coordinate with other divisions of the authority to add~~  
22 Promote the contributions of Iowa's recreation, tourism, and  
23 ~~leisure resources to the agricultural and other images which~~  
24 ~~characterize the state on a national level.~~

25 Sec. 7. Section 15.108, subsection 5, paragraph o, Code  
26 2024, is amended by striking the paragraph.

27 Sec. 8. Section 15.108, subsection 6, paragraph c, Code  
28 2024, is amended by striking the paragraph and inserting in  
29 lieu thereof the following:

30 c. Provide aid for the development and implementation of  
31 the Iowa targeted small business procurement Act established in  
32 sections 73.15 through 73.22.

33 Sec. 9. Section 15.108, subsection 6, paragraphs f and g,  
34 Code 2024, are amended by striking the paragraphs.

35 Sec. 10. Section 15.108, subsection 7, Code 2024, is amended

1 by striking the subsection.

2 Sec. 11. Section 15.108, subsection 10, paragraph b,  
3 subparagraph (3), Code 2024, is amended to read as follows:

4 (3) Establish programs which assist communities or local  
5 entities in developing housing to meet a range of community  
6 needs, including ~~programs to assist homeless shelter operations~~  
7 ~~and~~ programs to assist in the development of housing to enhance  
8 economic development opportunities in the community.

9 Sec. 12. Section 15.371, subsection 5, paragraph e, Code  
10 2024, is amended to read as follows:

11 e. Employ a minimum of three full-time employees and no more  
12 than ~~seventy-five~~ one hundred twenty-five full-time employees  
13 across all of the manufacturer's locations.

14 Sec. 13. NEW SECTION. **73.22 Reports.**

15 1. By December 1 of each calendar year, the department of  
16 administrative services shall provide a written summary to the  
17 economic development authority of all activities undertaken  
18 by the department of administrative services to maximize the  
19 purposes of this subchapter during the immediately preceding  
20 fiscal year.

21 2. By December 1 of each calendar year, the economic  
22 development authority shall compile a list of the procurement  
23 goals established pursuant to section 73.16, subsection 2, for  
24 the prior fiscal year, and the performance of each agency or  
25 department of state government having purchasing authority in  
26 meeting the goals. The compilation shall be based upon the  
27 reports required to be filed under section 73.16, subsection 2.

28 3. By January 15 of each calendar year, the economic  
29 development authority shall submit to the governor and the  
30 general assembly a summary of all reports required under this  
31 section.

32 4. The director of the economic development authority, in  
33 cooperation with the department of administrative services and  
34 other state agencies shall do all of the following:

35 a. Publicize the targeted small business procurement goal



1 ~~as defined in section 473.19, or for costs associated with~~  
2 ~~projects under section 473.13A,~~ are exempt from the provisions  
3 of this subsection, but are subject to the requirements of  
4 section 7D.34. In addition, financing agreements funded  
5 through the materials and equipment revolving fund established  
6 in section 307.47 are exempt from the provisions of this  
7 subsection.

8 Sec. 16. Section 279.53, Code 2024, is amended to read as  
9 follows:

10 **279.53 Loan proceeds.**

11 The proceeds of loans issued to school districts pursuant to  
12 section 279.48, or 279.52, ~~or 473.20~~ shall be deposited into  
13 either the general fund of a school district or the physical  
14 plant and equipment levy fund. The board of directors shall  
15 expend the amount of the principal and interest due each year  
16 to maturity from the same fund into which the loan proceeds  
17 were deposited.

18 Sec. 17. Section 298.3, subsection 1, paragraph g, Code  
19 2024, is amended to read as follows:

20 *g.* Expenditures for energy conservation, ~~including payments~~  
21 ~~made pursuant to a guarantee furnished by a school district~~  
22 ~~entering into a financing agreement for energy management~~  
23 ~~improvements, limited to agreements pursuant to section 473.19,~~  
24 ~~473.20, or 473.20A.~~

25 Sec. 18. Section 473.3, subsection 2, Code 2024, is amended  
26 by striking the subsection.

27 Sec. 19. NEW SECTION. **473.4 Duties of the authority.**

28 The authority shall do the following:

29 1. Periodically update the Iowa energy plan that identifies  
30 objectives and strategies for developing the energy sector in  
31 the state.

32 2. Administer and coordinate federal funds received for  
33 energy conservation, energy management, and alternative and  
34 renewable energy programs.

35 3. Apply for, receive, administer, and use federal or other

H-8189 (Continued)

1 funds available for achieving the purposes of this chapter.

2 Sec. 20. NEW SECTION. 473.5 Energy security plan.

3 1. The governor or the governor's designee shall maintain  
4 an energy security plan.

5 2. The energy security plan shall include but is not limited  
6 to the following:

7 a. A description of the circumstances that indicate an  
8 actual or imminent acute shortage of usable energy, including  
9 liquid fossil fuels.

10 b. Any action to be taken by the authority or relevant  
11 agencies in response to an executive order by the governor  
12 under section 473.8.

13 Sec. 21. REPEAL. Sections 473.13A, 473.15, 473.19,  
14 473.19A, 473.20, 473.20A, and 473.41, Code 2024, are repealed.

15 Sec. 22. TRANSFER OF MONEYS. On the effective date of this  
16 division of this Act, any moneys remaining in the building  
17 energy management fund in section 473.19A, Code 2024, shall be  
18 transferred to the general fund of the state.>

19 2. Title page, by striking lines 1 through 3 and inserting  
20 <An Act relating to economic development and energy shortages  
21 under the purview of the economic development authority and  
22 governor, and providing penalties.>

By LATHAM of Franklin

H-8189 FILED MARCH 11, 2024

HOUSE FILE 2487

H-8185

1 Amend the amendment, H-8178, to House File 2487, as follows:  
2 1. Page 1, line 13, after <25. a.> by inserting <(1)>  
3 2. Page 1, after line 26 by inserting:  
4 <(2) The process must require the board of educational  
5 examiners to assign a unique identifier to each incident that  
6 is reported. The board of educational examiners shall provide  
7 the unique identifier to the person who reported the incident  
8 and to the employee who is the subject of the incident, and  
9 the unique identifier must be able to be used to search the  
10 board of educational examiners' internet site to determine the  
11 current status of the investigation of the incident, including  
12 the date of the most recently taken action. The board of  
13 educational examiners shall ensure that the portion of the  
14 internet site displaying such information is only accessible by  
15 the person who reported the incident, the employee who is the  
16 subject of the incident, and the board of educational examiners  
17 and its employees and agents.>

By BODEN of Warren

H-8185 FILED MARCH 11, 2024

HOUSE FILE 2487

H-8188

1 Amend the amendment, H-8178, to House File 2487, as follows:

2 1. Page 8, after line 19 by inserting:

3 <DIVISION \_\_\_\_  
4 BOARD OF EDUCATIONAL EXAMINERS — ATHLETIC DIRECTOR  
5 CERTIFICATES

6 Sec. \_\_\_\_ . Section 256.146, Code 2024, is amended by adding  
7 the following new subsection:

8 NEW SUBSECTION. 25. Adopt rules under chapter 17A  
9 establishing a voluntary certification system for athletic  
10 directors, including traditional and nontraditional pathways  
11 for obtaining such a certificate. The rules shall specify  
12 the rights, responsibilities, and qualifications for the  
13 certificate. Applicants shall be disqualified for any reason  
14 specified in subsection 13 or in administrative rule. The  
15 board may issue an athletic director certificate to a person  
16 who is at least eighteen years of age. A certificate issued  
17 pursuant to this subsection shall not be considered a teacher  
18 or administrator license for any purpose specified by law,  
19 including the purposes specified under this part or chapter  
20 279.>

21 2. Page 8, line 27, after <examiners> by inserting <, and  
22 requiring the board of educational examiners to establish a  
23 voluntary certification system for athletic directors>

24 3. By renumbering as necessary.

By INGELS of Fayette

H-8188 FILED MARCH 11, 2024

HOUSE FILE 2543

H-8186

1 Amend the amendment, H-8177, to House File 2543, as follows:

2 1. Page 3, after line 22 by inserting:

3 <\_\_\_. Page 5, after line 17 by inserting:

4 <DIVISION \_\_\_

5 CHARTER SCHOOL STUDENTS — PARTICIPATION IN SCHOOL ACTIVITIES

6 Sec. \_\_\_. NEW SECTION. 256E.13 Students receiving

7 instruction over the internet — participation in activities in

8 district of residence.

9 1. A student enrolled in a charter school who receives  
10 educational instruction and course content primarily over the  
11 internet may participate in any cocurricular or extracurricular  
12 activities offered to children in the student's grade or group  
13 and sponsored by the district of residence under the same  
14 conditions and requirements as the students enrolled in the  
15 district of residence. The student may participate in not more  
16 than two cocurricular or extracurricular activities during a  
17 school year unless the resident district approves the student's  
18 participation in additional activities. The student shall  
19 comply with the eligibility, conduct, and other requirements  
20 relating to the activity that are established by the district  
21 of residence for any student who applies to participate or who  
22 is participating in the activity.

23 2. If a student participates in a cocurricular or  
24 extracurricular activity in accordance with this section,  
25 the district of residence may charge the charter school  
26 up to two hundred dollars per activity, for up to two  
27 activities. For a cocurricular activity, one semester shall  
28 equal one activity. Extracurricular activities for which a  
29 resident district may charge up to two hundred dollars per  
30 activity for up to two activities under this section include  
31 interscholastic athletics, music, drama, and any other activity  
32 with a general fund expenditure exceeding five thousand  
33 dollars annually. A student may participate in additional  
34 extracurricular activities at the discretion of the resident  
35 district. The resident district may charge the student a fee

1 for participation in such cocurricular or extracurricular  
2 activities equivalent to the fee charged to and paid in the  
3 same manner by other resident students.

4 Sec. \_\_\_\_\_. Section 280.13A, subsection 1, Code 2024, is  
5 amended to read as follows:

6 1. If a school district, ~~or nonpublic school,~~ or charter  
7 school operating under section 256E.5 does not provide an  
8 interscholastic activity for its students, the board of  
9 directors of that school district, ~~or the authorities in~~  
10 charge of the nonpublic school, or governing board of the  
11 charter school may complete an agreement with another school  
12 district, or nonpublic school, or charter school operating  
13 under section 256E.5 to provide for the eligibility of its  
14 students in interscholastic activities provided by that other  
15 school district, ~~or nonpublic school, or charter school.~~ A  
16 copy of each agreement completed under this section shall be  
17 filed with the appropriate organization as organization is  
18 defined in section 280.13 not later than April 30 of the school  
19 year preceding the school year in which the agreement takes  
20 effect, unless an exception is granted by the organization  
21 for good cause. An agreement completed under this section  
22 shall be deemed approved unless denied by the organization  
23 within ten days after its receipt. The organization shall  
24 determine whether an agreement would substantially prejudice  
25 the interscholastic activities of other schools. An agreement  
26 denied by the organization under this section may be appealed  
27 to the state board of education under chapter 290.>>

28 2. Page 3, by striking lines 26 through 28 and inserting  
29 <property or vacant property by school districts, modifying  
30 charter school funding and charter school board members  
31 requirements, and modifying provisions related to participation  
32 in school activities by students enrolled in charter schools.>>

33 3. By renumbering as necessary.

By GEHLBACH of Dallas

H-8186 (Continued)

H-8186 FILED MARCH 11, 2024

HOUSE FILE 2547

H-8191

1 Amend House File 2547 as follows:

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

4 <DIVISION I

5 COMPULSORY EDUCATION

6 Section 1. Section 299.1, Code 2024, is amended to read as  
7 follows:

8 **299.1 Attendance requirements — attendance policies.**

9 1. Except as provided in section 299.2, the parent,  
10 guardian, or legal or actual custodian of a child who is of  
11 compulsory attendance age shall cause the child to attend some  
12 public school or an accredited nonpublic school, or place  
13 the child under competent private instruction or independent  
14 private instruction in accordance with the provisions of  
15 chapter 299A, during a school year, as defined under section  
16 279.10.

17 2. a. The board of directors of a public school district  
18 or the governing body of an accredited nonpublic school shall  
19 set the number of days or hours of required attendance for the  
20 schools under its control.

21 b. The board of directors of a public school district or  
22 the governing body of an accredited nonpublic school may, by  
23 resolution, require attendance for the entire time when the  
24 schools are in session in any school year and.

25 3. The board of directors of a public school district or the  
26 governing board of an accredited nonpublic school shall adopt a  
27 policy or rules relating to the reasons considered to be valid  
28 or acceptable excuses for absence from school.

29 4. a. The board of directors of a public school district  
30 or the governing body of an accredited nonpublic school  
31 shall adopt a policy or rules relating to children who  
32 are chronically absent. The policy or rules must contain  
33 provisions that clearly explain all of the following:

34 (1) How the board of directors or the governing body  
35 determines whether a child is chronically absent.

1     (2) The different interventions that the board of directors  
2 or the governing body may use when a child is chronically  
3 absent.

4     (3) The different penalties associated with a child being  
5 chronically absent.

6     b. The policy or rules adopted by the board of directors of  
7 a public school district or the governing body of an accredited  
8 nonpublic school pursuant to paragraph "a" must not apply to any  
9 child:

10     (1) Who has completed the requirements for graduation in a  
11 public school district or an accredited school or has obtained  
12 a high school equivalency diploma under chapter 259A.

13     (2) Who is excused for sufficient reason by any court of  
14 record or judge.

15     (3) While attending religious services or receiving  
16 religious instructions.

17     (4) Who is unable to attend school due to legitimate medical  
18 reasons.

19     Sec. 2. Section 299.6, subsection 1, unnumbered paragraph  
20 1, Code 2024, is amended to read as follows:

21     Any person who violates a ~~mediation agreement under section~~  
22 ~~299.5A~~ the terms of an absenteeism prevention plan or an  
23 attendance cooperation agreement entered into under section  
24 299.12, who is referred for prosecution under section 299.5A  
25 299.12 and is convicted of a violation of any of the provisions  
26 of sections 299.1 through 299.5, who violates any of the  
27 provisions of sections 299.1 through 299.5, or who refuses  
28 to participate in mediation under section 299.5A a school  
29 engagement meeting or an attendance cooperation proceeding  
30 under section 299.12, commits a public offense.

31     Sec. 3. Section 299.8, Code 2024, is amended to read as  
32 follows:

33     **299.8 "Truant" defined.**

34     Any child of compulsory attendance age, to whom the  
35 exceptions described in section 299.2 do not apply, who fails

1 ~~to attend school as provided in this chapter, or as required~~  
2 ~~by the school board's or school governing body's attendance~~  
3 ~~policy, or who fails to attend competent private instruction~~  
4 ~~or independent private instruction under chapter 299A, without~~  
5 ~~reasonable excuse for the absence, shall be deemed to be a~~  
6 ~~truant~~ has been absent from school, for any reason, for at  
7 least eighteen percent of the days in the school calendar. A  
8 finding that a child is truant, however, shall not by itself  
9 mean that the child is a child in need of assistance within the  
10 meaning of chapter 232 and shall not be the sole basis for a  
11 child in need of assistance petition.

12 Sec. 4. Section 299.11, subsection 2, Code 2024, is amended  
13 to read as follows:

14 2. The truancy officer shall promptly institute proceedings  
15 against any person violating any of the provisions of sections  
16 299.1 through ~~299.5A~~ 299.5.

17 Sec. 5. Section 299.12, Code 2024, is amended by striking  
18 the section and inserting in lieu thereof the following:

19 **299.12 Failure to attend — school engagement meeting —**  
20 **attendance cooperation proceeding:**

21 1. As used in this section:

22 *a. "Chronically absent"* means any absence from school  
23 for more than ten percent of the days in the school calendar  
24 established pursuant to section 279.10 by a public school or  
25 an accredited nonpublic school.

26 *b. "School official"* means an employee of a public school  
27 or an accredited nonpublic school whose job duties involve  
28 identifying children who are at risk for becoming chronically  
29 absent, creating interventions to limit the rate of student  
30 absenteeism, and participating in the legal process related to  
31 student absenteeism.

32 2. *a.* When a child becomes chronically absent, a school  
33 official shall send a notice by certified mail to the child's  
34 parent, guardian, or legal or actual custodian of the child,  
35 if the child is not an emancipated minor, or to the child, if

1 the child is an emancipated minor, that includes information  
2 related to the child's absences from school and the policies  
3 and disciplinary processes associated with additional absences.

4 *b.* A school official may send the notice described in  
5 paragraph "a" prior to a child at risk of becoming chronically  
6 absent if all of the following requirements are satisfied:

7 (1) The county attorney of the county in which the  
8 public school's or accredited nonpublic school's central  
9 administrative office is located and the board of directors  
10 of the public school district or the governing body of the  
11 accredited nonpublic school, as applicable, agree to the amount  
12 of absences that will lead to the school official sending the  
13 notice.

14 (2) The amount of absences that will lead to the school  
15 official sending the notice is described in the school's  
16 student handbook.

17 3. *a.* (1) If a child is absent from school for greater  
18 than or equal to fifteen percent, but less than eighteen  
19 percent, of the days in the school calendar, a school official  
20 shall attempt to find the cause for the child's absences and  
21 shall initiate and participate in a school engagement meeting.  
22 The purpose of the school engagement meeting is to identify the  
23 child's barriers to attendance and the interventions that may  
24 be used to improve the child's attendance.

25 (2) A school official may initiate and participate in a  
26 school engagement meeting as provided in subparagraph (1) prior  
27 to a child being absent from school for greater than or equal  
28 to fifteen percent of the days in a school calendar if all of  
29 the following requirements are satisfied:

30 (a) The county attorney of the county in which the  
31 public school's or accredited nonpublic school's central  
32 administrative office is located and the board of directors  
33 of the public school district or the governing body of the  
34 accredited nonpublic school, as applicable, agree to the amount  
35 of absences that will lead to the school official initiating

1 and participating in the school engagement meeting.

2 (b) The amount of absences that will lead to the school  
3 official initiating and participating in the school engagement  
4 meeting is described in the school's student handbook.

5 b. All of the following individuals shall participate in the  
6 school engagement meeting:

7 (1) The child.

8 (2) The child's parent, guardian, or legal or actual  
9 custodian, if the child is not an emancipated minor.

10 (3) A school official.

11 (4) The county attorney of the county in which the  
12 public school's or accredited nonpublic school's central  
13 administrative office is located, or the county attorney's  
14 designee.

15 c. (1) During the school engagement meeting, the  
16 participants shall create and sign an agreement that shall be  
17 known as an absenteeism prevention plan. Each participant  
18 signing the absenteeism prevention plan shall receive a copy of  
19 the plan. The absenteeism prevention plan shall identify the  
20 causes of the child's absences and the future responsibilities  
21 of each participant related to the child's attendance.

22 (2) A school official shall monitor the participants'  
23 compliance with the terms of the absenteeism prevention plan.  
24 The school official shall contact the participants at least  
25 once each week during the remainder of the school calendar to  
26 monitor the performance of the participants under the plan.

27 d. During the school engagement meeting, a school official  
28 may initiate referrals to any services or counseling that the  
29 participants believe may be appropriate under the circumstances  
30 to improve the child's attendance.

31 e. If the participants in the school engagement meeting fail  
32 to enter into an absenteeism prevention plan, or if the child  
33 or the child's parent, guardian, or legal or actual custodian  
34 violates a term of the absenteeism prevention plan or fails  
35 to participate in the school engagement meeting, the county

1 attorney shall initiate an attendance cooperation proceeding  
2 under subsection 4 and shall serve a notice of such initiation  
3 on the child's parent, guardian, or legal or actual custodian,  
4 if the child is not an emancipated minor, or on the child, if  
5 the child is an emancipated minor, in the manner provided by  
6 the rules of civil procedure for service of an original notice.

7 *f.* This subsection is not applicable to a child who is  
8 receiving competent private instruction or independent private  
9 instruction in accordance with the requirements of chapter  
10 299A.

11 4. *a.* (1) When a child becomes truant, a school official  
12 shall send a notice to the county attorney of the county in  
13 which the public school's or accredited nonpublic school's  
14 central administrative office is located. Within a reasonable  
15 time after receipt of the notice, the county attorney shall  
16 initiate and participate in an attendance cooperation  
17 proceeding under this subsection.

18 (2) A school official may send a notice to the county  
19 attorney, and a county attorney may initiate and participate  
20 in an attendance cooperation proceeding under subparagraph  
21 (1) prior to a child becoming truant, if all of the following  
22 requirements are satisfied:

23 (a) The county attorney and the board of directors of the  
24 public school district or the governing body of the accredited  
25 nonpublic school agree to the amount of absences that will  
26 lead to the school official sending the notice and the county  
27 attorney initiating and participating in the attendance  
28 cooperation proceeding.

29 (b) The amount of absences that will lead to the school  
30 official sending the notice and the county attorney initiating  
31 and participating in the attendance cooperation proceeding is  
32 described in the school's student handbook.

33 *b.* The county attorney of the county in which the  
34 public school's or accredited nonpublic school's central  
35 administrative office is located shall designate any of

1 the following individuals to serve as a mediator during the  
2 attendance cooperation proceeding:

3 (1) A judge of this state or the United States.

4 (2) A neutral, third-party attorney who is licensed to  
5 practice law in this state.

6 (3) A mediator doing business in this state.

7 *c.* All of the following individuals shall participate in the  
8 attendance cooperation proceeding before the mediator selected  
9 under paragraph *b*:

10 (1) The child.

11 (2) The child's parent, guardian, or legal or actual  
12 custodian, if the child is not an emancipated minor.

13 (3) A school official.

14 (4) The county attorney of the county in which the  
15 public school's or accredited nonpublic school's central  
16 administrative office is located, or the county attorney's  
17 designee.

18 *d.* During the attendance cooperation proceeding, the  
19 participants shall attempt to find the cause for the child's  
20 absences, identify the child's barriers to attendance, and  
21 identify the interventions that may be used to improve the  
22 child's attendance.

23 *e.* (1) During the attendance cooperation proceeding, the  
24 participants shall create and sign an attendance cooperation  
25 agreement. The mediator shall receive a copy of the  
26 attendance cooperation agreement, and each participant signing  
27 the agreement shall also receive a copy. The attendance  
28 cooperation agreement shall identify the causes of the child's  
29 absences and the future responsibilities of each participant  
30 related to the child's attendance. The mediator may require  
31 any clause or provision to be included in the attendance  
32 cooperation agreement if the mediator reasonably believes such  
33 clause or provision will improve the child's attendance.

34 (2) A school official shall monitor the participants'  
35 compliance with the terms of the attendance cooperation

1 agreement. The attendance cooperation agreement shall require  
2 a school official to periodically contact the participants  
3 to monitor the performance of the participants under the  
4 agreement.

5 *f.* During the attendance cooperation proceeding, a school  
6 official may initiate referrals to any services or counseling  
7 that the participants believe may be appropriate under the  
8 circumstances to improve the child's attendance.

9 *g.* If the participants in the attendance cooperation  
10 proceeding fail to enter into an attendance cooperation  
11 agreement, or if the child or the child's parent, guardian, or  
12 legal or actual custodian violates a term of the agreement or  
13 fails to participate in the proceeding, the school official may  
14 refer the child to juvenile court or may refer the matter to  
15 the county attorney for prosecution within the county where the  
16 school's central administrative office is located.

17 *h.* The public school or accredited nonpublic school and the  
18 child's parent, guardian, or legal or actual custodian, if the  
19 child is not an emancipated minor child, or the child, if the  
20 child is an emancipated minor, shall equally share the costs of  
21 the attendance cooperation proceeding.

22 *i.* This subsection is not applicable to a child who is  
23 receiving competent private instruction or independent private  
24 instruction in accordance with the requirements of chapter  
25 299A.

26 Sec. 6. Section 299.13, Code 2024, is amended to read as  
27 follows:

28 **299.13 Civil enforcement.**

29 A person shall not disseminate or redisseminate information  
30 shared with the person pursuant to section ~~299.5A~~ or 299.12,  
31 unless specifically authorized to do so by section 217.30~~7~~  
32 ~~299.5A~~~~7~~ or 299.12. Unless a prohibited dissemination or  
33 redissemination of information is subject to injunction  
34 or sanction under other state or federal law, an action  
35 for judicial enforcement may be brought in accordance with

1 this section. An aggrieved person, the attorney general,  
2 or a county attorney may seek judicial enforcement of the  
3 requirements of this section in an action brought against the  
4 public school or accredited nonpublic school or any other  
5 person who has been granted access to information pursuant to  
6 section ~~299.5A~~ or 299.12. Suits to enforce this section shall  
7 be brought in the district court for the county in which the  
8 information was disseminated or redisseminated. Upon a finding  
9 by a preponderance of the evidence that a person has violated  
10 this section, the court shall issue an injunction punishable  
11 by civil contempt ordering the person in violation of this  
12 section to comply with the requirements of, and to refrain from  
13 any violations of section ~~299.5A~~ or 299.12 with respect to the  
14 dissemination or redissemination of information shared with the  
15 person pursuant to section ~~299.5A~~ or 299.12.

16 Sec. 7. REPEAL. Section 299.5A, Code 2024, is repealed.

17 Sec. 8. SCHOOL DISTRICTS — POLICIES RELATED TO PORTABLE  
18 ELECTRONIC DEVICES.

19 1. a. On or before December 31, 2024, each school district,  
20 in consultation with the county attorney of the county in which  
21 the school district's central administrative office is located,  
22 shall develop a policy that restricts student use of cellular  
23 telephones and smartphones during classroom instructional time.

24 b. The policy shall describe with specificity the  
25 expectations related to student use of cellular telephones and  
26 smartphones during the school day and disciplinary actions the  
27 school district will take if a student violates the policy.

28 c. The policy shall apply to all attendance centers within  
29 the school district; provided, however, that the policy may  
30 establish different expectations and disciplinary actions for  
31 different grade levels.

32 d. The policy shall describe the circumstances in which an  
33 employee of the school district may temporarily waive or make  
34 exceptions to the policy for a student in cases that require  
35 that reasonable exceptions be made.

1 2. The school district shall make the policy available to  
2 the public, including by publishing the policy on the school  
3 district's internet site.

4 Sec. 9. COUNTY ATTORNEYS — SCHOOL HANDBOOK AND SCHOOL  
5 POLICY REVISIONS. On or before December 31, 2024, each school  
6 district shall, in consultation with the county attorney of the  
7 county in which the school district's central administrative  
8 office is located, revise all school district handbooks and  
9 policies applicable to students enrolled in prekindergarten  
10 through grade eight to incorporate changes this Act has made  
11 related to student absenteeism and truancy, and prekindergarten  
12 through grade twelve for policies related to portable  
13 electronic devices.

14 Sec. 10. STATE MANDATE FUNDING SPECIFIED. In accordance  
15 with section 25B.2, subsection 3, the state cost of requiring  
16 compliance with any state mandate included in this division  
17 of this Act shall be paid by a school district from state  
18 school foundation aid received by the school district under  
19 section 257.16. This specification of the payment of the state  
20 cost shall be deemed to meet all of the state funding-related  
21 requirements of section 25B.2, subsection 3, and no additional  
22 state funding shall be necessary for the full implementation of  
23 this division of this Act by and enforcement of this division  
24 of this Act against all affected school districts.

25 DIVISION II

26 TRUANT STUDENTS — OPEN ENROLLMENT

27 Sec. 11. Section 282.18, subsection 2, paragraph b, Code  
28 2024, is amended to read as follows:

29 *b.* The board of the receiving district shall enroll  
30 the pupil in a school in the receiving district unless the  
31 receiving district has insufficient classroom space for the  
32 pupil or unless the receiving district has prohibited the  
33 pupil from enrolling pursuant to subsection 11A. The board of  
34 directors of a receiving district may adopt a policy granting  
35 the superintendent of the school district authority to approve

1 open enrollment applications. If the request is granted,  
2 the board shall transmit a copy of the form to the parent  
3 or guardian and the school district of residence within five  
4 days after board action. The parent or guardian may withdraw  
5 the request at any time prior to the board's action on the  
6 application. A denial of a request by the board of a receiving  
7 district is not subject to appeal.

8 Sec. 12. Section 282.18, Code 2024, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 11A. *a.* If a pupil participating in open  
11 enrollment is truant as defined in section 299.8, the receiving  
12 district may prohibit the pupil from remaining enrolled in the  
13 receiving district and from enrolling in the receiving district  
14 in the future. A receiving district shall send notification of  
15 the receiving district's decision to prohibit the pupil from  
16 remaining enrolled in the receiving district pursuant to this  
17 paragraph to the pupil's parent or guardian and to the pupil's  
18 sending district.

19 *b.* The sending district shall enroll the pupil who is  
20 prohibited from remaining enrolled in the receiving district  
21 pursuant to paragraph "a".

22 *c.* This subsection shall not be construed to prohibit the  
23 pupil's parent or guardian from filing a request to transfer  
24 pursuant to subsection 2, paragraph "a", subsequent to the  
25 receiving district's decision to prohibit the pupil from  
26 remaining enrolled in the receiving district.>

27 2. Title page, by striking lines 1 and 2 and inserting  
28 <An Act relating to education, including by requiring school  
29 engagement meetings and attendance cooperation proceedings when  
30 children are absent from school, requiring school districts  
31 to restrict student use of cellular phones and smartphones,  
32 modifying provisions related to open enrollment of truant  
33 students, and modifying penalties.>

By MOHR of Scott

H-8191 (Continued)

JONES of Clay

H-8191 FILED MARCH 11, 2024

HOUSE FILE 2580

H-8183

1 Amend House File 2580 as follows:

- 2 1. Page 1, line 8, by striking <Appoint a guardian ad litem>  
3 and inserting <Appoint counsel and a guardian ad litem>
- 4 2. Page 2, line 20, by striking <Appoint a guardian ad  
5 litem> and inserting <Appoint counsel and a guardian ad litem>
- 6 3. Page 4, line 15, by striking <Appoint a guardian ad  
7 litem> and inserting <Appoint counsel and a guardian ad litem>

By LOHSE of Polk

H-8183 FILED MARCH 11, 2024

HOUSE FILE 2605

H-8182

1 Amend the amendment, H-8180, to House File 2605, as follows:

2 1. By striking page 1, line 1, through page 7, line 20, and  
3 inserting:

4 <Amend House File 2605 as follows:

5 1. By striking everything after the enacting clause and  
6 inserting:

7 <DIVISION I

8 IOWA HEMP ACT

9 Section 1. Section 204.2, Code 2024, is amended by adding  
10 the following new subsections:

11 NEW SUBSECTION. 01. "*Advertise*" means to present a  
12 commercial message in any medium, including but not limited to  
13 print, radio, television, sign, display, text message, label,  
14 tag, or articulation.

15 NEW SUBSECTION. 6A. "*Distribute*" means to transfer  
16 possession.

17 NEW SUBSECTION. 15A. "*Registrant*" means a person who is  
18 registered with the department of health and human services and  
19 the department of revenue pursuant to section 204.7.

20 Sec. 2. Section 204.2, subsection 2, paragraph c, Code 2024,  
21 is amended to read as follows:

22 c. A hemp product is deemed to be a consumable hemp product  
23 if ~~it is any of the following~~ all of the following apply:

24 (1) It is any of the following:

25 (a) Designed by the processor, including the manufacturer,  
26 to be introduced into the human body.

27 (2) (b) Advertised as an item to be introduced into the  
28 human body.

29 (3) (c) Distributed, exported, or imported, offered for  
30 sale, or distribution sold to be introduced into the human  
31 body.

32 (2) Its maximum tetrahydrocannabinol concentration is less  
33 than or equal to the maximum tetrahydrocannabinol concentration  
34 allowed under section 124.204, subsection 7.

35 Sec. 3. Section 204.7, subsection 8, paragraph a,

1 subparagraph (3), Code 2024, is amended to read as follows:

2 (3) The consumable hemp product complies with packaging  
3 and labeling requirements, which shall be established by rules  
4 adopted by the department of health and human services ~~by rule~~.

5 Sec. 4. Section 204.7, subsection 8, paragraph a, Code 2024,  
6 is amended by adding the following new subparagraphs:

7 NEW SUBPARAGRAPH. (4) The consumable hemp product complies  
8 with restrictions upon the sale or other distribution of a  
9 consumable hemp product established by rules adopted by the  
10 department of health and human services.

11 NEW SUBPARAGRAPH. (5) The consumable hemp product meets  
12 requirements for total delta-9 tetrahydrocannabinol potency on  
13 a per serving and per container basis, as set forth by rules  
14 adopted by the department of health and human services.

15 Sec. 5. Section 204.7, subsection 8, Code 2024, is amended  
16 by adding the following new paragraph:

17 NEW PARAGRAPH. *Ob.* (1) A person is engaged in the retail  
18 sale of a consumable hemp product, if any of the following  
19 apply:

20 (a) The person offers to distribute a consumable hemp  
21 product to a consumer in exchange for consideration.

22 (b) The person is an owner of a business that distributes  
23 consumable hemp products to consumers in exchange for  
24 consideration.

25 (c) The person is a business that distributes consumable  
26 hemp products to consumers in exchange for consideration and  
27 presents a consumable hemp product to a consumer in the form  
28 of a gift.

29 (2) A person, including a business, is engaged in the sale  
30 of a consumable hemp product regardless of whether the person  
31 is registered with the department of health and human services  
32 and the department of revenue as provided in this section.

33 Sec. 6. Section 204.7, subsection 8, paragraphs b and c,  
34 Code 2024, are amended to read as follows:

35 *b.* A person manufacturing a consumable hemp product in this

1 state shall register with the department of health and human  
2 services and the department of revenue on a form prescribed by  
3 ~~the department of health and human services~~ by rule adopted  
4 jointly by both departments. The department of health and  
5 human services and the department of revenue may impose a fee,  
6 established ~~by the department of health and human services~~  
7 jointly by rule, on a registrant not to exceed the cost of  
8 processing the registration. The department of health and  
9 human services and the department of revenue shall jointly  
10 adopt rules for the revocation of a registration issued to a  
11 manufacturer who manufactures a consumable hemp product not in  
12 compliance with this chapter.

13 c. A person selling a consumable hemp product in this  
14 state shall register with the department of health and human  
15 services and the department of revenue on a form prescribed by  
16 ~~the department of health and human services by rule and rule~~  
17 adopted jointly by both departments. The person shall keep on  
18 the premises of the person's business a copy of the certificate  
19 of analysis issued pursuant to section 204.8 for the hemp  
20 contained in the consumable hemp products sold by the person.  
21 The department of health and human services ~~may impose~~ and the  
22 department of revenue may jointly adopt by rule a registration  
23 ~~fee, established by the department of health and human services~~  
24 ~~by rule, imposed~~ on a registrant not to exceed the cost of  
25 processing the registration. The department of health and  
26 human services and the department of revenue shall jointly  
27 adopt rules for the revocation of a registration issued to a  
28 person who sells a consumable hemp product not in compliance  
29 with this section.

30 Sec. 7. Section 204.12, subsection 1, Code 2024, is amended  
31 to read as follows:

32 1. A Unless another civil penalty is otherwise provided in  
33 this chapter, a person who violates a provision of this chapter  
34 is subject to a civil penalty of not less than five hundred  
35 dollars and not more than two thousand five hundred dollars.

1 The department shall impose, assess, and collect the civil  
2 penalty. Each day that a continuing violation occurs may be  
3 considered a separate offense.

4 Sec. 8. Section 204.14A, Code 2024, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 1A. A person shall not possess, use,  
7 manufacture, market, transport, deliver, or distribute a  
8 consumable hemp product if it is capable of inhalation by using  
9 either method described in subsection 1, paragraph "b" or "c".

10 Sec. 9. Section 204.14A, subsection 2, Code 2024, is amended  
11 to read as follows:

12 2. A person who violates subsection 1 or 1A is guilty of a  
13 serious misdemeanor.

14 Sec. 10. NEW SECTION. **204.14B Sale of consumable hemp**  
15 **product — failure to register — civil penalty.**

16 1. A person engaged in the retail sale of a consumable  
17 hemp product in this state without being registered with the  
18 department of health and human services as required in section  
19 204.7 shall be subject to a civil penalty of not more than ten  
20 thousand dollars. The department of health and human services  
21 shall impose, assess, and collect the civil penalty. Each day  
22 that a continuing violation occurs may be considered a separate  
23 offense.

24 2. All civil penalties collected under this section shall be  
25 deposited into the general fund of the state.

26 3. A person in violation of this section is not also subject  
27 to a civil penalty as provided in section 204.12.

28 Sec. 11. NEW SECTION. **204.14C Sale of consumable hemp**  
29 **product — failure to register — criminal penalty.**

30 1. a. A person engaged in the retail sale of a consumable  
31 hemp product who is not registered with the department of  
32 health and human services as required in section 204.7 commits  
33 a serious misdemeanor.

34 b. A person engaged in the retail sale of an item advertised  
35 as a consumable hemp product that is not a consumable hemp

1 product commits a serious misdemeanor.

2 2. This section shall be presumed not to be in conflict with  
3 or limit a prosecution for a violation of any other provision  
4 of law, including but not limited to chapter 124 or 21 U.S.C.  
5 ch. 13.

6 Sec. 12. NEW SECTION. 204.14D Persons under legal age —  
7 criminal offense.

8 1. A person shall not sell, give, or otherwise distribute  
9 a consumable hemp product to a person under twenty-one years  
10 of age.

11 2. A person who violates subsection 1 is guilty of a simple  
12 misdemeanor.

13 Sec. 13. NEW SECTION. 204.14E Persons under legal age —  
14 scheduled violation and community service.

15 1. A person under twenty-one years of age shall not consume,  
16 possess, purchase, or attempt to purchase a consumable hemp  
17 product.

18 2. A person who violates subsection 1 shall be subject to a  
19 scheduled violation in the form of a civil penalty pursuant to  
20 section 805.8C, subsection 3, paragraph "d".

21 3. In addition to the imposition of a civil penalty as  
22 provided in subsection 2, a person who violates subsection 1  
23 shall be subject to a court appearance as provided in section  
24 805.10. The court shall sentence the person to perform a  
25 specified number of hours of unpaid community service as deemed  
26 appropriate by the court subject to the following:

27 a. For a first violation, eight hours, unless waived by the  
28 court.

29 b. For a second offense, twelve hours.

30 c. For a third or subsequent offense, sixteen hours.

31 4. A person who violates this section is not subject to a  
32 civil penalty as provided in section 204.12.

33 5. A person does not violate subsection 1 by possessing  
34 a consumable hemp product if the person is employed by a  
35 registrant and the person is possessing the consumable hemp

1 product as part of their employment.

2 Sec. 14. NEW SECTION. 204.14F Persons under legal age —  
3 exception — cooperation with department of public safety or  
4 local law enforcement agency.

5 1. *a.* A person who would otherwise act to commit an offense  
6 under section 204.14D is not guilty of that offense if the  
7 person acts under the direction or consent of the department  
8 of public safety or a local law enforcement agency as part of  
9 an enforcement investigation.

10 *b.* A person who would otherwise act to commit a violation  
11 under section 204.14E is not subject to that offense if the  
12 person acts under the direction or consent of the department  
13 of public safety or a local law enforcement agency as part of  
14 an enforcement investigation.

15 2. In enforcing this section, the department of public  
16 safety or a local law enforcement agency shall take all  
17 measures necessary to ensure that a consumable hemp product  
18 is not introduced into the body of a person under the age of  
19 twenty-one.

20 3. Notwithstanding chapter 22, any personal information  
21 identifying the person committing an offense or violation as  
22 described in this section shall be confidential.

23 Sec. 15. NEW SECTION. 204.15A Hemp products — order of  
24 confiscation and disposal.

25 1. The department of health and human services may order the  
26 confiscation and disposal of a hemp product based on any of the  
27 following:

28 *a.* It is falsely advertised, sold, or distributed as a  
29 consumable hemp product.

30 *b.* It exceeds the maximum tetrahydrocannabinol concentration  
31 allowed under section 124.204, subsection 7, or this chapter.

32 *c.* It is a consumable hemp product manufactured, sold,  
33 or distributed by a person who is not registered with the  
34 department of health and human services as is required in  
35 section 204.7.

1     2. The department of health and human services shall act  
2 in consultation with the department of public safety. The  
3 department of health and human services may request assistance  
4 from the department of public safety or a local law enforcement  
5 agency as necessary to carry out the provisions of this  
6 section. The department of health and human services, upon  
7 request, shall deliver any sample of the item to the department  
8 of public safety or a local law enforcement agency.

9     3. A person required to be registered with the department of  
10 health and human services as provided in section 204.7 shall  
11 pay the department of health and human services all actual  
12 and reasonable costs of the destruction of the item. If that  
13 department assumes any amount of the costs, it may charge that  
14 amount to the person.

15     Sec. 16. Section 805.8C, subsection 3, Code 2024, is amended  
16 by adding the following new paragraph:

17     NEW PARAGRAPH. *d.* (1) For violations of section 204.14E,  
18 the scheduled fine is as follows:

19     (a) If the violation is a first offense, the scheduled fine  
20 is seventy dollars.

21     (b) If the violation is a second offense, the scheduled fine  
22 is one hundred thirty-five dollars.

23     (c) If the violation is a third or subsequent offense, the  
24 scheduled fine is three hundred twenty-five dollars.

25     (2) The fine shall be imposed as a civil penalty.

26     (3) The crime services surcharge under section 911.1 shall  
27 not be added to the penalty, and the court costs pursuant to  
28 section 805.9, subsection 6, shall not be imposed.

29     (4) Notwithstanding section 805.12, any civil penalty paid  
30 under this subsection shall be retained by the city or county  
31 enforcing the violation.

32     Sec. 17. Section 805.10, subsection 1, Code 2024, is amended  
33 by adding the following new paragraph:

34     NEW PARAGRAPH. *e.* When a violation charged involves the  
35 consumption, possession, purchase, or attempt to purchase of

H-8182 (Continued)

1 a consumable hemp product as provided in section 204.14E, for  
2 which there is a community service sentence.

3 DIVISION II

4 REGULATION OF ALCOHOLIC BEVERAGES

5 Sec. 18. Section 123.49, subsection 2, Code 2024, is amended  
6 by adding the following new paragraph:

7 NEW PARAGRAPH. 1. Sell, give, or otherwise supply any  
8 alcoholic beverage containing tetrahydrocannabinol as described  
9 in chapter 124, including any isomers, derivatives, or analogs  
10 of tetrahydrocannabinol, whether naturally occurring or  
11 synthesized, to any person on the licensed premises.

12 Sec. 19. NEW SECTION. 123.49A **Restriction on alcoholic**  
13 **beverages containing tetrahydrocannabinol.**

14 A holder of a license, permit, or certificate of compliance  
15 issued by the department under this chapter shall not  
16 manufacture, import, or sell at wholesale in this state an  
17 alcoholic beverage containing tetrahydrocannabinol as described  
18 in chapter 124, including any isomers, derivatives, or analogs  
19 of tetrahydrocannabinol, whether naturally occurring or  
20 synthesized.>>

By KONFRST of Polk

H-8182 FILED MARCH 11, 2024



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[HF 2017](#) – Nurse Preceptor Tax Credit (LSB5138YH)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[House File 2017](#) creates an Advanced Registered Nurse Practitioner Preceptor Tax Credit. The Bill does the following:

- Creates an individual income tax credit for nurse preceptors equal to \$500 per clinical preceptorship where a minimum of 100 hours of clinical learning experience is provided, not to exceed \$2,000 in aggregate. To be eligible for the tax credit, the nurse preceptor is required to have at least one year of experience, among other qualifications.
- Does not allow the tax credit to be refundable, carried forward, or carried back.
- Defines “preceptor” as an advanced registered nurse practitioner who is currently licensed as a registered nurse under Iowa Code chapter [152](#) or [152E](#) and is licensed by the Board of Nursing (Board) as an advanced registered nurse practitioner.
- Defines “clinical preceptorship” as a mentoring experience under the direction of a nursing program where a preceptor is used to provide a clinical learning experience for a student who is a resident enrolled in the program.
- Requires the preceptor to document the clinical preceptorship.
- Requires the Iowa Department of Revenue (IDR) to adopt rules to administer the Bill.

The Bill is effective with tax years beginning on or after January 1, 2025.

### **Background**

Iowa Administrative Code section [655.2](#) details rules for nursing education programs in Iowa, including preceptorships. Numerous college programs in Iowa employ preceptors to train and supervise student candidates in nursing and other fields of study. The Board approves nursing education programs preparing registered nurse and practical nurse candidates and all advanced formal academic nursing education programs. The Board’s [2022 Annual Report](#) documents 1,072 current faculty across all nursing education programs, with 80 vacancies.

### **Assumptions**

- The \$2,000 cap on the tax credit applies to a tax year, and there is no lifetime cap on qualifying nurse practitioner preceptors accessing the tax credit.
- The tax credit will only be claimed against the individual income tax credit.
- Each tax credit recipient will claim an average credit of \$1,800 each tax year.
- With potentially 1,000 to 1,200 eligible nurse practitioner preceptors in Iowa, approximately 1,100 of them use the tax credit on an annual basis.
- Since tax year (TY) 2025 will be the first year the tax credit is available, the first fiscal impacts will take place beginning in FY 2026.
- The Bill affects both resident and nonresident individual income taxpayers.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer’s Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 2.5% of State individual income tax liability.

**Fiscal Impact**

House File 2017 will decrease revenue to the General Fund by \$1.9 million annually beginning in FY 2026. The Bill will also decrease the income surtax to local governments by \$48,000 annually beginning in FY 2026.

**Sources**

Iowa Board of Nursing  
Iowa Department of Revenue  
Legislative Services Agency analysis

/s/ Jennifer Acton

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March 11, 2024

Doc ID 1447787

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2401](#) – Regulation of Pharmacy Benefits Managers (LSB5093HV)  
Staff Contact: Xavier Leonard (515.725.0509) [xavier.leonard@legis.iowa.gov](mailto:xavier.leonard@legis.iowa.gov)  
Fiscal Note Version – New

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**Description**

[House File 2401](#) relates to pharmacy benefits managers (PBMs), pharmacies, and prescription drug pricing; provides applicability provisions; and provides protections for pharmacies and pharmacists, contract requirements for prescription drug pricing, and requirements for the appeal and dispute process between PBMs and pharmacies.

The Bill applies to PBMs who manage a prescription drug benefit in the State on or after July 1, 2024.

**Background**

Iowa Code chapter [510B](#) defines “pharmacy benefits manager” as a person who, pursuant to a contract or other relationship with a third-party payor, either directly or through an intermediary, manages a prescription drug benefit provided by the third-party payor.

As defined in Iowa Code chapter 510B, “third-party payor” means any entity other than a covered person or a health care provider that is responsible for any amount of reimbursement for a prescription drug benefit. “Third-party payor” includes health carriers and other entities that provide a plan of health insurance or health care benefits. Exceptions to the definition can be found in Iowa Code section 510B.1(22).

A maximum allowable cost (MAC) list is a list of prescription drugs that includes the MAC for each prescription drug and that is used by a PBM. The MAC is the maximum amount for which a pharmacy will be reimbursed by a PBM or health carrier for a drug and may be measured via multiple methods, including but not limited to average acquisition cost, national average acquisition cost, average manufacturer price, average wholesale price, and wholesale acquisition cost.

House File 2401 is estimated to impact approximately 25.2% of the State’s population (807,000 persons). This includes individual coverage, fully insured small and large employer groups, self-insured public employees, and the State of Iowa Plan.

Of the individuals not covered by the mandate, approximately 47.9% are covered by government-sponsored health insurance, 23.0% are covered by employer coverage that is governed by the federal [Employee Retirement Income Security Act of 1974 \(ERISA\)](#), and the remaining 3.9% are uninsured. Additional details are presented in **Figure 1**.

**Figure 1 — Population Covered by Insurance Plans Regulated by Iowa Law**

<b>Type of Coverage</b>	<b>Iowa Population</b>	<b>Percent of Population</b>
Total Population 2022	3,200,517	100.0%
<b>Included in Mandate</b>		
Individual Coverage	102,399	3.2%
Fully Insured Small Employer Group	140,349	4.4%
Fully Insured Large Employer Group	294,013	9.2%
Self-Insured Public Employees	215,000	6.7%
State of Iowa Plan	55,000	1.7%
<b>Total</b>	<b>806,761</b>	<b>25.2%</b>
<b>Not Included in Mandate</b>		
Employer (self-insured + other types not listed)	736,868	23.0%
Uninsured	126,000	3.9%
Other Public (Military, Tricare, Veterans Affairs)	21,600	0.7%
Medicare	658,382	20.6%
Medicaid + Children’s Health Insurance Plan	850,906	26.6%
<b>Total</b>	<b>2,393,756</b>	<b>74.8%</b>

Source: Iowa Insurance Division, Department of Insurance and Financial Services, and Wellmark

**Assumptions**

- Neither the spread pricing nor the pass-through pricing, as required by the Bill, will represent a meaningful change from current practices for the State’s health plans.
- The MAC requirements in the Bill may, in some cases, increase the amount reimbursed per unit for filling prescriptions.
- State of Iowa Plan and the Board of Regents Insurance Plans prescription drug spending may increase between 0.2% and 2.0% as a result of the MAC requirements.
- Potential offsetting pricing changes by PBMs may decrease the overall effect of increased prescription drug spending, making the lower end of the above range more likely.

**Fiscal Impact**

House File 2401 is estimated to increase annual cost to the State of Iowa Insurance Plan by between approximately \$223,000 and \$2.2 million and the Board of Regents Insurance Plans between \$283,000 and \$2.8 million, as shown in **Figure 2**, beginning in FY 2025.

It is estimated that the lower end of this range is more likely to occur, since offsetting price changes by PBMs, as a result of pharmacy reimbursement rates changing, will decrease the overall effect of MAC requirements in the Bill.

**Figure 2 — Annual Fiscal Impact Summary**

	<b>Pharmacy Spend</b>	<b>Low Estimate of Increased Pharmacy Costs</b>	<b>High Estimate of Increased Pharmacy Costs</b>
State University of Iowa	\$ 106,100,000	\$ 212,000	\$ 2,123,000
Iowa State University	29,200,000	58,000	585,000
University of Northern Iowa	6,400,000	13,000	128,000
<b>University Total</b>	<b>\$ 141,700,000</b>	<b>\$ 283,000</b>	<b>\$ 2,836,000</b>
State of Iowa	111,700,000	223,000	2,233,000
<b>Total</b>	<b>\$ 253,400,000</b>	<b>\$ 506,000</b>	<b>\$ 5,069,000</b>

Amounts may not total due to rounding.

**Sources**

Iowa Insurance Division, Department of Insurance and Financial Services  
 Board of Regents  
 Wellmark  
 Legislative Services Agency

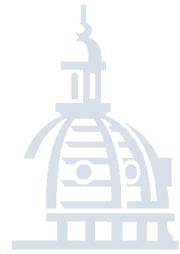
\_\_\_\_\_  
 /s/ Jennifer Acton

March 8, 2024

Doc ID 1446654

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 The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2420](#) – Workforce Housing Tax Credits (LSB5966HV)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[House File 2420](#) increases the maximum annual limit of the [Workforce Housing Tax Credit](#) from \$35.0 million to \$50.0 million and increases the annual credits allocated to qualified housing projects in small cities from \$17.0 million to \$25.0 million.

### **Background**

2021 Iowa Acts, [Senate File 619](#) (Taxation and Other Provisions Act), increased the maximum annual limits of Workforce Housing Tax Credits from \$25.0 million to \$40.0 million for FY 2022 and to \$35.0 million beginning in FY 2023. Additionally, the Bill increased the small-city set-aside in the 88 least populous Iowa counties, and in cities or towns with a population less than or equal to 2,500 in the 11 most populous Iowa counties, from \$10.0 million to \$12.0 million for FY 2022 and to \$17.5 million for FY 2023 and after. In FY 2023, \$7.4 million in Workforce Housing Tax Credit claims were redeemed, according to the [December 2023 Tax Credits Contingent Liabilities Report](#) published by the Iowa Department of Revenue (IDR).

The Iowa Economic Development Authority (IEDA) reviews applications and awards tax credits. The program provides tax benefits to developers to provide housing in Iowa cities and towns, focusing on projects using abandoned, empty, or dilapidated properties. The program is limited to \$1.0 million per project. Tax credits under the program are sales tax refunds and transferable investment tax credits, pursuant to Iowa Code section [15.355](#).

### **Assumptions**

- There are no new full-time equivalent (FTE) positions needed by the IEDA to administer the application review and awarding of the tax credit.
- The full amount of the \$50.0 million aggregated annual cap will be awarded each year.
- 78.9% of awards will be investment tax credits and 21.1% will be sales and use tax refunds, based on program history.
- Investment tax credits will begin to be awarded for tax year (TY) 2024, 20.0% of which are claimed against the individual income tax, 20.0% against the corporate income tax, and 60.0% against the insurance premium tax.
- The initial fiscal impact for claims under the Bill will occur in FY 2025.
- The investment tax credit is nonrefundable. Any tax credit in excess of the tax liability may be carried forward for up to seven years.
- According to the IDR, it is assumed that 75.0% of the investment tax credits will be claimed, with the timing of claims indicated below:
  - Year 0 — 19.1%
  - Year 1 — 35.5%
  - Year 2 — 17.6%
  - Year 3 — 2.6%
  - Year 4 — 0.1%
  - Year 5 — 0.1%

- Year 6 — 0.0%
- According to the IDR, it is assumed that 97.9% of sales and use tax refunds will be claimed, with the timing of claims indicated below:
  - Year 0 — 68.6%
  - Year 1 — 29.3%
  - Year 2 — 0.0%
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this **Fiscal Note**, the surtax is assumed to equal 2.5% of State individual income tax liability.

### **Fiscal Impact**

The proposed increase in the maximum amount of the Workforce Housing Tax Credit is projected to decrease net General Fund revenue by the following amounts:

- FY 2025 = \$4.4 million
- FY 2026 = \$9.5 million
- FY 2027 = \$11.6 million
- FY 2028 = \$11.9 million
- FY 2029 = \$11.9 million

The increase in investment tax credits is projected to decrease the statewide local option income surtax for schools by the following amounts:

- FY 2025 = \$10,000
- FY 2026 = \$32,000
- FY 2027 = \$43,000
- FY 2028 = \$44,000
- FY 2029 = \$44,000

### **Sources**

Iowa Department of Revenue  
 Iowa Economic Development Authority  
 Legislative Services Agency analysis

/s/ Jennifer Acton

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March 8, 2024

Doc ID 1447790

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2503](#) – Retired Farmer Lease Income Exclusion, Pass-Through Entities (LSB5832YH)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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**Description**

[House File 2503](#) allows the net income from a farm tenancy agreement for an entity taxed as a disregarded entity, a partnership for federal tax purposes, an S corporation, a trust, or an estate to be deducted from the net individual income tax for a retired farmer who materially participated in a farming business for 10 or more years.

The Bill takes effect upon enactment and is retroactively effective to tax years beginning January 1, 2023.

**Background**

Iowa Code section [422.7](#) details how net income is computed for federal income tax purposes with State adjustments. Farm tenancy income covering real property held by an individual for 10 or more years is eligible to be subtracted from net income for State tax purposes. Currently, Iowa Code section 422.7(14)(e) does not allow an entity taxed as a partnership for federal tax purposes, an S corporation, a trust, or an estate to deduct net income from a farm tenancy agreement for the net individual income tax. The Bill would remove this ineligibility.

**Assumptions**

- According to the Iowa Department of Revenue (IDR), the Bill will entail administrative costs, updated forms, administrative rules, development, enforcement costs, and other related costs that cannot be estimated due to lack of information. However, any fiscal impacts related to these challenges are not included in this ***Fiscal Note***.
- It is assumed that retired farmers who receive farm income from partnerships in 5 of the prior 12 tax years will have received at least 10 years of farm income during their entire working lives and are eligible for the deduction. According to the IDR, the total farm rental income from partnerships that is passed through to qualified retired farmers is estimated to be \$31,000 in tax year (TY) 2022.
- It is assumed that retired farmers who receive farm income from S corporations in 5 of the prior 10 tax years will have received at least 10 years of farm income during their entire working lives and are eligible for the deduction. According to the IDR, the total farm rental income from S corporations that is passed through to qualified retired farmers is estimated to be \$27.4 million in TY 2022.
- It is assumed that retired farmers who receive farm income from estates and trusts in 5 of the prior 7 tax years will have received at least 10 years of farm income during their entire working lives and are eligible for the deduction. According to the IDR, the total farm rental income from estates and trusts that is passed through to qualified retired farmers is estimated to be \$10.1 million in TY 2022.
- Qualified total farm rental income for the entities in this ***Fiscal Note*** equals \$37.6 million in TY 2023, growing annually to \$41.5 million by TY 2030.
- The marginal individual income tax rate per TY is estimated below:
  - TY 2023 — 5.43%
  - TY 2024 — 5.02%

- TY 2025 — 4.67%
- TY 2026 and after — 3.90%
- The fiscal impact of a TY would be realized in the following fiscal year, except that TY 2023 and TY 2024 fiscal impacts would both be realized in FY 2025.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 2.5% of State individual income tax liability.

### **Fiscal Impact**

The proposed deductions from the individual income tax in House File 2503 are projected to decrease net individual income tax liability and State General Fund revenue by the following amounts:

- FY 2025 = \$3.9 million
- FY 2026 = \$1.8 million
- FY 2027 = \$1.5 million
- FY 2028 = \$1.5 million
- FY 2029 = \$1.6 million
- FY 2030 = \$1.6 million

The decrease in tax liability is also projected to decrease the statewide local option income surtax for schools by the following amounts:

- FY 2025 = \$99,000
- FY 2026 = \$44,000
- FY 2027 = \$38,000
- FY 2028 = \$38,000
- FY 2029 = \$39,000
- FY 2030 = \$40,000

### **Sources**

Iowa Department of Revenue  
Legislative Services Agency analysis

/s/ Jennifer Acton

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March 8, 2024

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2649](#) – Capital Gains Deduction, Sale of Livestock (LSB5662HV)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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**Description**

[House File 2649](#) excludes the net capital gain from the sale of livestock from the computation of net income for individual income taxpayers. The Bill:

- Allows a taxpayer to exclude the net capital gain from the sale of cattle or horses if held by the taxpayer for more than 24 months if the taxpayer receives more than 50.0% of gross income from farming or ranching operations during the tax year.
- Allows a taxpayer to exclude the net capital gain from the sale of breeding livestock if held by the taxpayer for more than 12 months if the taxpayer receives more than 50.0% of gross income from farming or ranching operations during the tax year.
- The Bill disallows a retired farmer from taking the exclusion if the retired farmer takes a similar exclusion allowed in Iowa Code section [422.7\(13\)](#).

The Bill is retroactively effective to January 1, 2024, for tax years beginning on or after that date.

**Background**

[Section 1223](#) of the Internal Revenue Code defines the length of time in the Bill a farmer is required to hold cattle, horses, or breeding livestock for purposes of a net capital gain exclusion.

2022 Iowa Acts, [House File 2317](#) (Income Tax Rate Reduction and Exemptions Act), created new net income exclusions for retired farmers. Iowa Code section 422.7(13) allows retired farmers to take net capital gain exclusions from their net income from the sale of cattle, horses, or breeding livestock, but only if the taxpayer materially participated in the farming business for five of the eight years preceding the farmer's retirement or disability and the tax payer has sold all or substantially all of the taxpayer's interest in the farming business by the time the election is made.

**Assumptions**

- Taxpayers who record at least one-half of their gross income from farming or ranching operations according to the [IA 100A](#) form are eligible for the capital gains deduction. On average, between tax year (TY) 2016 and TY 2021, taxpayers claimed \$70.5 million in capital gains through livestock sales.
- Approximately 76.0% of capital gains through livestock sales will be made exempt due to the Bill. It is estimated that the amount of capital gains that will be made exempt will be \$53.6 million in TY 2024.
- Annual increases in capital gains exemptions will be 2.7% in TY 2025, 2.3% in TY 2026, and 2.2% in TY 2027 and beyond, equaling the estimated consumer price index (CPI) estimations from Moody's Analytics.
- The marginal State tax rate is estimated to be 5.0% in TY 2024, 4.7% in TY 2025, and 3.9% in TY 2026 and beyond.
- It is assumed the impacts of a TY under the Bill will be realized when taxpayers file returns in the corresponding fiscal year. The first year of fiscal impacts due to the Bill is FY 2025 for TY 2024.

- Changes proposed in the Bill will include administrative costs, rule development, and enforcement and related costs. These cannot be estimated in this **Fiscal Note** due to a lack of information.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 2.5% of State individual income tax liability.

**Fiscal Impact**

The proposed exclusions from the individual income tax in House File 2649 are projected to decrease net individual income tax liability and State General Fund revenue by the following amounts:

- FY 2025 = \$2.7 million
- FY 2026 = \$2.6 million
- FY 2027 = \$2.2 million
- FY 2028 = \$2.2 million
- FY 2029 = \$2.3 million
- FY 2030 = \$2.3 million

The decrease in tax liability is also projected to decrease the statewide local option income surtax for schools by the following amounts:

- FY 2025 = \$67,000
- FY 2026 = \$64,000
- FY 2027 = \$55,000
- FY 2028 = \$56,000
- FY 2029 = \$57,000
- FY 2030 = \$59,000

**Sources**

Iowa Department of Revenue  
Legislative Services Agency analysis

/s/ Jennifer Acton

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March 11, 2024

Doc ID 1447842

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2650](#) – Business Expense Deductions, Medical Cannabidiol (LSB5498HV)  
Staff Contact: Eric Richardson (515.281.6767) [eric.richardson@legis.iowa.gov](mailto:eric.richardson@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description**

[House File 2650](#) allows a medical cannabidiol manufacturer and a medical cannabidiol dispensary to deduct business expenses from individual income tax or corporate income tax.

The Bill is retroactively effective to January 1, 2021, for tax years beginning on or after that date.

### **Background**

[Section 280E](#) of the Internal Revenue Code disallows any deductions or tax credits to the net income of any taxpayer for any amount paid or incurred for businesses and activities associated with trafficking in controlled substances under Schedules I and II of the [Controlled Substances Act](#), which includes extracted cannabidiols.

Iowa Code chapter [124E](#) was enacted in 2017 Iowa Acts, [chapter 162](#) (Medical Cannabidiol Act), and allows licensed dispensaries to provide cannabidiols for medical purposes as administered by the Department of Health and Human Services (HHS). As of October 2023, the [program](#) has authorized approximately 18,100 active patient cardholders for medical cannabidiol products from Iowa's licensed dispensaries.

### **Assumptions**

- Gross income for individuals and corporations from the production and sale of medical cannabidiol is equal to gross sales from Iowa's medical cannabidiol dispensaries. Data on taxable sales of medical cannabidiol from dispensaries comes from HHS monthly [reports](#).
- The Iowa Department of Revenue estimates that business expenses in the production and sale of medical cannabidiol will be the same as average levels of business expenses for other Iowa corporations, or 28.9% of gross income.
- The effective tax rate for impacted individual and corporate taxpayers is assumed to be as follows for each tax year:
  - Individual income taxpayers:
    - Tax year (TY) 2021 — 5.9%
    - TY 2022 — 5.9%
    - TY 2023 — 5.0%
    - TY 2024 — 5.0%
    - TY 2025 — 4.7%
    - TY 2026 and after — 3.9%
  - Corporate income taxpayers:
    - TY 2021 — 9.8%
    - TY 2022 — 9.8%
    - TY 2023 — 8.4%
    - TY 2024 — 7.1%
    - TY 2025 — 6.4%
    - TY 2026 and after — 5.5%

- The number of active registration cards for medical cannabidiol issued to patients in TY 2024 and beyond will remain the same.
- Medical cannabidiol taxable sales in TY 2024 through TY 2029 are estimated to increase by 2.0% annually.
- There is no available information on the ownership structures of cannabidiol dispensaries. This **Fiscal Note** assumes that dispensary ownership is divided equally between corporations and pass-through entities (with individual owners), and 50.0% of the fiscal impact will occur against the corporate income tax and 50.0% will occur against the individual income tax.
- The [income surtax for schools](#) is a local option tax that is based on a taxpayer's Iowa income tax liability. Law changes that lower Iowa income tax liability also lower the amount of income surtax owed by any taxpayer subject to the surtax. For this projection, the surtax is assumed to equal 2.5% of State individual income tax liability.
- TY 2021 through TY 2024 combined will impact FY 2025. For other tax years, all tax year impacts are assumed to occur in the subsequent fiscal year.

### **Fiscal Impact**

The individual income tax rate changes in House File 2650 are projected to decrease State General Fund revenue by the following amounts:

- FY 2025 = \$900,000
- FY 2026 = \$200,000
- FY 2027 = \$200,000
- FY 2028 = \$200,000
- FY 2029 = \$200,000
- FY 2030 = \$200,000

The decrease in tax liability is also projected to decrease the statewide local option income surtax for schools by the following amounts:

- FY 2025 = \$9,000
- FY 2026 = \$2,000
- FY 2027 = \$2,000
- FY 2028 = \$2,000
- FY 2029 = \$2,000
- FY 2030 = \$2,000

### **Sources**

Iowa Department of Revenue  
Iowa Department of Health and Human Services  
Legislative Services Agency analysis

/s/ Jennifer Acton

March 8, 2024

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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