

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

April 12, 2024

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
HF 664	H-8312	Filed	RECEIVED FROM THE SENATE
HF 2586	H-8313	Filed	RECEIVED FROM THE SENATE
SF 2395	H-8314	Filed	COMMITTEE ON APPROPRIATIONS, et al

Fiscal Notes

[HF 664](#) — [Sales and Use Tax Exemptions, Subsidiaries](#) (LSB1208HV.1)

[HF 2686](#) — [State Government Reorganization, Code Changes](#) (LSB5333HZ.2)

SENATE AMENDMENT TO
HOUSE FILE 664

H-8312

- 1 Amend House File 664, as passed by the House, as follows:
- 2 1. Page 1, line 2, by striking <2023> and inserting <2024>
- 3 2. Page 1, by striking lines 7 through 9 and inserting:
- 4 <(i) *"Affiliate"* means a lessor that directly or indirectly
- 5 controls, is controlled with or by, or is under common control
- 6 with the lessee.>
- 7 3. Page 1, line 20, by striking <2023> and inserting <2024>
- 8 4. Page 1, by striking lines 23 through 27 and inserting
- 9 <rental of a motor vehicle between affiliates when the lessor
- 10 or entity providing the motor vehicle for lease or rental
- 11 has paid a fee imposed under section 321.105A on the motor
- 12 vehicle leased or rented prior to such lease or rental to the
- 13 affiliate.>
- 14 5. Page 1, by striking lines 29 through 31 and inserting:
- 15 <(1) *"Affiliate"* means a lessor or entity providing the
- 16 motor vehicle for rental that directly or indirectly controls,
- 17 is controlled with or by, or is under common control with the
- 18 lessee or renter.>

H-8312 FILED APRIL 11, 2024

SENATE AMENDMENT TO
HOUSE FILE 2586

H-8313

- 1 Amend House File 2586, as amended, passed, and reprinted by
2 the House, as follows:
- 3 1. Page 1, by striking lines 1 and 2 and inserting:
4 <Section 1. NEW SECTION. 279.84 School security.>
- 5 2. Page 2, by striking lines 5 through 29.
- 6 3. Page 3, after line 34 by inserting:
7 <Sec. ____ . EFFECTIVE DATE. The following, being deemed of
8 immediate importance, take effect upon enactment:
9 1. The section of this Act amending section 724.6,
10 subsection 1, paragraph "a".
11 2. The section of this Act amending section 724.6,
12 subsection 2.
13 4. Title page, by striking lines 1 through 4 and inserting
14 <An Act relating to school security, including the use of
15 school security personnel by school districts and authorizing
16 school employees to be issued professional permits to carry
17 weapons, and including effective date provisions.>
18 5. By renumbering as necessary.

H-8313 FILED APRIL 11, 2024

SENATE FILE 2395

H-8314

1 Amend Senate File 2395, as passed by the Senate, as follows:

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

4 <Section 1. Section 12.51, Code 2024, is amended to read as
5 follows:

6 **12.51 Opioid settlement fund — advisory council — grant**
7 **process.**

8 1. An opioid settlement fund is created in the office of
9 the treasurer of state. The fund shall be separate from the
10 general fund of the state and the balance in the fund shall not
11 be considered part of the balance of the general fund of the
12 state. The state portion of any moneys paid to the state as
13 a result of a national settlement of litigation with entities
14 that manufactured, marketed, sold, distributed, dispensed,
15 or promoted opioids, made in connection with claims arising
16 from the manufacturing, marketing, selling, distributing,
17 dispensing, or promoting of opioids, shall be deposited in the
18 fund. This subsection does not apply to such moneys paid to
19 the state that are earmarked for or otherwise required to be
20 transferred or distributed to counties, cities, or other local
21 governmental entities.

22 2. Moneys in the fund shall not be transferred, used,
23 obligated, appropriated, or otherwise encumbered except as
24 provided in this section. Moneys in the fund shall only be
25 used pursuant to appropriations from the fund by the general
26 assembly to the department of health and human services for
27 purposes of abating the opioid crisis in this state, which
28 may include but are not limited to the purposes specified in
29 section 135.190A for moneys in the opioid antagonist medication
30 fund.

31 3. a. Funds appropriated under this section to the
32 department of health and human services shall be distributed
33 through the annual awarding of grants to recommended grant
34 applicants. The grant application process shall emphasize that
35 the grants awarded provide one-time, rather than ongoing, state

1 funding.

2 b. (1) The department of health and human services shall
3 establish an advisory council to annually review, and make
4 recommendations to the general assembly for the funding of,
5 grant applications.

6 (2) (a) In annually selecting grant applications for
7 recommendation to the general assembly, the advisory council
8 shall prioritize grant application proposals that focus on both
9 prevention and treatment, shall consider the amount of opioid
10 settlement funding received by a participating local government
11 as a direct distribution, and shall optimize statewide access
12 to care by ensuring geographic diversity among the grant
13 applications selected.

14 (b) In carrying out its duties, the advisory council shall
15 utilize opioid data provided by the department of health
16 and human services. The department may issue a request for
17 proposals to engage an expert to assist the advisory council in
18 analyzing the data. The advisory council shall also consult
19 with the department to develop specified grant outcomes to be
20 used in evaluating the effectiveness of the grants awarded.

21 (c) The advisory council shall request that all
22 participating local governments receiving a direct distribution
23 of opioid settlement funding report annually the amount
24 received and the amount and purpose for which the moneys were
25 expended.

26 (3) Following the annual review of grant applications,
27 the advisory council shall compile and submit to the general
28 assembly no later than December 15 a report that includes all
29 of the following:

30 (a) A list of the grant applications recommended for the
31 awarding of grant funding in the subsequent fiscal year.

32 (b) The department's evaluation of the effectiveness of
33 the grants awarded in the prior year based on the outcomes
34 specified by the advisory council.

35 c. The general assembly shall annually appropriate from the

1 opioid settlement fund to the department of health and human
2 services an amount sufficient to fund the annually recommended
3 grants.

4 d. (1) The advisory council shall consist of all of the
5 following voting members:

6 (a) The director of the department of health and human
7 services, or the director's designee.

8 (b) The attorney general, or the attorney general's
9 designee.

10 (c) One individual representing the judicial branch,
11 selected by the state court administrator.

12 (d) One individual representing the department of
13 corrections, selected by the department of corrections.

14 (e) One county sheriff, selected by the Iowa state sheriffs'
15 and deputies' association.

16 (f) One individual who is a member of the board of pharmacy,
17 selected by the board of pharmacy.

18 (g) Two individuals, selected by the Iowa behavioral health
19 association.

20 (h) One individual who is an opioid addiction specialist.

21 (i) One individual selected by the Iowa hospital
22 association.

23 (j) One individual selected by the national alliance on
24 mental illness Iowa.

25 (2) In addition, the membership of the advisory council
26 shall include one senator appointed by the president of the
27 senate after consultation with the majority leader of the
28 senate, one senator appointed by the minority leader of the
29 senate, one representative appointed by the speaker of the
30 house of representatives, and one representative appointed by
31 the minority leader of the house of representatives, as ex
32 officio, nonvoting members.

33 e. The advisory council shall convene an initial meeting
34 no later than September 1, 2024. The advisory council shall
35 be dissolved upon expenditure of all moneys in the opioid

H-8314 (Continued)

1 settlement fund.

2 ~~3.~~ 4. Notwithstanding section 8.33, moneys in the fund
3 that remain unencumbered or unobligated at the close of a
4 fiscal year shall not revert. Notwithstanding section 12C.7,
5 subsection 2, interest or earnings on moneys in the fund shall
6 be credited to the fund.>

7 2. Title page, by striking lines 1 through 3 and inserting
8 <An Act relating to the opioid settlement fund.>

By COMMITTEE ON APPROPRIATIONS
MOHR of Scott, Chairperson

H-8314 FILED APRIL 11, 2024



[HF 664](#) – Sales and Use Tax Exemptions, Subsidiaries (LSB1208HV.1)
Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov
Fiscal Note Version – As amended by Senate amendment [H-8312](#)

Description

[House File 664](#) as amended by Senate amendment [H-8312](#) does the following:

- Exempts vehicles leased between affiliates from the fee for new registration when the new registration has been paid by the lessor prior to the lease.
- Exempts the lease or rental of a vehicle between affiliates from the sales and use tax when a sales tax, use tax, or fee for new registration for the vehicle has been paid by an affiliate prior to such lease or rental.

The Bill as amended defines “affiliate” as an entity that directly or indirectly controls, is controlled with or by, or is under common control with another entity. The Bill as amended takes effect upon enactment and applies retroactively to January 1, 2015, for leases or rentals occurring on or after that date. However, refunds are not authorized under the Bill as amended.

Background

Under current law, vehicle rentals are subject to a 6.0% sales or use tax plus a 5.0% vehicle rental excise tax. Vehicle leases are subject to a fee for new registration but exempt from the sales or use tax and the rental excise tax. A fee for new registration is 5.0% of the sales or lease price of a vehicle at the time of registration. “Lease” is defined in Iowa Code section [321F.1](#) as a written agreement providing for the leasing of a motor vehicle for a period of more than 60 days.

Assumptions

Vehicle Rentals

- Growth trends in future fiscal years are based on Consumer Price Index estimated increases of 2.0% from FY 2025 to FY 2029.
- According to Iowa Code section [423C.3\(1\)](#), anything not taxable under Iowa Code chapter [423](#) (Streamlined Sales and Use Tax) is also not taxable under Iowa Code chapter [423C](#) (Automobile Rental Excise Tax). Therefore, the rental excise tax will also be exempt when the vehicle rental between affiliates is exempt from the sales and use tax.
- According to the Iowa Department of Revenue, it is assumed that companies with transactions that would be exempt under the Bill as amended are companies in industries that would likely lease vehicles to affiliate businesses with annual taxable sales of \$1.0 million or more in FY 2019 through FY 2022. On average, there are 260 such companies with filed tax returns during those years with an estimated \$1.1 billion in taxable sales in the aggregate for FY 2023. It is assumed that 2.0%, or \$22.1 million, of these total taxable sales represent transactions among affiliated businesses that will be exempt under the Bill as amended. **Figure 1** includes the taxable sales that are assumed to be exempt from sales/use tax and the rental excise tax from FY 2025 to FY 2029.

Figure 1 — Assumed Taxable Vehicle Rentals in FY 2025 Through FY 2029 (in Millions)

Fiscal Year	Taxable Rental Sales
FY 2025	23.0
FY 2026	23.4
FY 2027	23.9
FY 2028	24.4
FY 2029	24.9

- It is assumed that all taxable rental sales in **Figure 1** are vehicle rentals and that the organization renting the vehicle to an affiliate has already paid an initial registration fee on the vehicle.
- Secure an Advanced Vision for Education (SAVE) refunds are 1.0% of taxable expenditures. Local option sales tax (LOST) distributions are estimated to be 0.97% of taxable expenditures.
- For the purposes of this **Fiscal Note**, it is assumed that all organizations are currently paying the sales/use tax and rental excise tax for vehicle rentals between affiliates.

Vehicle Leases

- Growth trends in future fiscal years are based on Consumer Price Index estimated increases of 2.0% from FY 2025 to FY 2029.
- The fee for new registration is paid by the lessor at the time of initial vehicle purchase. This fee will continue to be paid and is unchanged under the Bill as amended. It is assumed that the lessor has paid an initial vehicle registration for all vehicles exempt under the Bill as amended.
- In FY 2022, there were approximately 68,000 vehicles newly registered to an organization. 1.0%, or 680, of these vehicles may be leases between affiliates and exempt from the fee for new registration annually under the Bill as amended.
- The average new vehicle registration fee paid by organizations in FY 2022 was \$1,251. Counties retain \$1 for every new vehicle registration pursuant to Iowa Code section [321.152](#). The amount per new registration exempt under the Bill as amended is \$1,250.
- Revenue collected from fees for new registration is deposited into the Road Use Tax Fund (RUTF).
- For the purposes of this **Fiscal Note**, it is assumed that all organizations are currently paying the fee for new registration for leased vehicles between affiliates.

Fiscal Impact

House File 664 as amended is estimated to reduce revenues to the General Fund, SAVE Fund, LOST, and the RUTF by the amounts in **Figure 2**.

Figure 2 — Fiscal Impact of HF 664 as Amended (in Millions)

	General Fund*	SAVE	LOST	RUTF
FY 2025	-2.3	-0.2	-0.2	-0.9
FY 2026	-2.3	-0.2	-0.2	-0.9
FY 2027	-2.4	-0.2	-0.2	-0.9
FY 2028	-2.4	-0.2	-0.2	-1.0
FY 2029	-2.5	-0.2	-0.2	-1.0

*General Fund impacts includes 100% of the rental excise tax decrease as rental excise tax receipts are not apportioned to SAVE.

Sources

Iowa Department of Revenue
Department of Transportation

/s/ Jennifer Acton

April 11, 2024

Doc ID 1448992

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.

www.legis.iowa.gov

Fiscal Note

Fiscal Services Division



[HF 2686](#) – State Government Reorganization, Code Changes (LSB5333HZ.2)
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Fiscal Note Version – As amended by Senate amendment [H-8310](#)

[House File 2686](#), as amended by Senate amendment [H-8310](#), is composed of 14 divisions. The Bill, as amended, relates to the organization, structure, and functions of State and local government.

Divisions with No Fiscal Impact

- Division I** — Removes the requirement for the Department of Natural Resources (DNR) to provide permanent housing for certain children from the State Training School.
- Division III** — Provides for changes to the Iowa Code for various functions of the Department of Transportation (DOT).
- Division IV** — Provides for changes to the Iowa Code for various functions of the Department of Education (DE).
- Division V** — Amends, repeals, and transfers various provisions relating to the Department of Corrections (DOC) and Judicial District Departments of Correctional Services.
- Division VI** — Provides for changes to the Iowa Code for various references and functions of the Iowa Department of Revenue (IDR) and Iowa Lottery Division of the IDR.
- Division VII** — Adds the Supplemental Nutrition Assistance Program (SNAP) to the list of programs administered by the Iowa Department of Workforce Development (IWD) and requires the IWD to jointly implement adult education and literacy programs with community colleges.
- Division VIII** — Removes the requirement that the Director of the Office of Drug Control Policy submit an annual report to the Governor and General Assembly, and updates various references in the Iowa Code.
- Division IX** — Allows the Iowa Economic Development Authority (IEDA) and the Iowa Finance Authority (IFA) to include any other report that they are required to submit in the annual reports they are required to submit in Iowa Code sections [15.107B](#) and [16.7](#), respectively.
- Division X** — Removes the requirement for the IEDA to establish and administer certain internship programs for Iowa students and requires the IWD to establish and administer a similar program.
- Division XI** — Amends various provisions relating to the duties and authority of the Department of Health and Human Services (HHS) and the Council on Health and Human Services.
- Division XIII** — Removes language requiring the Office for State-Federal Relations to be located in Washington, D.C., and instead provides that the office be attached to the Office of the Governor.
- Division XIV** — Provides changes for various duties and functions of the Department of Administrative Services (DAS) in regard to State historical sites.

Division II — Department of Inspections, Appeals, and Licensing

Description and Background

Division II provides for changes to the Iowa Code for various functions of the Department of Inspections, Appeals, and Licensing (DIAL). **Division II** repeals the Contractor Registration Revolving Fund (CRRF), redirects fees that were paid into the CRRF into the Licensing and Regulation Fund (LRF), and transfers funds that remain in the CRRF to the LRF at the end of FY 2024. The Division also allows licensees to apply continuing education (CE) credits in excess of the requirements for a renewal period to the CE requirements for the next renewal period, not to exceed 50.0% of the CE requirements for a renewal period. The Division permits licensing boards to adopt administrative rules for the implementation and restriction of CE credits.

Assumptions and Fiscal Impact

As of April 3, 2024, the balance of the CRRF is approximately \$4.4 million. Any funds that remain in the CRRF will be transferred to the LRF at the end of FY 2024.

Division XII — State Salaries, Appointed State Officers

Description and Background

Division XII relates to the salaries of appointed State officials. 2023 Iowa Acts, [chapter 19](#) (State Government Reorganization Act), established salary ranges four through seven for various State officials. **Figure 1** includes the salary ranges and minimum and maximum salary amounts for each salary range, as set in 2023.

Figure 1 — Salary Ranges Set in 2023

<u>Salary Range</u>	<u>Minimum</u>	<u>Maximum</u>
4	\$ 63,690	\$ 97,460
5	73,250	112,070
6	84,240	128,890
7	100,840	154,300

Division XII instead provides for three salary ranges that are to be paid in a range set in accordance with the specified pay grade of the pay plans published by the Department of Administrative Services. **Figure 2** includes the salary ranges established under **Division XII** and the current minimum and maximum salary amounts for those pay grades.

Figure 2 — New Salary Ranges Under Division XII

<u>Salary Range</u>	<u>Pay Grade</u>	<u>Minimum</u>	<u>Maximum</u>
1	32	\$ 65,395	\$ 101,150
2	38	93,288	132,829
3	43	118,082	167,898

Figure 3 includes the changes to the salary range for current positions established under 2023 Iowa Acts, chapter 19, compared to the salary ranges established in **Division XII**.

Figure 3 — Changes to Salary Ranges Under Division XII

Position Title	Salary Range Under Current Law	Salary Range Under HF 2686
Chairperson and Members of the Employment Appeal Board of the DIAL	4	1
Director of the Iowa Civil Rights Commission	4	2
Director of the Department for the Blind	4	1
Executive Director of the Ethics and Campaign Disclosure Board	4	1
Board of Parole Chairperson, Vice Chairperson, and Members	4	1
Executive Director of the Iowa Public Information Board	4	1
State Public Defender	5	3
Labor Commissioner (Workforce Development)	5	3
Workers' Compensation Commissioner (Workforce Development)	5	2
Director of the Iowa Law Enforcement Academy	5	2
Executive Director of the Public Employment Relations Board	5	*
Superintendent of Banking of the Department of Insurance and Financial Services	6	3
Superintendent of Credit Unions of the Department of Insurance and Financial Services	6	3
Consumer Advocate	6	2
Chairperson and Members of the Utilities Board	6	3
Administrator of the Public Broadcasting Division of the Department of Education	7	2
Executive Director of the Iowa Telecommunications and Technology Commission (ICN)	7	3
Executive Director of the State Board of Regents	7	3
State Court Administrator	7	3
Lottery Administrator of the Department of Revenue	7	3

*The salary of the Executive Director of the Public Employment Relations Board is not set within a salary range under HF 2686. Instead, under the Bill, the Governor sets the salary of the Executive Director.

Unless the Bill, as amended, specifies otherwise, **Division XII** allows the Governor to establish the salary for the various appointed State officials within their specified salary range.

Division XII takes effect June 21, 2024 (first pay period of FY 2025).

Assumptions and Fiscal Impact

There may be a fiscal impact for the agency if the salary of the appointed State officer is set above the current salary range maximum or below the current salary range minimum. However, any potential fiscal impact as a result of these changes cannot be determined at this time.

Sources

Department of Management
Legislative Services Agency

/s/ Jennifer Acton

April 11, 2024

Doc ID 1448982

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.