



[HF 2569](#) – Workforce Omnibus (LSB5183HZ)
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Fiscal Note Version – New

Description

[House File 2569](#) relates to various matters under the purview of the State, including city and county zoning, work-based learning, recruitment of health care professionals, regulations affecting veterans and military spouses, insurance producer temporary licenses, and the State building code.

Division I — County and City Zoning and Inspections

Description and Background

Division I prohibits a county or city from requiring an inspection of a manufactured home that has been inspected according to requirements of the U.S. Department of Housing and Urban Development (HUD) and constructed in conformance with specified federal manufactured home construction and safety standards.

Fiscal Impact

Division I is estimated to have no fiscal impact to the State of Iowa. The fiscal impact to counties and cities cannot be estimated due to a lack of data.

Division II — Work-Based Learning

Description and Background

Division II makes changes to Iowa Code section [256.9](#) by adding a subsection to require annual reporting by the boards of directors of school districts on student work-based learning participation. The programs required to be reported include registered apprenticeships, quality pre-apprenticeships, internships, on-the-job training, and projects through the [Iowa Clearinghouse for Work-Based Learning](#).

Additionally, Division II makes changes to Iowa Code section [272.1](#) by adding the definition of “work-based learning program supervisor.” According to the Bill, a work-based learning program supervisor is defined as a person who is certified to supervise students’ opportunities and experiences related to workplace tours, job shadowing, rotations, mentoring, entrepreneurship, service learning, internships, and apprenticeships.

Division II also adds new Iowa Code section 272.16 related to the certification of work-based learning supervisors. The Bill requires the Board of Educational Examiners to adopt rules for the certification of work-based learning program supervisors. Additional information about work-based learning in Iowa can be found [here](#).

Fiscal Impact

Division II is estimated to have no fiscal impact to the State.

Division III — Health Care Workforce Recruitment

Description

Division III makes changes to Iowa Code section [261.113](#) regarding the Rural Primary Care Loan Repayment Program. The Bill eliminates the Iowa-based residency program requirement for applications and adds neurology as an eligible specialty for applicants. The Bill also adds part-time rural practitioners as eligible applicants for the Program. Part-time practice is defined by the Bill as at least 70.0% of a 40-hour workweek.

Additionally, Division III makes changes to Iowa Code section [261.115](#) regarding the Health Care Professional Recruitment Program. The Bill allows for advanced registered nurse practitioners and registered nurses to be eligible for the Program. Also, the Bill adds Iowa community colleges established under Iowa Code chapter [260C](#) as eligible institutions.

Division III also makes changes to Iowa Code section [261.116](#) regarding the Health Care Loan Repayment Program. The Bill renames the Health Care Loan Repayment Program to the Health Care Award Program. The Bill also strikes the requirement that an applicant have a qualified student loan and changes the structure of the Program to provide that a direct financial award is paid directly to the recipient. Additionally, the Bill allows part-time nurse educators to qualify for the Program as long as the individual is also practicing as a registered nurse or advanced registered nurse practitioner.

Background

The Rural Primary Care Loan Repayment Program was established in 2012 under the direction of the College Student Aid Commission. The Program provides loan repayments for medical students who agree to practice as physicians in service commitment areas for five years. Currently, participants are eligible for loan repayment up to \$40,000 annually for five consecutive years, with the maximum repayment limited to \$200,000. The Commission is authorized to enter into no more than 20 Program agreements annually. Annual Program agreements are to be awarded evenly between students attending the University of Iowa and students attending Des Moines University. This requirement is waived in the event there are fewer than half the necessary applicants from one of the institutions.

During the 2018 Legislative Session, [SF 2415](#) (Education Appropriations Act) established the Health Care Loan Repayment Program to provide repayment of qualified loans for registered nurses, advanced registered nurse practitioners, physician assistants, and nurse educators who practice full-time in a service commitment area or teach in Iowa.

Currently, applicants for the Health Care Professional Recruitment Program must be graduates of an institution of higher learning governed by the Board of Regents or an accredited private institution. Applicants must also be practicing in a high-need community to be eligible for the Program. Current applicants must also be working as an athletic trainer, occupational therapist, physician, physician assistant, podiatrist, or physical therapist who is licensed, accredited, registered, or certified to perform specified health care services consistent with State law. Applicants are eligible for a \$12,500 award on an annual basis for up to four consecutive years, totaling \$50,000.

Assumptions

- Software modifications to update the online application and award system for the Health Care Loan Repayment Program will take 106 hours.
- Vendor costs to update the Program will be \$95 per hour.

Fiscal Impact

Division III, Section 16, would require the College Student Aid Commission to update the online application and award system for the Health Care Loan Repayment Program to allow applicants to complete a W9 form and to process payments. This is estimated to create a one-time cost to the Commission of approximately \$10,000 in FY 2023. The Commission is funded through General Fund appropriations.

Division IV — Professional Licensing — Military Spouses

Description

Division IV relates to the professional licensing of active duty military spouses who hold similar licensing in another state and does the following:

- Expedites the licensing process, provided a set of conditions are met.
- Provides temporary licensing while the required education is obtained.
- Requires a professional licensing board to advise the spouse of any additional education necessary to meet the licensing requirements of the State.
- Strikes a requirement for the licensee to have been licensed for at least one year in another jurisdiction to receive a license in Iowa without an examination.
- Adds a provision that waives the fee charged to a license applicant if the applicant is a veteran.

Background

Currently, the Professional Licensing and Regulation Bureau expedites the licensing of an individual who is licensed in a similar profession in another state and who is a veteran pursuant to Iowa Code section [272C.4\(12\)](#).

Assumptions

The Professional Licensing and Regulation Bureau will implement the provisions of the Division with current funding and full-time equivalent (FTE) position levels.

Fiscal Impact

Division IV is estimated to have no fiscal impact to the State.

Division V — Emergency Medical Care Provider Certificate — Federal Active Duty or National Guard Duty

Description and Background

Division V directs the Department of Public Health to include a waiver of the emergency medical care provider examination fee for an individual who is either serving on, or who was honorably or generally discharged from, federal active duty or National Guard duty as defined in Iowa Code section [29A.1](#).

Fiscal Impact

Division V is estimated to have minimal fiscal impact to the State.

Division VI — Fishing and Hunting Licenses — Military Veterans

Description

Division VI allows any resident of Iowa who has served in the armed forces of the United States on federal active duty to purchase a lifetime hunting and fishing combination license.

Background

Currently a veteran needs to have been disabled as defined in [38 U.S.C. 11](#) or have been a prisoner of war (POW) during the veteran's military service to qualify for a lifetime hunting and

fishing combination license. In order to obtain a lifetime license, a person must submit an application to the Department of Natural Resources (DNR), which requires the Department of Veterans Affairs to assist in verifying the claims of the applicants. The cost for a lifetime combination hunting and fishing license for a disabled veteran or POW is a total of \$7.

Hunting and fishing license sales revenue is deposited in the Fish and Wildlife Trust Fund, which is used for fish and wildlife-related research, education, management, and expansion of opportunities in Iowa. The State also receives federal funds from the [Pittman-Robertson Act](#) and [Dingell-Johnson Act](#) which rely on a formula to distribute funds to states. These formulas include the land area of the State as well as the number of paid hunting or fishing license holders in the State.

Assumptions

- There will be a decrease of approximately 35,000 licenses of various types sold annually, with the estimated 35,000 licenses being replaced by new lifetime combination licenses in the first year.
- Federal funding will be lost due to a decrease in license sales annually.

Fiscal Impact

Division VI will result in a decrease in revenue to the Fish and Wildlife Trust Fund of approximately \$830,000 in license revenue for the first year after this Bill is enacted, and approximately \$1.9 million annually in subsequent years between license revenue and federal aid. **Table 1** below shows the estimated decrease in annual revenue as a result of [HF 2569](#).

Table 1 — Division VI — Fish and Wildlife Trust Fund Impact

Revenue Type	FY 2023	FY 2024
License Revenue	\$ 830,000	\$ 990,000
Federal Aid	0	920,000
Total	\$ 830,000	\$ 1,910,000

Division VII, Section 23 — Driver’s License Fees

Description

Division VII, Section 23, amends Iowa Code section [321.191](#) by waiving certain fees for a driver’s license for veterans and active duty military members with the following statuses:

- A veteran certified by the United States Department of Veterans Affairs with a permanent service-connected disability rating of 100.0% is waived from the driver’s license fees that are set forth in Iowa Code sections 321.191(2), noncommercial driver’s licenses; and 321.191(5), licenses valid for motorcycles.
- An applicant who is on federal active duty or State active duty, as defined in Iowa Code section [29A.1](#) is waived from the driver’s license fees set forth under Iowa Code sections 321.191(3), licenses for chauffeurs; and 321.191(5), licenses valid for motorcycles.
- An applicant who was issued an honorable discharge or general discharge under honorable conditions from service is waived from the driver’s license fees set forth under Iowa Code sections 321.191(3), licenses for chauffeurs; and 321.191(5), licenses valid for motorcycles.

Background

Under current law, an applicant for a driver’s license is charged a fee that is assessed collectively with the cost of the base license and the cost of a fee for any applicable endorsement to the driver’s license. The fees that are waived in HF 2569 for certain veterans and active duty military members include:

- Noncommercial driver’s license: \$4 per year of license validity

- Motorcycle license or endorsement: Additional \$2 per year of license validity (endorsement) or \$6 per year of license validity (motorcycle-only license)
- Commercial driver's license: \$8 per year of license validity
- Chauffeur's license: \$8 per year of license validity

Assumptions

- The number of honorably discharged veterans who will qualify for the waived driver's license fees under the Bill is equal to the number of veteran-designated driver's licenses. The average number of driver's licenses with a veteran designation for the last five calendar years was 24,343 licenses per year.
- As of December 2021, there are 5,712 veterans in Iowa with a service-related disability rating of 100.0% or more. The Department of Transportation estimates that 714 of the veterans with a disability rating of 100.0% will request a waived fee for the driver's license.
- There are an estimated 100 State active duty members and 33 federal active duty members who will request a fee waiver.
- All eligible active duty or veteran service members that are eligible under the Bill will obtain credentials at rates approximately equal to rates obtained by those with a veteran's designation.
- Each credential is issued for the full eight-year duration.
- The average rates of each of the driving credentials that are issued with a veteran designation are:
 - 62.0% (19,220) of noncommercial licenses.
 - 3.6% (1,323) of chauffeur's licenses.
 - 11.0% (3,800) of commercial driver's licenses.
 - 21.4% (6,639) of motorcycle endorsements.

Fiscal Impact

Division VII, Section 23, is estimated to reduce driver's license fee revenue to the Statutory Allocations Fund (SAF) by \$245,000 per year.

Division VII, Section 24 — Parking Fees

Description and Background

Division VII, Section 24, amends Iowa Code section [364.3](#) to exempt a person whose vehicle is lawfully displaying certain veteran-status registration plates from ordinances related to fees at a city-operated and city-maintained parking meter and from fees at any nonmetered parking lot. A city shall not charge a fee at a parking meter or nonmetered lot to a person whose vehicle lawfully displays the following plates:

- Medal of honor special registration plates issued pursuant to Iowa Code section [321.34](#).
- Ex-POW special registration plates issued pursuant to Iowa Code section 321.34.
- Purple heart special registration plates issued pursuant to Iowa Code section 321.34.
- Registration plates displaying the alphabetical characters "DV" preceding the registration plate number pursuant to Iowa Code section [321.166](#).

Fiscal Impact

Division VII, Section 24, is expected to impact the parking meter and nonmetered parking lot revenue of cities. The fiscal impact cannot be estimated due to a lack of data.

Division VIII — Military Service Property Tax

Description

Division VIII increases the value of the [Military Service Tax Exemption](#) from the current level of \$1,852 of property value for most veterans and their qualified survivors, to \$2,500. The change is effective beginning assessment year 2021 (FY 2023).

Background

Under current law, the Military Service Tax Exemption is equal to \$2,778 of property value for veterans of World War I and qualified survivors and \$1,852 for all other qualified situations. The vast majority of exemption situations qualify for the \$1,852 amount. The exemption reduces the amount of property value subject to property tax. At \$1,852 of value and at the statewide FY 2022 average Military Service Tax Exemption tax rate of \$34.45 per \$1,000 of taxable value, the average exemption reduces a veteran's annual property tax payment by about \$64.

The State [reimburses](#) local governments for \$6.92 per \$1,000 of the revenue reduction associated with the Military Service Tax Exemption. Through the action of the State school aid formula, the State also reimburses school districts for \$5.40 per \$1,000. At the \$34.45 per \$1,000 statewide average residential property tax rate, this results in \$22.13 per \$1,000 in unreimbursed property tax impact that is spread across all types of local governments that levy a property tax. This impact results in reduced local government property tax revenue.

Assumptions

- The number of taxpayers claiming the Military Service Tax Exemption is estimated at 127,439 for FY 2022 and 123,127 for FY 2023.
- The average tax rate for property subject to the Military Service Tax Exemption for FY 2022 is calculated to be \$34.45 per \$1,000 of taxed value. That tax rate is assumed to remain constant for future years.

Fiscal Impact

Division VIII increases the current property tax reduction available to qualified veterans, beginning FY 2023 (taxes payable in the fall of 2022 and the spring of 2023), by an estimated \$10.6 million. This reduction in property tax payments will result in an increase in two State General Fund appropriations and a decrease in overall local government revenue. The FY 2023 impact on government finance is projected to be:

- State General Fund Military Service Tax Exemption appropriation increase: \$0.6 million
- State General Fund school aid appropriation increase: \$0.4 million
- Local government property tax revenue reduction: \$1.8 million

Going forward, the number of qualified veterans is expected to decline each year, and this will produce a declining fiscal impact on State appropriations and local revenue.

Division IX — Temporary Licenses — Insurance Producers

Description

Division IX relates to temporary insurance producer licensing and permits the Commissioner of the Iowa Insurance Division (IID) of the Department of Commerce to issue a temporary insurance producer license without an examination under select circumstances.

Background

In CY 2021, there were 37,552 applications processed by the IID for a temporary insurance producer license. Of these, 2,192 were resident applications and 35,360 were nonresident applications. The Iowa Code requires federal background checks on all newly licensed resident producers and on the initial licenses of nonresident producers in states that have not

implemented the federal background checks. Of the 49 states besides Iowa, 23 have not implemented the federal background checks. **Table 2** below summarizes the estimated number of temporary applications that would require processing under Division IX.

Table 2 — Estimated Temporary License Applications

Application Type	Number of Applications	Estimated Number of Processed Applications
Resident	2,192	2,192
Nonresident	35,370	17,685
Total	37,552	19,877

Assumptions

- Division IX will require the IID to hire 2.5 FTE positions to process the temporary licenses. These 2.5 FTE positions will be Clerk Specialist positions at an estimated cost of \$58,000 each.
- Half of the nonresident applications will be from states that have not implemented the federal background checks and therefore will require processing.
- All resident applications will require processing.

Fiscal Impact

The total cost of Division IX to the Commerce Revolving Fund is approximately \$145,000 for salaries and benefits and 2.5 FTE positions annually.

Division X — State Building Code

Description

Division X creates a State building code in the Iowa Code by adopting certain provisions of existing codes. The Division allows a person to comply with the State building code if that person complies with an edition of a national code published subsequent to the edition serving as the basis of a portion of the State building code. The Division also prohibits local jurisdictions from adopting local building codes.

Background

Currently, local building departments and fire departments are allowed to adopt their own building codes as long as those codes are equally as strict as or stricter than the State building code. The State building code is currently included in the Iowa Administrative Code.

Assumptions

The elimination of local building codes will result in a decrease in the number of building permits issued by local jurisdictions.

Fiscal Impact

The fiscal impact of Division X cannot be estimated due to a lack of data. The absence of local building codes may result in fewer plan reviews and inspections at the local level. This could decrease the fee revenue that local jurisdictions collect for issuing building permits. It could also result in additional costs for the State Fire Marshal Division of the Department of Public Safety, which may be responsible for conducting more plan reviews and inspections.

Fiscal Impact Summary

The Bill is estimated to increase costs to, and decrease revenue of, the State by approximately \$2.2 million in FY 2023 and by \$3.3 million in FY 2024.

The Bill is estimated to reduce the revenue of local jurisdictions by approximately \$1.8 million in FY 2023 and in FY 2024. However, Divisions I and X may reduce inspection fee revenue to local governments but the impact cannot be estimated.

Table 3 below shows a summary of the estimated fiscal impact of [HF 2569](#) by division.

Table 3 — Fiscal Impact Summary

Division	Fund	FY 2023 Fiscal Impact	FY 2024 Fiscal Impact
Division I, County and City Zoning and Inspections	N/A	Unknown.	Unknown.
Division II, Work-Based Learning	N/A	No fiscal impact.	No fiscal impact.
Division III, Health Care Workforce Recruitment	General Fund	Decrease of \$10,000 to the State.	No fiscal impact.
Division IV, Professional Licensing — Military Spouses	N/A	No fiscal impact.	No fiscal impact.
Division V, Emergency Medical Care Provider Certificate — Federal Active Duty or National Guard Duty	N/A	No fiscal impact.	No fiscal impact.
Division VI, Fishing and Hunting Licenses — Military Veterans	Fish and Wildlife Trust Fund	Decrease of \$830,000 to the State.	Decrease of \$1,910,000 to the State.
Division VII, Driver's License and Parking Fees — Veterans	Statutory Allocations Fund	Decrease of \$245,000 to the State. May reduce the parking meter and lot meter revenue of cities.	Decrease of \$245,000 to the State. May reduce the parking meter and lot meter revenue of cities.
Division VIII, Military Service Property Tax	General Fund	<ul style="list-style-type: none"> • Decrease of \$1.0 million to the State. • Decrease of \$1.8 million to local governments. 	<ul style="list-style-type: none"> • Decrease of \$1.0 million to the State. • Decrease of \$1.8 million to local governments.
Division IX, Temporary Licenses — Insurance Producers	Commerce Revolving Fund	Decrease of \$145,000 to the State.	Decrease of \$145,000 to the State.
Division X, State Building Code	N/A	Unknown.	Unknown.

Sources

College Student Aid Commission
 Department of Defense Manpower Data Center
 Department of Management property tax value and rate files
 Department of Natural Resources

Department of Public Defense
Department of Public Safety
Department of Transportation, Motor Vehicle Division, fiscal and information technology staff
Iowa Insurance Division, Department of Commerce
Legislative Services Agency analysis
Professional Licensing and Regulation Bureau, Department of Commerce
United States Department of Veterans Affairs

/s/ Holly M. Lyons

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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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