



[HF 2646](#) – State Procurement Requirements, Foreign Agents, and State Sovereignty (LSB6918HV)
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Fiscal Note Version – New

Description

[House File 2646](#) relates to certain activities associated with foreign entities in the State, and provides penalties. The Bill is organized into three divisions, Division III — State Sovereignty has no fiscal impact.

The following divisions of the Bill have fiscal impacts described in further detail in this **Fiscal Note**:

- Division I — Drones — Security and Procurement
- Division II — Foreign Agents — Registration

Division I — Drones — Security and Procurement

Description

Division I of the Bill prohibits the State, or a political subdivision of the State, from purchasing, leasing, or operating a remotely piloted aircraft, as defined in Iowa Code section [715E.1](#), that is manufactured by a company listed in the Covered List developed pursuant to [47 C.F.R. §1.50002](#) and published by the Public Safety and Homeland Security Bureau (PSHSB) of the Federal Communications Commission (FCC).

This Division creates an offense in which a person who knowingly controls a remotely piloted aircraft that was manufactured outside the United States, within 400 feet of a power plant, water treatment facility, or National Guard facility is committing aggravated intrusion and is guilty of a Class D felony.

This Division requires that any State entity and political subdivision that owns, leases, or operates a remotely piloted aircraft to develop a plan to replace all remotely piloted aircrafts that were manufactured outside the United States in accordance with 47 C.F.R. §1.50002.

This Division requires the Chief Information Officer (CIO) of the Department of Management (DOM) to conduct an audit of the transmission protocols used by remotely piloted aircrafts to ensure compliance with the secure-by-design standard of the Cybersecurity and Infrastructure Security Agency (CISA) with respect to data encryption and server localization.

Background

A Class D felony is punishable by confinement for no more than five years and a fine of at least \$1,025 but not more than \$10,245.

Iowa Code section 715E.1 defines “remotely piloted aircraft” as a self-propelled vehicle used for navigation and flight that is controlled by the use of an electronic system and is not designed to carry a human.

Assumptions

- The DPS would be required to replace its existing platform of remotely piloted aircraft.
- Exact costs for the DPS to replace its fleet of aircraft cannot be determined until a request for proposal (RFP) can be issued.
- The DPS estimates an increase in annual vendor costs of approximately \$100,000 for Software as a Service (SaaS) cloud-based services updates.
- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of the Bill to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

This Division of the Bill creates a new offense, and the correctional impact of the Bill cannot be determined because the number of new convictions cannot be estimated. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a Class D felony.

Figure 1 — Sentencing Estimates and LOS in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony Non-Persons	84.2%	12.5	\$23.07	69.4%	41.4	\$8.00	\$16.35	\$50.00	15.5	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2646 creates the new offense, and, as a result, the minority impact of the Bill cannot be determined because the number of new convictions cannot be estimated. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 2646 creates the new offense, and the number of new convictions cannot be estimated. The average State cost per Class D felony is between \$13,000 and \$18,100. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

The DPS reports that a fiscal impact of replacing remotely piloted aircraft cannot be determined until an RFP can be issued. The DPS estimates an increase in annual vendor costs of approximately \$100,000 for SaaS cloud-based service updates.

Division II — Foreign Agents — Registration

Description

Division II of the Bill requires a foreign principal or agent of a foreign principal to register with the Iowa Ethics and Campaign Disclosure Board (IECDB) within 48 hours after engaging in lobbying or political consulting in Iowa. A foreign principal or agent of a foreign principal that engages in lobbying or political consulting is required to file with the IECDB a copy of each contract, compensation schedule, and communication log related to foreign-funded influence operations related to legislators or Executive Branch agencies in Iowa. The Foreign Agents Registration Act of 1938, as amended by [22 U.S.C. §611](#) et seq., does not satisfy the requirements of registering as a foreign principal or agent of a foreign principal.

This Division also directs the IECDB to impose a civil penalty of \$100 per day, up to a maximum of \$5,000 per violation, on a person who fails to register as a foreign principal or agent of a foreign principal.

Background

Pursuant to Iowa Code section [68B.34](#), any person who knowingly and intentionally violates the provisions of this Division is guilty of a serious misdemeanor and may be reprimanded, suspended, or dismissed from the person's position or otherwise sanctioned. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not more than \$2,560.

Assumptions

- The required filings pursuant to this Division of the Bill will be filed using the IECDB's Web Reporting System (WRS).
- The IECDB estimates a cost of between \$35,000 and \$50,000 for system enhancements to the WRS.
- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner LOS; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of the Bill to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.

- Admissions are a count of individuals newly admitted to the DOC for supervision during a selected time period, based on the most serious offense committed.

Correctional Impact

This Division of the Bill creates a new offense, and the correctional impact of the Bill cannot be determined because the number of new convictions cannot be estimated. **Figure 2** shows estimates for sentencing to State prison, parole, probation, or CBC residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor.

Figure 2 — Sentencing Estimates and LOS in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2646 creates a new offense under Iowa Code section 68B.34. The minority impact cannot be determined because the number of new convictions cannot be estimated. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

House File 2646 creates a new offense under Iowa Code section 68B.34, and the number of new convictions cannot be estimated. The average State cost per serious misdemeanor is between \$350 and \$6,200. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

The IECDDB estimates a cost of between \$35,000 and \$50,000 for system enhancements to the WRS.

Fiscal Impact Summary

Under **Division I**, the DPS estimates an increase in annual vendor costs of approximately \$100,000 for SaaS cloud-based service updates. Under **Division II**, the IECDDB estimates a cost of between \$35,000 and \$50,000 for system enhancements to the WRS.

Sources

- Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)
- Department of Corrections
- Iowa Ethics and Campaign Disclosure Board
- Department of Public Safety
- Department of Public Defense

/s/ Jennifer Acton

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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.