



Fiscal Note

Fiscal Services Division



[HF 2584](#) – Drug-Free Homeless Service Zones (LSB6885HV.1)
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Fiscal Note Version – As amended and passed by the House

Description

[House File 2584](#) establishes drug-free homeless service zones. The Bill prohibits a person from intentionally or knowingly doing any of the following:

- Unlawfully selling or transferring or attempting to sell or transfer a controlled substance while present within a drug-free homeless service zone.
- Operating or having authority to enforce the policies and requirements of a facility-based drug-free service zone that primarily serves homeless individuals and that receives State, local, or federal funding, and allowing an individual accessing services to possess or use a controlled substance on the premises of the facility.

Under the Bill, a person who sells or transfers a controlled substance, or attempts to sell or transfer a controlled substance within a drug-free homeless service zone is punishable as the same class of criminal violation for which the offense would be punishable under existing law had the violation not occurred within a drug-free homeless service zone, except that the minimum and maximum sentence for the offense will be increased by one year. A person convicted of this offense is not eligible for a deferred judgment, a deferred or suspended sentence, probation, or work release.

Under the Bill, a person who operates or has authority to enforce the policies and requirements of a facility-based drug-free service zone who allows an individual accessing services to possess or use a controlled substance on the premises of the facility is guilty of an aggravated misdemeanor unless the operator terminates the employment of any employee or volunteer who commits a violation. An operator of a facility-based drug-free service zone who violates the Bill is ineligible to apply for homelessness assistance grants from the State for a period of three years from the date of conviction.

In addition to any other penalty, a person convicted of an offense under the Bill will be punished by a fine of not less than \$2,000 or three times the value, as determined by the court, of the drugs involved in or giving rise to the offense, whichever is greater. The fine may not be suspended, in part or whole, for any reason.

Background

Iowa Code chapter [124](#) prohibits the delivery of controlled substances and imposes penalties that range from a serious misdemeanor to a Class B felony. Penalties under current law can be multiplied or enhanced depending on the violation.

A serious misdemeanor is punishable by confinement for up to one year or a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to 10 years and a fine of at least

\$1,370 but not more than \$13,660. A Class B felony is punishable by confinement for up to 25 years and a fine of at least \$5,000 but not more than \$100,000.

Assumptions

- 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

The correctional impact of House File 2584 enhances penalties related to controlled substances within drug-free homeless service zones and creates new penalties under the Bill, and, as a result, the correctional impact cannot be determined because the number of new convictions under the Bill 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 serious misdemeanor, aggravated misdemeanor, Class D felony, Class C felony, and Class B felony.

Figure 1 — Sentencing Estimates and Length of Stay (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
Aggravated Misdemeanor Non-Persons	31.1%	9.3	\$23.07	37.1%	28.4	\$8.00	\$16.35	\$50.00	11.2	\$8.00
D Felony Non-Persons	84.2%	12.5	\$23.07	69.4%	41.4	\$8.00	\$16.35	\$50.00	15.5	\$8.00
C Felony Non-Persons	84.0%	16.8	\$23.07	66.4%	51.4	\$8.00	\$16.35	\$50.00	24.3	\$8.00
B Felony Non-Persons	95.4%	24.1	\$23.07	22.1%	48.6	\$8.00	\$16.35	\$50.00	28.9	\$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 2584 enhances penalties related to controlled substances within drug-free homeless service zones and creates new penalties under the Bill, and, as a result, existing data cannot be used to estimate the minority impact of the Bill. 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

The fiscal impact of the Bill cannot be determined because the number of new convictions under the Bill cannot be estimated. **Figure 2** shows the average State cost per relevant offense. 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.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Serious Misdemeanor	\$350 to \$6,200
Aggravated Misdemeanor	\$8,300 to \$12,200
Class D Felony	\$13,000 to \$18,100
Class C Felony	\$15,000 to \$25,200
Class B Felony	\$18,400 to \$39,600

Sources

Department of Corrections

Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

/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.
