



Fiscal Note

Fiscal Services Division



[HF 2542](#) – Sentencing Enhancements, Repeat Offenders (LSB6837HV.1)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – As amended and passed by the House

Description

[House File 2542](#) establishes that a habitual offender is a person who has been convicted of an offense, who has been convicted of an offense committed in another jurisdiction that would constitute an equivalent offense, or who has any combination of level one or level two offenses resulting in the accumulation of three or more points. The accumulation of points only applies to convictions occurring on or after July 1, 2026.

The Bill defines a level one offense as all Class A, B, C, and D felonies and all aggravated misdemeanors that involve sexual abuse under Iowa Code chapter [709](#), domestic abuse assault under Iowa Code section [708.2A](#), assault with the intent to inflict a serious injury or while using or displaying a dangerous weapon under Iowa Code section [708.2\(1\)](#) and [708.2\(3\)](#), or organized retail theft under Iowa Code section [714.2B\(3\)\(c\)](#). For purposes of determining habitual offender status, each conviction of a level one offense is worth one point.

The Bill defines a level two offense as all aggravated misdemeanors that are not classified as a level one offense under the Bill and serious misdemeanors that involve assault causing bodily injury or mental illness under Iowa Code section [708.2\(2\)](#), domestic abuse assault causing bodily injury or mental illness under Iowa Code section [708.2A\(2\)\(b\)](#), and criminal mischief in the third degree under Iowa Code section [716.4](#). For purposes of determining habitual offender status, each conviction of a level two offense is worth one-half point.

All pending charges against a person will be aggregated, and only the most serious charge against the person will count toward the accumulation of points.

The Bill requires the court to consider only criminal convictions within 20 years of the current conviction when determining whether a prior conviction counts toward the accumulation of three or more points.

Under the Bill, a person sentenced as a habitual offender is not eligible for parole or work release until the person has served a minimum term of 20 years of confinement. If the person is convicted of a current level one offense with a higher minimum sentence, that will be considered the minimum sentence. In addition, deferred judgments or suspended sentences are disallowed for habitual offenders.

Background

Under current law, a habitual offender is any person convicted of a Class C or a Class D felony who has twice before been convicted of any felony. A person sentenced as a habitual offender is not eligible for parole until the person has served the minimum sentence of three years. The maximum sentence for a habitual offender convicted of a felony, other than a Class A felony, is 15 years.

The average sentence length for all individuals admitted to prison in FY 2025 (excluding life sentences) was 5.35 to 5.55 years.

In FY 2025, there were a total of 1,676 new prison admits of which 870 prison admits (51.9%) would have met the criteria for the new 20-year mandatory minimum.

In FY 2025, there were a total of 14,016 new probation admits of which 2,289 probation admits (16.3%) would have met the criteria for the new 20-year mandatory minimum.

Currently, 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.

The General Assembly last appropriated funding to build a new prison during the 2008 legislative session. 2008 Iowa Acts, chapter [1179](#) (FY 2009 Infrastructure Appropriations Act), appropriated \$131.0 million for the construction of the Iowa State Penitentiary (ISP). The ISP is a maximum-security prison with a capacity of approximately 760 inmates.

On September 23, 2025, South Dakota enacted [SB 2](#), which appropriated \$650.0 million to the South Dakota Department of Corrections (SDDOC) for the construction of a new prison facility. The cost includes the construction of a men's correctional facility located on 176 acres of land in Sioux Falls, South Dakota, approximately 10 miles from the Iowa border. The prison is estimated to be 546,000 square feet, approximately 40 square feet per inmate, with a housing capacity of approximately 1,500 beds with 1,200 beds built to house medium/maximum-security inmates and 300 beds built to house medium-security inmates (dorms). The prison has an estimated lifespan of 100 years. In FY 2025, the SDDOC was 35.0% over capacity with a population of 3,750 and stated capacity of 2,775.

According to the DOC, as of March 1, 2026, the DOC prisons are 24.8% over capacity with a total prison population of 8,722 and a stated prison capacity of 6,990. An increase of approximately 70 prisoners is an estimated increase of 1.0% in prison population.

The current prison security level and approximate capacity for each facility is as follows:

- Anamosa State Penitentiary: medium, 908
- Clarinda Correctional Facility: medium, 750
- Fort Dodge Correctional Facility: medium, 1,162
- Iowa Correctional Institution for Women: medium, 654
- Iowa Medical and Classification Center: medium/minimum, 585
- Iowa State Penitentiary: maximum, 612
- Mount Pleasant Correctional Facility: minimum, 776, and minimum Live-Out, 164
- Newton Correctional Facility: medium, 762, and minimum, 252
- North Central Correctional Facility: minimum, 245

Figure 1 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 1 — 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

Assumptions

- 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 Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- Recidivism patterns remain constant, including distribution across sex and race.
- Defendants with longer sentences are more likely to go to trial.
- The distribution of qualifying offenses and point accumulation remains consistent over time.
- Annual admissions trends will remain consistent over time.
- New maximum/medium-security prison(s) will need to be built.
- Existing prison and facility housing will need to be expanded.
- The average sentence length will increase (excluding life sentences) to 13.41 years.

The LOS for a level one habitual offender will increase for offense classes as follows:

- A Class B felony will increase by 2,455 days.
- A Class C felony will increase by 5,682 days.
- A Class D felony will increase by 6,668 days.
- An aggravated misdemeanor will increase by 6,933 days.

The LOS for a level two habitual offender will increase for offense classes as follows:

- An aggravated misdemeanor will increase by 7,018 days.
- A serious misdemeanor will increase by 7,079 days.

Correctional Impact

According to the DOC, the correctional impact of HF 2542 is as follows:

- By FY 2030, the prison population is projected to be 9,861, a projected increase of 1,174 individuals or 13.5% compared to the FY 2025 population of 8,687.
- By FY 2040, the prison population is projected to be 18,724, a projected increase of 10,037 individuals or 115.5% compared to the FY 2025 population.
- By FY 2045, the prison population is projected to be 24,659, a projected increase of 15,972 individuals or 183.9% compared to the FY 2025 population.

The correctional impact based on convictions that occur in jurisdictions outside of Iowa cannot be estimated.

Minority Impact

House File 2542 enhances penalties related to habitual offenders and may disproportionately impact Black individuals if trends remain constant. Of the 870 prison admits for FY 2025 who would have met the criteria for the new 20-year mandatory minimum, 69.5% were White, 21.6% were Black, and 8.7% were other races. Iowa's population is 83.2% White, 4.2% Black, and 12.6% other races. 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 total fiscal impact of HF 2542 will be significant.

One-Time Construction Costs

Due to the estimated increase to the prison population, additional housing will be necessary. To accommodate population growth, the DOC estimates the following additional housing requirements to existing prison infrastructure and new construction within the next 20 years:

- 200 beds by restoration of the Clinical Care Unit (CCU) at Iowa State Penitentiary at an estimated cost of \$4.7 million.
- 500-bed housing unit added at Newton Correctional Facility (new construction) at an estimated cost of \$132.4 million.
- 256-bed housing unit added at Iowa State Penitentiary (new construction) at an estimated cost of \$65.2 million.
- One new maximum-security prison with 868 beds total (new construction) at an estimated cost of \$481.4 million.
- 13 new medium/minimum-security prisons with 1,162 beds each (15,106 beds total) (new construction) at an estimated cost of \$7.668 billion.

This is a total of 16,930 additional beds, an excess of 958 beds above the projected prison population of 15,972 by 2045.

If required, prison construction will take multiple years to complete, which may create unexpected costs for county jails. According to the DOC, housing units would take up to five years to complete and new prison construction would require approximately five to seven years once funding is secured. Accordingly, the new housing would need to be constructed as the prison population grows. For example, if the prison population increases by 1,174 individuals by 2030 as estimated by the DOC, and it takes approximately five to seven years to build a new prison, new construction may need to be initiated in FY 2027 to accommodate the increased prison population by 2030.

Ongoing Operational Costs

The DOC estimates the following ongoing annual staffing, operational, and maintenance costs will be incurred over the next 20 years:

- \$8.1 million — CCU at Iowa State Penitentiary
- \$6.3 million — Newton Correctional Facility
- \$5.8 million — Iowa State Penitentiary
- \$40.4 million — one new maximum-security prison
- \$413.5 million — 13 new medium/minimum-security prisons
- Total estimated ongoing costs — \$474.1 million annually

The ongoing operating costs are primarily staffing costs to operate new housing units and facilities on a 24-hour basis, including security, medical, administrative, and facility support roles.

Increased LOS by Individual by Offense

Figure 2 shows the increased cost per habitual offender based on the marginal cost per day for prisons and the increased LOS.

If there is one offender per offense class per year, the total ongoing cost per year based on the increased LOS would be \$827,000. The number of habitual offenders per year will likely increase over the next several fiscal years, but the total average number of habitual offenders over time is unknown. **Figure 2** shows the estimated total cost per offense class for one individual.

Figure 2 — Total Expenditure Increase by Crime for One Individual

Offense Level	Days added to LOS/person	Marginal Cost Per Day Prison	Total
Level One: B Felony	2,455	\$23.07	\$56,637
Level One: C Felony	5,682	\$23.07	\$131,084
Level One: D Felony	6,668	\$23.07	\$153,831
Level One: Aggravated Misdemeanor	6,933	\$23.07	\$159,944
Level Two: Aggravated Misdemeanor	7,018	\$23.07	\$161,905
Level Two: Serious Misdemeanor	7,079	\$23.07	\$163,313

Due to an anticipated increase in the number of trials, the projected cost to the Indigent Defense Fund and the Office of the State Public Defender is approximately \$1.6 million per year. The fiscal impact to the Judicial Branch is unknown.

Sources

Department of Corrections

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

Office of the State Public Defender

/s/ Jennifer Acton

March 16, 2026

Doc ID 1602321

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.