



Fiscal Note

Fiscal Services Division



[HF 2750](#) – Wire Transmission Fees (LSB2765HV.2)

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Fiscal Note Version – As amended and passed by the House

Description

[House File 2750](#) relates to fees for wire transmissions, allocations to the Office to Combat Human Trafficking, deposits into the School Security Grant Program Fund and the Prison Infrastructure Fund, and the establishment of the School Security Grant Program and Fund.

Division I — Wire Transmission Fees

Description

[House File 2750](#) defines “wire transmission” to mean money transmission by wire to or from locations abroad. The Bill requires, in addition to any other fee required by law for a wire transmission, a \$5 fee for each wire transmission and an additional fee equal to 2.0% of any amount in excess of \$500. The fees are to be remitted quarterly to the Iowa Department of Revenue (IDR) and transferred to the Office to Combat Human Trafficking (10.0%), the School Security Grant Program Fund (20.0%), the Prison Infrastructure Fund (70.0%), and any remainder will be deposited into the General Fund. The section of the Bill depositing 70.0% of the wire transmission fees to the Prison Infrastructure Fund is contingent upon the passing of 2026 Iowa Acts, [House File 2753](#) (New Prison Construction Fund Bill).

The IDR, in consultation with the Department of Public Safety (DPS), is required to enforce the wire transmission provisions of the Bill. Failure of a licensee or a licensee’s delegate to comply with the remission provisions of the Bill may result in the suspension or revocation of licensure by the Superintendent of Banking pursuant to Iowa Code sections [533C.901](#) and [533C.902](#).

Background

Iowa Code section [80.45](#) established the Office to Combat Human Trafficking within the DPS. The Office is housed within the Division of Intelligence and Fusion Center. The Office is required to submit an [annual report](#) to the General Assembly.

Iowa Code chapter [533C](#) (Uniform Money Transmission Modernization Act) establishes the requirements for money transmissions in the State. A person engaged in the business of money transmission is required to be licensed pursuant to Iowa Code section [533C.301](#).

According to the Iowa Division of Banking (IDOB), in FY 2025, 6.5 million wire transmissions originated in Iowa and transferred \$2.089 billion to a foreign country with an average transfer amount of \$321. The IDOB does not regulate money transmissions that originate in foreign countries and states that it does not have the ability to track transactions originating abroad or to calculate the appropriate fee for those transactions.

The Prison Infrastructure Fund is created under Iowa Code section [602.8108A](#) as a separate and distinct fund in the State treasury and cannot be appropriated by the General Assembly for

any purpose. The purpose of the Fund is to provide funds to pay the principal, premium, and interest on prison infrastructure bonds issued by the Iowa Finance Authority (IFA) or the State Treasurer. Prison infrastructure bonds may be issued to fund the construction and equipping of a project or projects, the payment of interest on the bonds, the establishment of reserves to secure the bonds, the costs of issuance of the bonds, and other expenditures incidental to or necessary or convenient to carry out the bond issue. Funds deposited in the Prison Infrastructure Fund are fines, fees, costs, and forfeited bail collected by the clerks of the district court in criminal cases, including those collected for both scheduled and nonscheduled violations.

House File 2753 creates a new Prison Construction Account and a new Prison Recidivism Reduction Account within the Iowa Prison Infrastructure Fund. The new Prison Construction Account may only be used pursuant to an appropriation made by the General Assembly for the construction of new prisons or the replacement of infrastructure at existing prisons. The new Prison Recidivism Reduction Account may only be used pursuant to an appropriation made by the General Assembly for the establishment of newly created or the expansion of existing programs identified by the Department of Corrections (DOC) for the purpose of reducing recidivism of inmates at existing or newly constructed prisons. House File 2753 passed the House on April 8, 2026.

Assumptions

- The IDR does not anticipate hiring additional full-time equivalent (FTE) positions to carry out the administrative duties in the Bill but instead will utilize existing staff.
- The DPS will utilize existing staff to carry out the enforcement duties in the Bill.
- According to the IDOB, the definition of “wire transmission” may apply to all foreign money transmission transactions by any licensed money transmitter. This interpretation would include money transfers conducted by money transfer service providers such as Venmo, PayPal, Cash App, and Western Union. For the purposes of this **Fiscal Note**, this interpretation is used.
- The number of transmissions and the amount of money transferred into the State from foreign countries are unknown.
- For the purposes of this **Fiscal Note**, the number of wire transmissions originating in Iowa and sent abroad remains constant at the FY 2025 level.
- The amount of money transferred via wire transmission will increase 2.4% annually.
- The IDOB is not able to provide the number or total dollar amount of wire transmissions above \$500; therefore, using FY 2025 actual wire transmissions, **Figure 1** shows estimated fee revenue from the minimum \$5 per transmission fee and **Figure 2** shows estimated fee revenue if 2.0% of all moneys transmitted abroad were subject to the fee.

Figure 1 — \$5 Fee on Wire Transmissions

Wire Transmissions	Total Amount Transferred	Fees Collected
6,500,000	\$ 2,089,000,000	\$ 32,500,000

Figure 2 — 2.0% Fee on Wire Transmissions

Wire Transmissions	Total Amount Transferred	Fees Collected
6,500,000	\$ 2,089,000,000	\$ 41,800,000

Fiscal Impact

Figure 3 shows the estimated wire transmissions and the associated revenue from the \$5 fee that applies to all wire transmissions. **Figure 4** shows the estimated amount of money transferred by wire transmission and the associated revenue from the 2.0% fee that applies to the excess amount of wire transmissions over \$500. The first estimate assumes that 10.0% of the total transmission amount will be over \$500 and subject to the additional 2.0% fee on the excess amount, while the second estimate assumes that 50.0% of the total transmission amount will be over \$500 and subject to the additional 2.0% fee on the excess amount. Wire transmission fees will begin to be collected in FY 2027.

Figure 3 — Estimated Revenue, \$5 Wire Transmission Fee (in Millions)

Fiscal Year	Estimated Wire Transmissions	\$5 Fee Per Wire Transmission
2027	6.5	\$ 32.5
2028	6.5	32.5
2029	6.5	32.5
2030	6.5	32.5
2031	6.5	32.5

Figure 4 — Estimated Revenue, 2.0% Fee on Wire Transmission Amounts Over \$500 (in Millions)

Fiscal Year	Total Transferred Via Wire Transmission	10.0% of Amount Transferred Subject to Fee, Revenue Estimate	50.0% of Amount Transferred Subject to Fee, Revenue Estimate
2027	\$ 2,190.2	\$ 4.4	\$ 21.9
2028	2,242.8	4.5	22.4
2029	2,296.6	4.6	23.0
2030	2,351.8	4.7	23.5
2031	2,408.2	4.8	24.1

Figure 5 shows an estimated range of fee allocations to the Office to Combat Human Trafficking (10.0%), **Figure 6** shows an estimated range of fee allocations to the School Security Grant Program Fund (20.0%), and **Figure 7** shows an estimated range of fee allocations deposited into either the Prison Infrastructure Fund or the General Fund (70.0%).

Figure 5 — Estimated Revenue to the Office to Combat Human Trafficking (in Millions)

Fiscal Year	10.0% of Amount Transferred Subject to Secondary Fee	50.0% of Amount Transferred Subject to Secondary Fee
2027	\$ 3.7	\$ 5.4
2028	3.7	5.5
2029	3.7	5.5
2030	3.7	5.6
2031	3.7	5.7

Figure 6 — Estimated Revenue to the School Security Grant Program Fund (in Millions)

Fiscal Year	10.0% of Amount Transferred Subject to Secondary Fee	50.0% of Amount Transferred Subject to Secondary Fee
2027	\$ 7.4	\$ 10.9
2028	7.4	11.0
2029	7.4	11.1
2030	7.4	11.2
2031	7.5	11.3

Figure 7 — Estimated Revenue to the Prison Infrastructure Fund or the General Fund (in Millions)

Fiscal Year	10.0% of Amount Transferred Subject to Secondary Fee	50.0% of Amount Transferred Subject to Secondary Fee
2027	\$ 25.8	\$ 38.1
2028	25.9	38.5
2029	26.0	38.8
2030	26.1	39.2
2031	26.1	39.6

All figures and estimates use only the number of wire transmissions and amount of money transferred to foreign countries originating from within the State. Any wire transmissions that originate in a foreign country and are sent into the State are not included in the estimate and may increase estimated revenues significantly.

Division II — School Security Grant Program

Description

Division II directs the Department of Education (DE) to establish a new School Security Grant Program Fund in the State treasury to provide grants to school districts to help school districts offset costs associated with school safety and security infrastructure and employment of a school resource officer or safety consultant. The DE is directed to adopt administrative rules to implement and administer the program. The School Security Grant Program Fund will be funded through an appropriation to the DE from the General Assembly.

Remaining balance of the Fund at the end of the fiscal year will not revert and will be available for expenditure for the following fiscal years. Interest earned shall be credited to the Fund.

Background

In June 2022, a \$100.0 million school safety initiative was created for public school districts and nonpublic schools. The funding was provided by the federal [American Rescue Plan Act](#) and the federal [Elementary and Secondary School Emergency Relief Fund](#). The Fund was administered by the Department of Homeland Security and Emergency Management (HSEMD), DPS, and DE. Under the initiative, the School Safety Improvement Fund was established, allowing schools to apply for a \$50,000 grant per eligible school building identified by HSEMD infrastructure assessments. The deadline for all outstanding work was December 31, 2025.

Fiscal Impact

The School Security Grant Program Fund established in Division II of the Bill will consist of money appropriated to the DE by the General Assembly.

Fiscal Impact Summary

Division I is estimated to generate between \$36.9 million and \$54.4 million in wire transmission fee revenue in FY 2027. Estimated wire transmission revenue is expected to increase annually, reaching between \$37.3 million and \$56.6 million by FY 2031. Wire transmission fee revenue is divided among an allocation to the Office to Combat Human Trafficking (10.0%, **Figure 5**), the School Security Grant Fund (20.0%, **Figure 6**), and the Prison Infrastructure Fund (70.0%, **Figure 7**). Any remaining moneys are to be deposited into the General Fund.

The funding for Division II for the school security grant program will be dependent on an appropriation to the DE by the General Assembly.

Sources

Department of Public Safety
Iowa Division of Banking, Department of Insurance and Financial Services
Iowa Department of Revenue
U.S. Census Bureau
Legislative Services Agency
Department of Homeland Security and Emergency Management

/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.
