
[HF 224](#) – Lascivious Conduct and Indecent Contact with Minors (LSB1745HV.1)

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Fiscal Note Version – Final Action

Description

[House File 224](#) relates to the criminal offense of lascivious conduct with a minor or child. The Act expands the definition of lascivious conduct with a minor and applies the penalty of either a serious or an aggravated misdemeanor, depending on the elements of the offense. A person who violates the provisions of the Act must register as a sex offender pursuant to Iowa Code chapter [692A](#).

Background

[House File 224](#) does not change the current offense of lascivious conduct with a minor as described in Iowa Code section [709.14](#). The current offense is punishable as a serious misdemeanor.

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.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- 50.0% of dismissed or acquitted charges may become convictions under this Act.

Correctional Impact

The correctional impact of [HF 224](#) is estimated to be minimal. In FY 2018, there were 16 convictions and 51 dismissed or acquitted charges of lascivious conduct with a minor under Iowa Code section [709.14](#). The Act is estimated to result in one additional prison order and 15 additional parole orders annually.

Under the expanded definition of lascivious conduct with a minor, the penalty is either a serious or an aggravated misdemeanor, depending on the elements of the offense. **Table 1** below shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of aggravated misdemeanors (sex offenses) and serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Table 1 — Sentencing Estimates

Conviction Offense Class	Percent to Prison	FY 18 Avg Length of Stay Prison (months)	FY 18 Marginal Cost/Day	Percent to Probation	FY 18 Avg Length of Stay Probation (months)	FY 18 Avg Cost/Day Probation	Percent to CBC	FY 18 Marginal CBC Cost/Day	FY 18 Avg Length of Stay Parole (months)	FY 18 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Aggravated Misdemeanor (Sex Offense)	72.0%	11.6	\$18.43	64.0%	27.3	\$5.38	4.0%	\$11.85	1.4	\$5.38	28.0%	\$50.00
Serious Misdemeanor	2.0%	6.4	\$18.43	60.0%	13.1	\$5.38	1.0%	\$11.85	6.8	\$5.38	70.0%	\$50.00

Minority Impact

[House File 224](#) is not estimated to have a minority impact. In FY 2018, 88.0% of individuals convicted of lascivious conduct with a minor under Iowa Code section [709.14](#) were Caucasian and the races of the remaining 12.0% were unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of [HF 224](#) is estimated to be minimal due to the low number of additional convictions. **Table 2** contains estimates for the average State cost per offense class type for one conviction.

Table 2 — Average State Cost per Offense Class Type

Offense Class	Total Minimum Cost	Total Maximum Cost
Aggravated Misdemeanor	\$4,700	\$7,500
Serious Misdemeanor	\$390	\$5,000

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 24, 2019, and signed by the Governor on May 10, 2019.

Source

Criminal and Juvenile Justice Planning Division, Department of Human Rights

[HF 306](#) – School Supplemental State Aid Act (LSB2288HV.1)
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Fiscal Note Version – Final Action

Description

[House File 306](#) modifies and establishes provisions related to the funding of school districts, including establishing a State supplemental aid rate (percent of growth) and the categorical State percent of growth for the budget year beginning July 1, 2019 (FY 2020), and providing for other changes to the school aid formula.

House File 306 has three provisions with a fiscal impact:

- Establishes a 2.06% State percent of growth rate to be applied to the State cost per pupil for FY 2020.
- Establishes a 2.06% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2020.
- Provides additional property tax replacement funding based on the per pupil increase that results from the establishment of the State percent of growth in FY 2020. The Act requires the additional levy portion of the FY 2020 State cost per pupil amount to be frozen at \$750 per pupil, regardless of the per pupil increase for FY 2020. Without enactment of this provision, the increase in the FY 2020 State cost per pupil due to the State percent of growth will include a per pupil property tax increase equivalent to one-eighth (12.5%) of the total per pupil increase.

The Act took effect upon enactment.

Background

State Cost Per Pupil. The school aid formula provides funding to school districts and Area Education Agencies (AEAs) through a mix of State aid and property tax. In general, funding is generated on a per pupil basis, with the per pupil amounts providing an overall budget limitation (or spending authority). There are five FY 2020 State cost per pupil funding levels that would be increased by a 2.06% State percent of growth for FY 2020 with the enactment of [HF 306](#).

Table 1 provides the supplemental State aid amounts (also referred to as per pupil growth amounts) and State cost per pupil amounts for FY 2020 based on a 2.06% growth rate. The supplemental State aid amounts will be applied to all corresponding district and AEA cost per pupil amounts.

Table 1 — HF 306

FY 2020 State Cost Per Pupil Calculations

	FY 2019 State Cost Per Pupil	FY 2020 State Percent of Growth	FY 2020 Supplemental State Aid	FY 2020 State Cost Per Pupil
Regular Program	\$ 6,736	2.06%	\$ 139	\$ 6,875
Special Education Program	6,736	2.06%	139	6,875
AEA Special Education Services	295.53	2.06%	6.09	301.62
AEA Media Services	55.10	2.06%	1.14	56.24
AEA Education Services	60.80	2.06%	1.25	62.05

In addition to the State percent of growth and supplemental State aid amounts for FY 2020, enrollments, weightings, and taxable valuations within each school district have an impact on the amount of total school aid funding, including the amount of State aid and local property tax required to generate the total funding amount.

State Categorical Supplements. The State categorical supplements are funded entirely through State aid and generate funds for each school district and AEA through the school aid formula on a per pupil basis. The FY 2020 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), early intervention supplement (district only), and Teacher Leadership and Compensation (TLC) (district only) supplement would be increased by a 2.06% State percent of growth for FY 2020. **Table 2** provides the per pupil growth amounts and State cost per pupil amounts for FY 2020 based on HF 306.

Table 2 — HF 306

FY 2020 State Categorical Cost Per Pupil Calculations

	FY 2019 State Cost Per Pupil	FY 2020 State Percent of Growth	FY 2020 Supplemental State Aid	FY 2020 State Cost Per Pupil
Teacher Salary - Districts	\$ 580.01	2.06%	\$ 11.95	\$ 591.96
Professional Development - Districts	65.69	2.06%	1.35	67.04
Early Intervention	71.56	2.06%	1.47	73.03
Teacher Leadership and Compensation	326.50	2.06%	6.73	333.23
Teacher Salary - AEAs	30.35	2.06%	0.63	30.98
Professional Development - AEAs	3.51	2.06%	0.07	3.58

Additionally, there is a budget guarantee provision for each of the State categorical supplements, which provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Property Tax Replacement Payment (PTRP). The enactment of [HF 215](#) (2013 Education Reform Act) included the creation of the property tax replacement payment (PTRP) provision to replace local property tax amounts with State aid. The provision froze the additional levy portion of the State cost per pupil at \$750; based on the State percent of growth enacted during the intervening fiscal years, this provision created \$15 per pupil in property tax relief in FY 2014 and up to \$92 per pupil in FY 2019. The continual growth is a result of this provision requiring that the per pupil property tax relief of previous fiscal years carry forward into future fiscal years. Enactment of HF 306 will maintain the additional levy portion of the State cost per pupil at \$750 in FY 2020. The per pupil property tax relief amount will be based on the State percent of growth enacted for FY 2020. **Table 3** provides detail regarding the State cost per pupil funding levels as provided by a 2.06% growth rate for FY 2020 in HF 306.

Table 3 — HF 306

FY 2020 Property Tax Replacement Payment Calculation

	FY 2019	Increase Due To Supplemental State Aid Rate	FY 2020
Regular Program	\$ 6,736	\$ 139	\$ 6,875
87.5% Foundation Level	842	17	859
PTRP Amount	92	17	109
Fixed Additional Levy Portion	750		750

Assumptions

- Estimates are based on October 2018 certified enrollments and supplementary weightings for FY 2020, which were approved by the School Budget Review Committee (SBRC) in December 2018.
- A statewide taxable valuation growth rate of 4.40% for FY 2020 was previously agreed upon by the Legislative Services Agency (LSA) and the Department of Management. Based on this assumed rate, the statewide total for the uniform levy is estimated to account for \$39.5 million of the school foundation property tax change in FY 2020 (including the uniform levy portion of the commercial/industrial rollback replacement payment). The estimated increase in the uniform levy amount is not affected by the establishment of the State percent of growth rate. **Table 4** shows a 4.36% increase in the uniform levy due to changes in the uniform levy rates for school districts undergoing the process of reorganization.
- Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2019 taxable valuation amount.
- Total State aid includes funding from the State General Fund and other funds appropriated or deposited in the Property Tax Equity and Relief (PTER) Fund, which is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2019 State percent of growth will also affect the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the Program is provided by State General Fund dollars and is included in the overall State aid total.

- Districts eligible for the 101.00% budget adjustment will approve use of that provision.
- Beginning in FY 2020, the additional \$15.0 million State aid reduction to AEAs implemented in FY 2019 will be restored.
- Other legislation may have an impact on the amount of State aid and property tax generated through the school aid formula. The fiscal impact in **Table 4** includes only the provisions in this Act.

Fiscal Impact

Table 4 provides the estimated fiscal impact of the three provisions of HF 306: State Supplemental Aid, State categorical rate, and PTRP implementation. These provisions include:

- Restoration of the \$15.0 million reduction in State aid to the AEAs. Under current law, the reduction will total \$7.5 million (a statutory reduction implemented annually).
- \$62.1 million in PTRP funding, an increase of \$10.0 million (19.17%) compared to FY 2019.
- \$537.9 million for the State categorical supplements for school districts and AEAs, an increase of \$10.7 million (2.03%). This includes:
 - \$305.0 million for the teacher salary supplement at the district and AEA level.
 - \$34.6 million for the professional development supplement at the district and AEA level.
 - \$35.6 million for the early intervention supplement.
 - \$162.7 million for the teacher leadership supplement.
- \$85.9 million for preschool formula funding, an increase of \$3.7 million (4.49%) compared to FY 2019. The preschool formula funding is included in the State aid amount, but is not included in the combined district cost total.
- \$10.2 million in budget adjustment funding, a decrease of \$15.4 million (60.16%) compared to FY 2019. The budget guarantee adjustment is calculated at the school district level so that school districts receive 101.00% of their previous year's funding. The budget guarantee adjustment is funded entirely through property taxes.
- The total property tax funds generated through the school aid formula are estimated to be \$1.560 billion, an increase of \$29.4 million (1.92%) compared to FY 2019.
- The total State aid from the General Fund (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula) is estimated to be \$3.301 billion, an increase of \$93.6 million (2.92%) compared to FY 2019. Any legislative action affecting FY 2020 school aid provisions will have an impact on school aid amounts. Additionally, any variations in the assumptions noted may result in changes in the FY 2020 estimates provided in **Table 4**.

Table 4 — HF 306

Legislative Services Agency: FY 2020 School Aid Estimates (Statewide Dollars in Millions)

Program Funding:	FY 2019	Est. FY 2020	Est. Change	% Change
Regular Program District Cost	\$ 3,285.5	\$ 3,362.6	\$ 77.1	2.35%
Regular Program Budget Adjustment	25.5	10.2	-15.4	-60.16%
Supplementary Weighting (District)	98.7	103.8	5.1	5.14%
Special Education Instruction (District)	440.9	460.1	19.2	4.35%
Teacher Salary Supplement (District)	282.9	288.6	5.7	2.01%
Professional Development Supplement (District)	32.1	32.7	0.6	1.99%
Early Intervention Supplement (District)	34.9	35.6	0.7	1.95%
Teacher Leadership Supplement (District)	159.5	162.7	3.3	2.05%
AEA Special Ed Support District Cost	162.5	164.9	2.4	1.49%
AEA Special Ed Support Adjustment	1.8	1.4	-0.3	-18.92%
AEA Media Services	28.7	29.4	0.7	2.34%
AEA Ed Services	31.7	32.4	0.7	2.32%
AEA Teacher Salary Supplement	16.0	16.4	0.4	2.39%
AEA Professional Development Supplement	1.9	1.9	0.0	2.35%
Dropout and Dropout Prevention	124.3	124.3	0.0	0.00%
Combined District Cost	\$ 4,704.3	\$ 4,821.9	\$ 117.6	2.50%
Statewide Voluntary Preschool Program	\$ 82.2	\$ 85.9	\$ 3.7	4.49%
State Aid:	FY 2019	Est. FY 2020	Est. Change	% Change
Regular Program	\$ 1,937.8	\$ 1,967.2	\$ 29.4	1.52%
Supplementary Weighting	86.0	90.5	4.5	5.17%
Special Education Weighting	384.5	401.3	16.8	4.37%
Property Tax Adjustment Aid (1992)	8.1	7.7	-0.4	-4.40%
Property Tax Replacement Payment (PTRP)	52.1	62.1	10.0	19.17%
Adjusted Additional Property Tax - General Fund	24.0	24.0	0.0	0.00%
Statewide Voluntary Preschool Program	82.2	85.9	3.7	4.49%
Minimum State Aid	0.0	0.0	0.0	
State Aid from General Fund	\$ 3,207.6	\$ 3,301.1	\$ 93.6	2.92%
*Excess from SAVE Fund	9.7	10.1	0.4	3.76%
Total State Aid (Includes Non-General Fund)	\$ 3,217.3	\$ 3,311.2	\$ 93.9	2.92%
Local Property Tax:	FY 2019	Est. FY 2020	Est. Change	% Change
Uniform Levy Amount	\$ 905.4	\$ 944.9	\$ 39.5	4.36%
Additional Levy	624.9	614.8	-10.1	-1.61%
Total Levy to Fund Combined District Cost	\$ 1,530.3	\$ 1,559.7	\$ 29.4	1.92%
Comm/Ind - Uniform Levy Replacement	22.9	21.6	-1.4	-5.92%
Comm/Ind - Additional Levy Replacement	16.2	15.2	-1.0	-6.03%
Miscellaneous Information:	FY 2019	Est. FY 2020	Est. Change	% Change
Budget Enrollment	486,264	487,652	1,387	0.29%
State Cost Per Pupil	\$ 6,736	\$ 6,875	\$ 139	2.06%
Number of Districts with Budget Adjustment	178	117	-61	-34.27%
Percent of Districts with Budget Adjustment	53.94%	35.45%		
Property Tax Relief Payment per student	92.0	109.0	17.00	18.48%
AEA Funding	\$ 220.7	\$ 241.3	\$ 20.7	9.37%

Notes:

Totals may not sum due to data duplication and exclusion. For example, other funds are provided by State Aid but not included in the State Aid section because the funds are represented in the Program Funding section listed above.

The provision for minimum State aid requires that the State provide at least \$300 per student.

*Secure an Advanced Vision for Education (SAVE) Fund.

Sources: Department of Management (School Aid File), LSA analysis and calculations

Effective Date

This Act is effective February 19, 2019.

Enactment Date

This Act was approved by the General Assembly on February 13, 2019, and signed by the Governor on February 19, 2019.

Sources

Iowa Department of Education, Certified Enrollment and Enrollment Projections File

Iowa Department of Management, School Aid File

Iowa Department of Revenue

LSA analysis and calculations

[HF 389](#) – Boat Registration (LSB1249HV.1)

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Fiscal Note Version – Final Action

Description

[House File 389](#) makes changes to the boat registration process. A boat or vessel would be initially registered with the County Recorder in the county where the owner resides; however, the renewal process that occurs every three years could be completed at any county recorder office. To maintain the same vessel registration number, the renewal must be completed within 60 days of the expiration date of the registration. The Act changes the registration deadline from May 1 to July 1, and late registrants must pay a \$5 penalty. The penalty is deposited into the Fish and Game Protection Fund.

Background

The Department of Natural Resources (DNR) completed the statewide recreational vehicle and vessel registration system in 2012. All transactions for recreational vehicles and vessels are processed by county recorders through the statewide system. Boat renewal fees are paid every three years, and renewal fees will be collected in FY 2019.

Assumptions

During the 2016 boat registration renewal process, there were 39,000 boat owners who were charged the \$5 late registration fee for a total of \$195,000 that was deposited into the Fish and Game Protection Fund. By moving the renewal deadline from May 1 to July 1, the DNR is assuming all registrations will be completed on time and there will be no penalties paid in FY 2019.

Fiscal Impact

The estimated fiscal impact of [House File 389](#) is a revenue reduction of \$195,000 to the Fish and Game Protection Fund for FY 2019. The number of boat or vessel owners likely to complete registrations after the new July 1 deadline cannot be estimated but is likely to be significantly reduced. Any late penalties will be deposited in FY 2020 and subsequent fiscal years.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 18, 2019, and signed by the Governor on May 3, 2019.

Sources

Department of Natural Resources

[HF 422](#) – Telehealth to Sex Offender Unit (LSB2053HV.1)

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Fiscal Note Version – Final Action

Description

[House File 422](#) directs the University of Iowa Hospitals and Clinics (UIHC), which provides health care services to patients at the Civil Commitment Unit for Sexual Offenders (CCUSO), to utilize telehealth instead of in-person delivery of health care services, to the greatest extent medically appropriate. The Act requires the CCUSO to document the use of telehealth and any resulting savings in costs and staffing.

Background

Iowa Code sections [263.21](#) and [263.23](#) require the UIHC to provide medical services to CCUSO patients at no charge. The CCUSO typically uses local health care providers for routine health care services such as dentistry, optometry, and routine x-rays. Individuals needing immediate emergency medical care are taken to the local hospital emergency department. Nearly all specialty outpatient medical care and inpatient hospital care and treatment is obtained through the UIHC, which requires an approximate 10-hour round trip drive from Cherokee to Iowa City with a minimum of two staff.

Assumptions

- The UIHC indicated there will be no fiscal impact as a result of providing services via telehealth instead of in person.
- There will likely be savings associated with reduced transportation and staffing costs. However, the CCUSO is unable to predict future medical conditions that may arise in the next fiscal year that could be appropriately addressed via telehealth.
- The CCUSO will need to convert space to a medical clinic within its secure setting; this will include ordering and installing all proper equipment and ensuring a secure line is used to correspond effectively with the UIHC's telehealth system.
- The CCUSO will also need to create a new recordkeeping method to track any resultant cost savings.

Fiscal Impact

The fiscal impact of [HF 422](#) cannot be determined, although the Act will likely result in savings to the CCUSO due to decreased transportation and staff costs. The CCUSO will incur some startup costs associated with procuring the appropriate equipment.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 25, 2019, and signed by the Governor on May 10, 2019.

Sources

Department of Human Services
University of Iowa Hospitals and Clinics

[HF 482](#) – Motor Vehicle Enforcement Officers (LSB1476HV.1)

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Fiscal Note Version – Final Action

Description

[House File 482](#) extends the authorization of Motor Vehicle Enforcement (MVE) Officers employed by the Department of Transportation (DOT) to perform duties outlined in Iowa Code section [321.477](#). The current authorization sunsets on July 1, 2019. The Act allows the following duties, which the DOT is currently performing, to continue until July 1, 2022:

- Employees designated as peace officers by the DOT may “enforce all laws of the state including but not limited to the rules and regulations of the department.”
- “Employees designated as peace officers pursuant to section [321.477](#) shall have the same powers conferred by law on peace officers for the enforcement of all laws of this state and the apprehension of violators.”
- MVE officers may operate within the limits of a city under certain circumstances.
- MVE officers must spend the preponderance of their time enforcing the State and federal commercial motor vehicle laws and regulations.
- The Department is required to provide a report to the General Assembly by December 1 each year that describes the nature and scope of enforcement activities during the prior fiscal year.

Background

In 2017, the General Assembly passed the Motor Vehicle Regulation and Enforcement Act that specified the powers, duties, and limitations of the MVE officers and granted authority to the DOT to perform these duties for one year (2017 Iowa Acts, ch. [149](#)). In 2018, the General Assembly extended the authorization to perform these duties until July 1, 2019. The sunset on July 1, 2019, will return law enforcement duties in Iowa Code section [321.477](#) to those authorized prior to July 1, 2017.

In 2018, the Iowa Supreme Court ruled that prior to July 1, 2017, MVE officers did not have the authority to issue traffic citations “unrelated to operating authority, registration, size, weight, and load” ([opinion](#)). This ruling, in conjunction with the sunset, means that the DOT will only be able to conduct enforcement activities related to “operating authority, registration, size, weight, and load” after July 1, 2019. MVE officers would still be able to conduct other enforcement activities if authorized to do so by another statute, such as Iowa Code section [321.380](#) for school bus violations and Iowa Code section [321J.2](#) for operating-while-intoxicated violations.

A total of 21,100 convictions for scheduled traffic violations in FY 2018 were due to citations issued by MVE officers. Scheduled traffic convictions issued by the DOT include a wide range of violations. The majority of the citations were issued to vehicles that require commercial driver’s licenses. A few examples of convictions include but are not limited to scheduled traffic violations including weight violations, speeding, CMV safety regulations, and operating without insurance and registration. The Legislative Services Agency (LSA) is

unable to determine which of these scheduled traffic violations the DOT will be able to enforce after July 1, 2019, if the current language in Iowa Code section [321.477](#) sunsets.

Additionally, actions of MVE officers resulted in 500 convictions for various crimes in FY 2018. Examples include operating while under the influence, possession of drug paraphernalia, and possession of controlled substances. These arrests may have occurred after a routine traffic stop that MVE officers may not be able to conduct after the current sunset. It is not possible to determine the circumstances of these arrests. The LSA cannot determine what violations the DOT may have authority to enforce after July 1, 2019, and if the loss of this authority will reduce the ability of MVE officers to enforce Iowa Code section [321J.2](#) or [321.380](#).

The costs for MVE officers and enforcement activities are funded by appropriations from the Road Use Tax Fund to the Highway Division of the DOT. The Department also receives reimbursements for approved commercial enforcement activities under the Motor Carrier Safety Assistance Program (MCSAP). In FFY 2017, Iowa was eligible to receive a total of \$4.3 million in MCSAP reimbursements. Approximately \$1.5 million of the total federal funds was allocated to the Department of Public Safety (DPS).

Fines associated with each scheduled traffic citation vary. There is an estimated court cost of \$60 per violation. A criminal penalty surcharge is applied to the scheduled fine. Ninety-five percent of the surcharge goes to the State. Of the State's share, 83.0% goes to the General Fund and 17.0% to the Victim Compensation Fund. The remaining 5.0% of the surcharge goes to the local city or county where the infraction occurred.

Fiscal Impact

[House File 482](#) will allow the DOT to continue law enforcement activities as conducted in FY 2018 and FY 2019. By extending authorized duties through FY 2022, the Act avoids a potential reduction in General Fund revenue from fines due to the sunset of the authority designated in Iowa Code section [321.477](#). However, the number of convictions that will be issued in FY 2020 and FY 2021 that would not have been issued if authority sunsets is unknown. Extending authorized duties through FY 2022 may avoid a reduction in Federal MCSAP funding. The extent that MCSAP funding may be reduced if Iowa Code section [321.477](#) sunsets is unknown.

Effective Date

This Act is effective March 21, 2019.

Enactment Date

This Act was approved by the General Assembly on March 14, 2019, and signed by the Governor on March 21, 2019.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
Iowa Department of Transportation
Legislative Services Agency

[HF 546](#) – Secure an Advanced Vision for Education, Extension (LSB1768HZ.3)

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Fiscal Note Version – Final Action

Description

[House File 546](#) contains multiple provisions regarding Secure an Advanced Vision for Education (SAVE) and the Property Tax Equity Relief (PTER) Fund. The Act provides for the extension of the one-cent sales tax that is distributed to school districts for the following uses:

- Reduction of bond levies.
- Reduction of regular and voted physical, plant, and equipment levies (PPEL).
- Reduction of the public educational and recreational levy (PERL).
- Authorized infrastructure projects.
- Payment of principal and interest on bonds issued under the School Infrastructure Local Option (SILO) sales tax or SAVE.

The Act extends the sunset of SAVE to January 1, 2051, and adjusts the amount of funds being directed into the PTER Fund. In FY 2020, the amount directed to PTER is 3.1% of the total funds generated by SAVE. Starting in FY 2021, for fiscal years in which the growth of SAVE is more than 2.0% over the previous fiscal year, the amount directed into the PTER Fund will increase by 1.0% until it reaches a cap of 30.0% of the funds generated by SAVE. Beginning in FY 2021, one-half of the increase in funds each year will flow into a newly created Foundation Base Supplement Fund (FBSF) within the PTER Fund, which will function to increase the State cost per pupil foundation level. The current foundation level is set in Iowa Code section [257.1\(2\)\(b\)](#) as 87.5% of the State cost per pupil.

The Act also creates a fund for career academies, which will receive an annual distribution from SAVE. The Department of Education is directed to adopt rules for the distribution of these funds in the form of competitive grants that may be awarded to schools for use on career academy infrastructure and equipment. If the growth of SAVE is more than 2.5% over the previous fiscal year, the amount allocated to the Career Academies Fund is to increase by 0.5% of the amount of SAVE funds available after the distribution to the PTER Fund and the FBSF, to a maximum of \$5.0 million.

The Act also makes changes to requirements for revenue purpose statements under SAVE and requirements for the issuance of bonds under SAVE. Changes include requiring the completion of a cost-benefit analysis of remodeling or repairing existing buildings for districts completing a certificate of need and requiring that if a school district proposes an athletic infrastructure project using SAVE funds, the district must hold a public hearing on the proposed use of the funds. After the public hearing on a proposed sports or athletic facility, if a vote is successfully petitioned for, the district must hold a vote on the use of the funds. All bond sales must receive public notice and are subject to a petitioned vote.

The Act also clarifies that SAVE funds may be used for school safety and security infrastructure.

Background

During the 2008 Legislative Session, the General Assembly enacted [HF 2663](#) (State Sales and Use Tax for School Infrastructure Act). Beginning July 1, 2008, the Act repealed the SILO sales tax, which was enacted by individual counties; increased the State sales tax from 5.0% to 6.0%; and designated the 1.0% increase to be used for school infrastructure purposes and property tax relief. The State sales/use tax for school infrastructure (SAVE) is currently set to be repealed at the end of calendar year 2029.

In FY 2015, the rate of distribution into the PTER Fund was set at 2.1% of the total funding generated by the 1.0% SAVE sales tax. The remaining 97.9% of the 1.0% sales tax is distributed to school districts on a per-pupil basis. The PTER funding generated by SAVE is combined with an annual \$24.0 million General Fund standing appropriation and is used within the State school aid formula to reduce the additional property tax levy for districts with the highest property tax rates. For the purpose of the FY 2019 school aid formula, the 2.1% allocation generated \$9.7 million in funding for PTER for a total of \$33.7 million, which was distributed across 57 school districts with the highest additional property tax rates. The FY 2019 PTER distribution was based on the total FY 2017 funds generated by SAVE.

The FBSF is a new fund that will supplement the other property tax relief programs, including the Property Tax Replacement Payment (PTRP) and PTER funds. The per-pupil PTRP payment is calculated annually to fix the per-student additional levy portion of the State cost per pupil at the FY 2013 level, or \$750 per student. In FY 2019, the PTRP is \$92 per student, totaling an estimated \$52.1 million. The PTRP is fixed at the current year rate unless legislation is passed to increase the payment with the increase in the State cost per pupil.

Assumptions

The following assumptions are based on growth estimates established by the Revenue Estimating Conference (REC) and the Department of Revenue (IDR):

- SAVE Fund
 - The growth rate of the funds available in SAVE is estimated at 6.24% for FY 2019.
 - The estimated growth rates for FY 2020 and FY 2021 are 7.28% and 3.32%, respectively.
 - Estimated future fiscal year growth rates are presented in **Table 4**.
 - The amounts allocated to school districts from SAVE will be reduced starting in FY 2020 as compared to current law.

- PTER Fund
 - This Act increases the funds allocated to PTER and dedicated to property tax relief for districts with the highest additional property tax rates.
 - Starting in FY 2021, the amount of the PTER Fund transfer may increase by 1.0% annually if SAVE revenue grows at a rate greater than 2.0% the previous fiscal year. Using the estimates in **Table 4**, the PTER may reach its cap of 30.0% in FY 2048.
 - The \$24.0 million standing appropriation to PTER will continue.
 - The PTER distribution for the upcoming fiscal year is based on the previous fiscal year's final receipts; the PTER distribution for FY 2020 is based on final FY 2018 income. Therefore, changes in the distribution to the PTER Fund will not take effect within the

school aid formula until the FY 2022 school year, and the estimated distribution of funds from the FBSF will not take effect within the school aid formula until the FY 2023 school year.

- Career Academies Fund
 - The allocation to the Career Academies Fund will be \$1.0 million in FY 2020.
 - The allocation to the Career Academies Fund may increase annually if SAVE revenue grows at a rate greater than 2.5% over the previous fiscal year. It is estimated that the allocation will reach its peak of \$5.0 million in FY 2022. See **Table 4** for more information.
 - The Department of Education will require 1.0 additional full-time equivalent (FTE) position to assume the new grant management responsibilities.

Fiscal Impact

Table 1 shows the estimated decrease in revenue for FY 2020 to FY 2024 from the SAVE Fund for school districts as compared to current law for the same period.

Table 1 — HF 546

Estimated Reductions to School Districts from SAVE Fund (in millions)					
		Current Law		HF 546	Est. Fiscal Impact
FY 2020	\$	537.2	\$	530.7	\$ -6.5
FY 2021		555.1		540.0	-15.1
FY 2022		565.8		543.4	-22.3
FY 2023		585.4		562.5	-22.9
FY 2024		607.2		577.4	-29.8

Table 2 shows the estimated increases to the PTER Fund for FY 2020 to FY 2024 as compared to current law for the same period, and the estimated allocations for additional levy buydown and the FBSF.

Table 2 — HF 546

Estimated PTER Fund Allocations

(in millions)

	PTER Fund Allocations under HF 546		Change Compared to Current Law	Distributions from the PTER Fund under HF 546				
				Lewy Allocations	FBSF Allocation			
FY 2020	\$	17.0	\$	5.5	\$	17.0	\$	0.0
FY 2021		23.2		11.3		20.4		2.8
FY 2022		29.5		17.3		23.7		5.8
FY 2023		30.5		17.9		24.5		6.0
FY 2024		37.8		24.8		28.5		9.3

Table 3 shows the estimated allocations to the Career Academies Fund from FY 2020 to FY 2024.

Table 3 — HF 546

Estimated Career Academies Distributions

(in millions)

	Career Academies	
FY 2020	\$	1.0
FY 2021		3.7
FY 2022		5.0
FY 2023		5.0
FY 2024		5.0

The Department of Education estimates it will need 1.0 additional FTE position (\$108,000 per fiscal year) for the management of the grants under the Career Academies funding distribution.

Table 4 uses the REC and the IDR growth estimates to calculate the projected SAVE, Career Academies, PTER, and FBSF distributions from FY 2018 to FY 2051, based on [HF 546](#).

Table 4 — HF 546

Projected SAVE Fund Distributions (in millions)

Fiscal Year	Est. SAVE Fund Growth Rate	SAVE Fund	SAVE Allocation to School Districts	Career Academies Distribution	Percent Allocated to PTER	Est. SAVE Allocated to PTER	Est. PTER Distribution			PTER Standing Appropriation	Est. Total Adjust Additional Levy
							Adj. Additional Levy Allocation from SAVE	Funding Allocated to FBSF			
FY 2018		\$ 481.5	\$ 471.4	\$ 0.0	2.1%	\$ 10.0	\$ 10.0	\$ 0.0	\$ 24.0	\$ 34.0	
FY 2019	6.24%	511.5	530.7	0.0	2.1%	10.7	10.7	0.0	24.0	34.7	
FY 2020	7.28%	548.8	530.7	1.0	3.1%	17.0	17.0	0.0	24.0	41.0	
FY 2021	3.32%	567.0	540.0	3.7	4.1%	23.2	20.4	2.8	24.0	44.4	
FY 2022	1.93%	577.9	543.4	5.0	5.1%	29.5	23.7	5.8	24.0	47.7	
FY 2023	3.48%	598.0	562.5	5.0	5.1%	30.5	24.5	6.0	24.0	48.5	
FY 2024	3.72%	620.2	577.4	5.0	6.1%	37.8	28.5	9.3	24.0	52.5	
FY 2025	2.24%	634.1	584.1	5.0	7.1%	45.0	32.3	12.7	24.0	56.3	
FY 2026	2.29%	648.7	591.1	5.0	8.1%	52.5	36.3	16.2	24.0	60.3	
FY 2027	2.43%	664.4	598.9	5.0	9.1%	60.5	40.5	19.9	24.0	64.5	
FY 2028	2.56%	681.4	607.6	5.0	10.1%	68.8	45.0	23.8	24.0	69.0	
FY 2029	2.56%	698.8	616.3	5.0	11.1%	77.6	49.6	28.0	24.0	73.6	
FY 2030	2.62%	717.1	625.4	5.0	12.1%	86.8	54.5	32.3	24.0	78.5	
FY 2031	2.45%	734.7	633.5	5.0	13.1%	96.2	59.5	36.7	24.0	83.5	
FY 2032	2.45%	752.7	641.6	5.0	14.1%	106.1	64.7	41.4	24.0	88.7	
FY 2033	2.45%	771.2	649.7	5.0	15.1%	116.4	70.2	46.3	24.0	94.2	
FY 2034	2.45%	790.1	657.9	5.0	16.1%	127.2	75.8	51.4	24.0	99.8	

Fiscal Year	Est. SAVE Fund Growth Rate	SAVE Fund	SAVE Allocation to School Districts	Career Academies Distribution	Percent Allocated to PTER	Est. SAVE Allocated to PTER	Est. PTER Distribution			Est. Total Adjust Additional Levy
							Adj. Additional Levy Allocation from SAVE	Funding Allocated to FBSF	PTER Standing Appropriation	
FY 2035	2.45%	809.4	666.0	5.0	17.1%	138.4	81.8	56.7	24.0	105.8
FY 2036	2.45%	829.2	674.1	5.0	18.1%	150.1	87.9	62.2	24.0	111.9
FY 2037	2.45%	849.6	682.3	5.0	19.1%	162.3	94.3	68.0	24.0	118.3
FY 2038	2.45%	870.4	690.4	5.0	20.1%	174.9	101.0	74.0	24.0	125.0
FY 2039	2.45%	891.7	698.5	5.0	21.1%	188.1	107.9	80.3	24.0	131.9
FY 2040	2.45%	913.5	706.6	5.0	22.1%	201.9	115.1	86.8	24.0	139.1
FY 2041	2.45%	935.9	714.7	5.0	23.1%	216.2	122.6	93.6	24.0	146.6
FY 2042	2.45%	958.9	722.8	5.0	24.1%	231.1	130.4	100.7	24.0	154.4
FY 2043	2.45%	982.3	730.8	5.0	25.1%	246.6	138.5	108.1	24.0	162.5
FY 2044	2.45%	1,006.4	738.7	5.0	26.1%	262.7	146.9	115.7	24.0	170.9
FY 2045	2.45%	1,031.1	746.7	5.0	27.1%	279.4	155.7	123.7	24.0	179.7
FY 2046	2.45%	1,056.3	754.5	5.0	28.1%	296.8	164.8	132.0	24.0	188.8
FY 2047	2.45%	1,082.2	762.3	5.0	29.1%	314.9	174.2	140.7	24.0	198.2
FY 2048	2.45%	1,108.7	771.1	5.0	30.0%	332.6	183.5	149.1	24.0	207.5
FY 2049	2.45%	1,135.9	790.1	5.0	30.0%	340.8	188.0	152.8	24.0	212.0
FY 2050	2.45%	1,163.7	809.6	5.0	30.0%	349.1	192.6	156.5	24.0	216.6
FY 2051	2.45%	596.1	412.3	5.0	30.0%	178.8	98.7	80.2	24.0	122.7

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 25, 2019, and signed by the Governor on May 24, 2019.

Sources

Department of Education
Department of Management
Department of Revenue
Iowa Association of School Boards
Revenue Estimating Conference
LSA analysis and calculations

[HF 569](#) – Dependent Adult Abuse, Personal Degradation (LSB1749HV.1)

Analyst: Jess Benson (515.281.4611) jess.benson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 569](#) adds personal degradation as a form of dependent adult abuse by a caretaker regulated by the Department of Human Services (DHS). The Act defines personal degradation as a willful act or statement by a caretaker intended to shame, degrade, humiliate, or otherwise harm a dependent adult's personal dignity, or a willful act or statement by a caretaker where the caretaker knew or reasonably should have known the act or statement would shame, degrade, humiliate, or otherwise harm the dependent adult's personal dignity. This would include the taking, transmission, or display of an electronic image of a dependent adult by a caretaker.

The Act makes exception for electronic images taken for the purpose of reporting dependent adult abuse, for the purpose of treatment or diagnosis, or as part of an ongoing investigation. The Act also makes exception for electronic images taken by a caretaker in accordance with the confidentiality policy and release of information or consent policies of a contractor, employer, or facility or program not regulated by the Department of Inspections and Appeals (DIA).

The Act establishes dependent adult abuse by personal degradation as a serious misdemeanor.

Assumptions

DHS Computer System Updates:

- Adding a new category for dependent adult abuse will require one-time updates to the Child Welfare Information System. The DHS will need to add a new allegation category to the allegation screen and adult subject screen, adding additional factors and updating assessment reports, statistical reports, and federal reports with the new abuse category.
- The updates to the Child Welfare Information System will take 200 contract staff hours to complete at an average hourly rate of \$105 per hour.
- The match rate is 50.0% federal and 50.0% State, with all costs occurring in FY 2020.

Additional DHS Staff:

- The current annual number of intakes by the DHS is 8,476 and the number of accepted dependent adult abuse cases is 3,856. It is estimated that this Act would increase intakes by 10.0% in FY 2020 and an additional 10.0% in FY 2021.
- There will be 847 new intakes and 386 new accepted cases in FY 2020 and 932 additional new intakes with 419 of those accepted in FY 2021.
- To maintain current staffing levels, the DHS would require 2.0 full-time equivalent (FTE) Social Worker 3 positions in FY 2020 and 4.0 FTE Social Worker 3 positions in FY 2021.
- The salary for a Social Worker 3 position is \$62,952. That cost is based on the minimum pay for the classification, adjusted to include benefits, FICA, and IPERS. This estimate does not reflect any changes or impact for potential salary adjustments.

- The match rate is 10.62% federal and 89.38% State.

Correctional Impact

The correctional impact of [HF 569](#) cannot be determined. The Act establishes personal degradation as a serious misdemeanor, and the number of convictions cannot be estimated.

Table 1 below shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; length of stay (LOS) under those supervisions; and supervision marginal costs per day for all serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Table 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 18 Avg Length of Stay Prison (months)	FY 18 Marginal Cost/Day	Percent to Probation	FY 18 Avg Length of Stay Probation (months)	FY 18 Avg Cost/Day Probation	Percent to CBC	FY 18 Marginal CBC Cost/Day	FY 18 Avg Length of Stay Parole (months)	FY 18 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Serious Misdemeanor	2.0%	6.4	\$19.93	60.0%	13.1	\$5.38	1.0%	\$11.85	6.8	\$5.38	70.0%	\$50.00

Minority Impact

The minority impact of [HF 569](#) is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

[House File 569](#) is estimated to increase the DHS annual state operating costs by \$123,000 in FY 2020 and \$225,000 in FY 2021 and subsequent years. The increase for FY 2020 includes \$10,500 in one-time upgrade costs to the Child Welfare Information System.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 24, 2019, and signed by the Governor on May 10, 2019.

Sources

Department of Human Services
Criminal and Juvenile Justice Planning Division, Department of Human Rights

[HF 591](#) – Minor Guardianships (LSB1056HV.1)

Analyst: Laura Book (515.205.9275) laura.book@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 591](#) provides the basis for appointment of a guardian for a minor by the juvenile court, the procedures for establishment of a minor guardianship, and court monitoring and administration of minor guardianships. The Act also provides that the juvenile court shall have exclusive jurisdiction over minor guardianship proceedings. The effect of this provision is to transfer jurisdiction over these proceedings from the probate court to the juvenile court. In addition, [HF 591](#) requires that proposed guardians, other than financial institutions, undergo Iowa criminal record checks and checks of the Iowa child abuse, dependent adult abuse, and sex offender registries.

Background

As of January 1, 2019, there were 15,235 guardianship cases pending statewide, 57.0% of which involved minors. Under current law, the district probate court has jurisdiction over the minor guardianship proceedings. District Court Judges have general trial jurisdiction, including probate court, and Associate Juvenile and District Associate Judges have jurisdiction over juvenile court cases. Currently, there are 116 District Court Judges, 69 District Associate Judges, and 5 Associate Juvenile Judges.

Assumptions

- Approximately 8,864 minor guardianship cases will transfer from the probate court to the juvenile court.
- The salary and benefits for one District Associate Judge is \$198,802.
- The cost of Clerk of Court staff time per hour is approximately \$32.25.
- The estimated average number of minutes per year judges spend on a guardianship case is 30 minutes, with a per year total of 260,519 minutes.
- The estimated minutes per case that Clerk of Court staff will spend locating each existing guardianship case, electronically assigning it to a District Associate Judge or Associate Juvenile Judge, and informing the District Associate Judge or Associate Juvenile Judge of the case assignment is 10 minutes, with a total of 1,447 staff hours spent statewide.
- The background check requirement established in this Act would increase the volume of criminal history record checks through the Division of Criminal Investigation (DCI) of the Department of Public Safety (DPS) by at least 12,000 per year. The criminal history record checks would be conducted through existing processes.
- Background checks cost \$15 for each last name.

Fiscal Impact

[House File 591](#) is estimated to have a fiscal impact on the operating budget of the Judicial Branch. The Judicial Branch estimates that the change in jurisdiction would have two impacts:

- 1) The change in jurisdiction would generate a need for three more District Associate Judges to cover the workload shift from probate to juvenile court. The cost of salary and benefits for three District Associate Judges would be \$596,000. The Judicial Branch estimates

that although there would be a decreased need for District Court Judges with the shift in jurisdiction, the Judicial Branch would require more judges to meet the recommended caseload formula per judge.

2) The Clerk of Court staff time required to transfer documents to juvenile court would cost the Judicial Branch approximately \$47,000.

In addition, [HF 591](#) may have a workload impact on the DPS. Based on the number of pending minor guardianship cases, it is estimated that the DPS would require an additional full-time Clerk Specialist to process the additional volume of background checks. This position would be fully funded through fee revenue generated from the increased volume of background checks. Any additional fee revenue would provide further funding to the background check system.

Effective Date

This Act is effective January 1, 2020.

Enactment Date

This Act was approved by the General Assembly on April 15, 2019, and signed by the Governor on May 1, 2019.

Sources

Judicial Branch
Department of Public Safety
LSA calculations

[HF 596](#) – Whole Grade Sharing and Reorganization Incentives (LSB1526HV.1)

Analyst: Michael Guanci (515.725.1286) michael.guanci@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 596](#) extends the whole grade sharing supplementary weighting and reorganization incentives for an additional five years.

Background

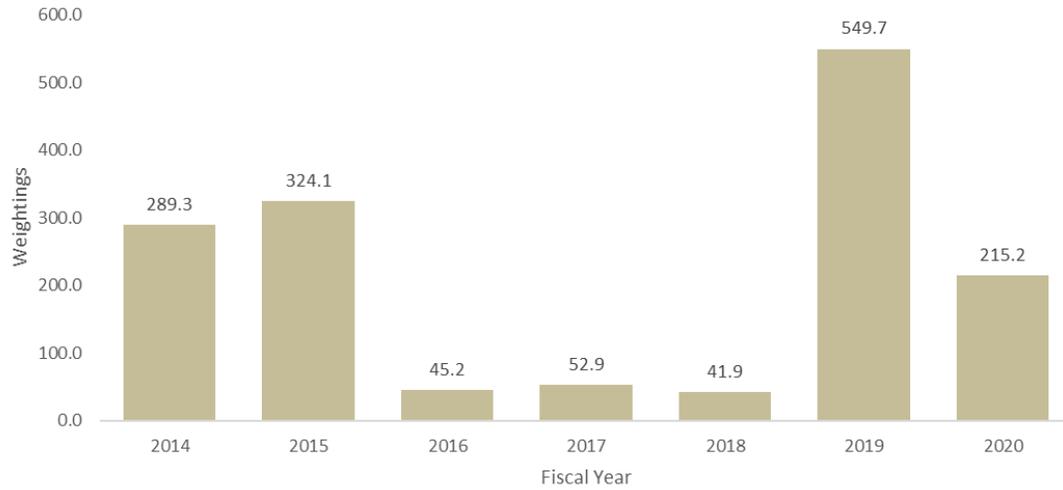
This Act is the third extension of the provisions currently in statute. Previous periods in which supplementary weightings were provided include:

- FY 2003 - FY 2008
- FY 2009 - FY 2015
- FY 2016 - FY 2020

Currently, school districts that participate in whole grade sharing and joint employment which jointly adopt a resolution to study reorganization are eligible to receive supplementary weighting of up to 0.1 per student for three years. Additionally, if the school districts reorganize, they may be eligible to receive the supplementary weighting for a total of six years. In addition to supplementary weighting, school districts that reorganize may be eligible for a uniform levy rate reduction for three years. The provisions in [HF 596](#) extend these reorganization provisions authorized on or before July 1, 2019, to July 1, 2024.

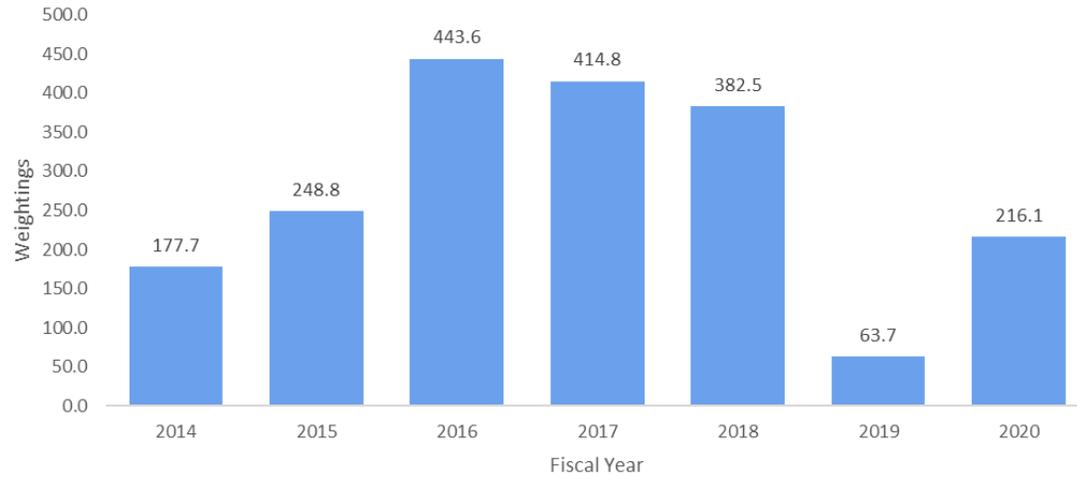
The amounts of weightings for whole grade sharing and joint employment have varied throughout the last seven years, as shown in the following chart. These weightings are calculated from the number of eligible resident pupils times a weighting of 0.1.

Whole Grade and Joint Employment Supplementary Weightings

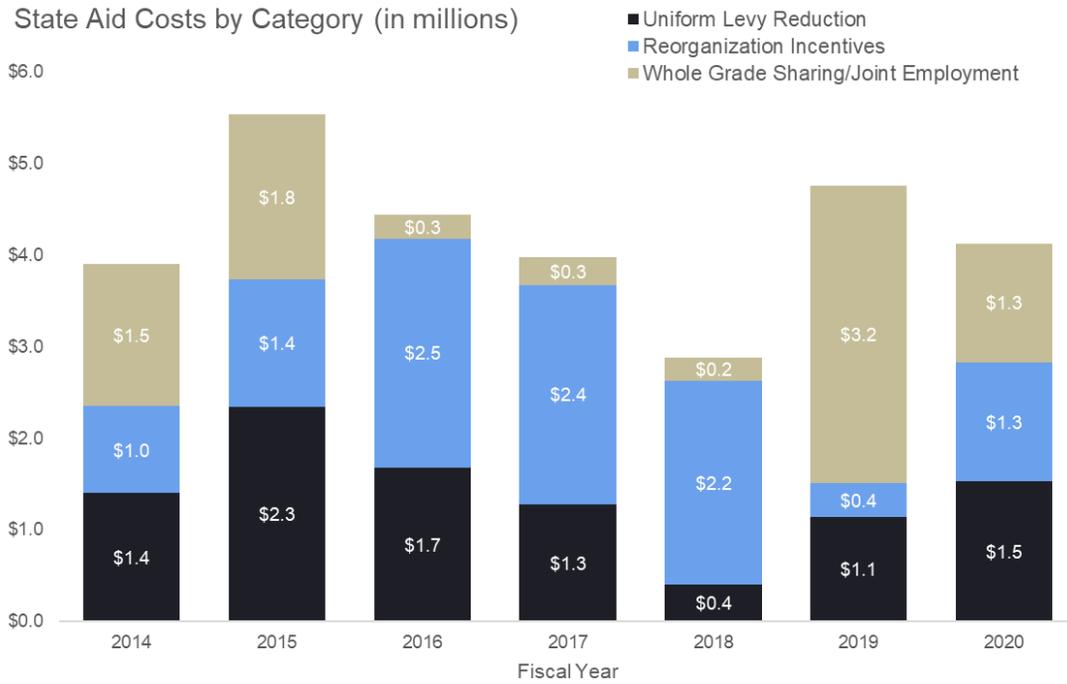


Supplementary weighting for reorganization has also varied in the last seven years. These weightings are calculated from the year prior to a district's reorganization and carried forward for three years.

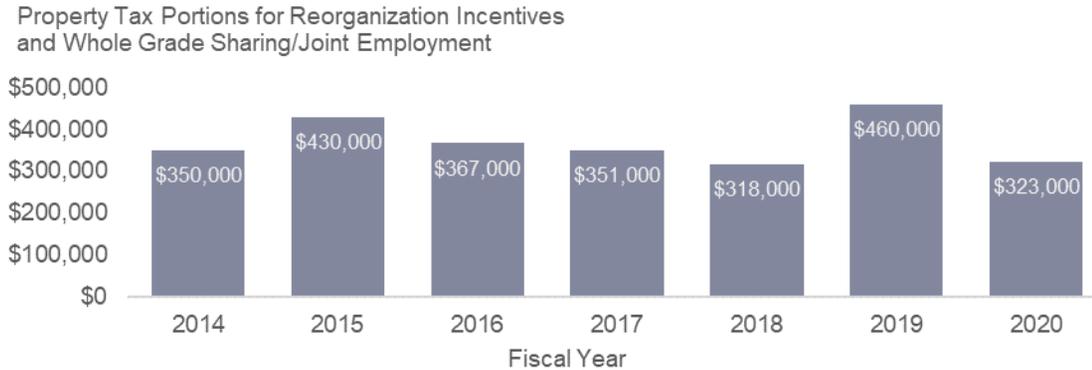
Reorganization Incentives Weightings



The supplementary weightings and reorganization incentives are funded through a mix of State aid and property taxes, which are calculated through the school finance formula. State aid costs associated with each of these supplementary weightings have varied due to the size and number of districts that are eligible to receive supplementary weighting.



The property tax portions associated with each of these supplementary weightings have varied due to the size and number of districts that are eligible to receive supplementary weighting.



Uniform levy reductions are paid by State aid through the school finance formula. The State aid cost for the uniform levy incentives depends on the enrollment of a district and taxable valuation of a district.

Since FY 2014, the minimum total State aid generated from whole grade sharing, joint employment, and reorganization incentives including uniform levy reductions was \$2.9 million in FY 2018 and the maximum total State aid generated was \$5.6 million in FY 2015.

Assumptions

- Under the provisions of this Act and using the Department of Education (DE)'s historical analysis, there may be on average approximately 2,000 students per year upon whom supplemental weightings would be generated between FY 2021 and FY 2023.
- The districts eligible to receive the weightings for FY 2021 will make progress to reorganizing and will receive the weighting for the second and third years.
- The amount of State aid for reorganizations is unknown and will be predicated on the number of districts that approve reorganization prior to July 1, 2024.
- Estimates are based on a State and district cost per pupil of \$6,880 for each fiscal year. Any State percent of growth above 0.00% for FY 2021 through FY 2024 will increase the overall impact. The State aid portion is appropriated from the General Fund and is based on the 87.50% foundation level and \$110 per pupil for property tax replacement payments.

Fiscal Impact

The estimated fiscal impact of all provisions in this Act is currently unknown and will be based on the number of districts eligible to receive supplementary weighting for whole grade sharing and joint employment, as well as the number of districts that start or continue to make progress toward reorganization.

However, based on the assumptions and DE analysis, whole grade sharing and joint enrollment weightings alone may generate approximately \$1.2 million per year in State aid and \$150,000 per year in property taxes from FY 2021 to FY 2023. These figures do not include reorganization incentives or State aid for uniform levy incentives.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 25, 2019, and signed by the Governor on May 9, 2019.

Sources

Department of Education
Department of Management
LSA Calculations

[HF 610](#) – Guardianship and Conservatorship, Adult (LSB1065HV.1)

Analyst: Laura Book (515.205.9275) laura.book@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 610](#) amends the Iowa probate code, which provides for the opening and administration of guardianships and conservatorships for adults and minors. The Act amends and deletes some of the provisions governing guardianships for adults and conservatorships for adults and minors. The Act also amends and adds specific requirements regarding the contents of a guardianship or conservatorship petition, notice, and hearing. In addition, [HF 610](#) establishes the requirement that proposed guardians and conservators, other than financial institutions, undergo background checks and checks against Iowa child abuse, dependent adult abuse, and sexual offender registries.

Background

In 2018, there were 2,603 guardianship and guardian/conservatorship filings, 43.0% of which involved guardianships for adults. Under current law, a hearing on a petition for appointment of a guardian for an adult is permitted, but not required in all cases.

Assumptions

- District courts currently hold a hearing on the initial guardianship petition in 25.0% of adult guardianship cases, approximately 280 cases.
- The average length of a hearing would be 45 minutes.
- The estimated hours of additional court time for hearings is 630 hours.
- The cost per 45-minute hearing before a district court judge would be \$150. This cost includes salary and benefit costs for a District Court Judge, Court Reporter, and Judicial Specialist in the courtroom.

Fiscal Impact

[House File 610](#) is estimated to have a fiscal impact on the Judicial Branch operating budget. The number of hearings on initial guardianship petitions is estimated to increase by approximately 75.0%, resulting in an estimated 839 additional hearings. The Judicial Branch estimates that the total annual cost for the additional court hearings pursuant to this Act would be approximately \$94,400. The fiscal impact of the required background and registry checks is expected to be minimal.

Effective Date

This Act is effective January 1, 2020.

Enactment Date

This Act was approved by the General Assembly on April 15, 2019, and signed by the Governor on May 1, 2019.

Source

Judicial Branch

[HF 644](#) – Federal Family First Prevention Services Act (LSB1265HV.1)

Analyst: Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 644](#) makes changes to the Iowa Code to begin implementation of the federal Family First Prevention Services Act (FFPSA) (Pub. L. No. [115-123](#), Title VII).

Sections 1 and 7 of the Act require protocols to ensure children maintain suitable existing medical, dental, or mental health provider relationships so that children are not inappropriately placed in nonfamily settings due to an inappropriate diagnosis of mental illness, behavioral disorders, medically fragile conditions, or developmental disabilities.

Section 2 requires the Department of Human Services (DHS) to include “Proof of Foster Care” letters as part of a child’s transition plan.

Sections 5 and 6 amend Iowa Code section [237.8](#) regarding background checks related to hiring of employees working in residential facilities. Current law requires a fingerprint-based criminal history check for prospective employees “with access to a child when the child is alone.” The FFPSA raises the standard to require the national fingerprint-based criminal history check for anyone working in a facility where children reside.

Background

The FFPSA was a provision of the Bipartisan Budget Act of 2018 and will dramatically change child welfare systems across the country. The FFPSA includes a major change in the way federal Title IV-E funds can be spent by states. Title IV-E funds previously could be used only to help with the costs of foster care maintenance for eligible children; administrative expenses to manage the program; training for staff, foster parents, and certain private agency staff; adoption assistance; and kinship guardianship assistance.

Under FFPSA, states, territories, and tribes with an approved Title IV-E plan have the option to use these funds for prevention services that would allow “candidates for foster care” to stay with their parents or relatives. States will be reimbursed for prevention services for up to 12 months. A written, trauma-informed prevention plan must be created and services will need to be evidence-based. Iowa’s current implementation timeline is to have an approved Title IV-E plan in place by July 1, 2020. Conversely, the federal government will place restrictions on Title IV-E funding for group care placements.

Assumptions

- The current Iowa Child Welfare Information System and Medicaid System would need to be updated to allow for efficiencies of pulling medical data from the Medicaid System and making it available for a caseworker. This is estimated to take 2,380 hours of work.

- The current Child Welfare Information System would need updates to autogenerate foster care age-out letters. This is estimated to take 190 hours of work.
- One hour of system updating costs \$105.
- Federal matching funds are available for computer programming costs.
- In 2019, there were approximately 1,900 staff employed at residential facilities in Iowa.
- On an ongoing basis, 25.0% staff turnover at these residential facilities will require an additional 475 fingerprint-based criminal history checks in successive years. This turnover will only be half realized in the first year.
- Each fingerprint-based criminal history check costs \$40. The DHS intends to pay for these background checks, but could also pass along the costs to the providers or applicants.

Fiscal Impact

Total costs for computer system updates are estimated at \$270,000. Of this amount, the State will be responsible for covering an estimated \$130,000. These will be one-time costs in FY 2020. These costs were covered by the Technology Reinvestment Fund appropriations for the Family and Children Services System ([HF 765](#), FY 2020 Infrastructure Appropriations Act).

The cost for background checks is estimated at \$85,000 in FY 2020, and \$19,000 annually thereafter. This cost is planned to be absorbed into the Child and Family Services General Fund appropriation included in [HF 766](#) (FY 2020 Health and Human Services Appropriations Act).

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 23, 2019, and signed by the Governor on May 10, 2019.

Sources

Department of Human Services
National Conference of State Legislatures
Legislative Services Agency calculations

[HF 668](#) – Alcoholic Beverages, Three-Tier System Reform (LSB2490HV)

Analyst: Christopher Ubben (515.725.0134) chris.ubben@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 668](#) makes changes to the limitations of business interests of manufacturers, wholesalers, and retailers of alcoholic beverages. Under the provisions of this Act, a person or business engaged in nonnative wine manufacturing may sell their wine products at the principal office of the person or business by obtaining a special class “C” liquor control license and a class “B” wine permit. Also, a person engaged in the business of manufacturing, bottling, or wholesaling alcoholic beverages may have an interest in a retail licensee or permittee, or hold a retail liquor control license or retail wine or beer permit, provided that the alcoholic beverages being sold by the retail licensee or permittee are not those being manufactured, bottled, or sold at wholesale by that person. The Act also sets a new limit on the amount of beer that a native brewery can sell at wholesale at 30,000 barrels.

Background

In the 87th General Assembly, [SF 516](#) (Standing Appropriations Act) was enacted, which included a provision requiring an alcoholic beverage control study to review Iowa’s three-tiered system. The report from the study was to be submitted to the General Assembly no later than July 1, 2018.

The Alcoholic Beverages Division (ABD) receives an annual appropriation of approximately \$1.0 million from the General Fund and generates the remainder of its operating revenue from licensing fees. Revenue generated from fees that is not used by ABD is transferred from the Liquor Control Trust Fund to the General Fund on a monthly basis.

Assumptions

The Act permits a person engaged in the business of manufacturing, bottling, or wholesaling alcoholic beverages to have an interest in a retail licensee or permittee, or to hold a retail liquor control license or retail wine or beer permit, provided that the alcoholic beverages manufactured, bottled, or sold at wholesale by that person are not sold by the retail licensee or permittee. This will require ABD personnel to validate the inventory of a retail licensee or permittee if there is an interest in that retail licensee or permittee by a manufacturer, bottler, or wholesaler. It is estimated that these new oversight and verification requirements will require 2.0 full-time equivalent (FTE) positions at a cost of \$250,000 annually.

The ABD estimates that at least one person or business will annually obtain a license or permit to sell wine not native to Iowa which they have manufactured at the principal office of the person or business. This would require both a class “C” liquor license for a fee of \$702 and a class “B” wine permit for a fee of \$500, resulting in an estimated revenue increase of at least \$1,202 annually.

Fiscal Impact

The ABD would potentially need 2.0 additional FTEs in the Regulation and Compliance Bureau to ensure license holders are in compliance with the new requirements. The ABD estimates that [HF 668](#) will increase its costs by an estimated \$250,000 or more annually. While these FTE positions would be supported through the Liquor Control Trust Fund, the additional expenditure would reduce the amount transferred to the General Fund, resulting in an equivalent loss of revenue to the General Fund.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on March 13, 2019, and signed by the Governor on March 21, 2019.

Source

Alcoholic Beverages Division, Iowa Department of Commerce

[HF 690](#) – Behavioral Health System, Children (LSB1827HVV.1)

Analysts: Jess Benson (515.281.4611) jess.benson@legis.iowa.gov

Kent Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 690](#) establishes a Children’s Behavioral Health System; a Children’s Behavioral Health System State Board; eligibility requirements and core services; new duties of the Department of Human Services (DHS) Division of Mental Health and Disability Services; regional mental health services provided through the adult Mental Health and Disability Services (MH/DS) system; and regional governance.

Background

In the FY 2019 Health and Human Services Appropriations Act (2018 Iowa Acts, ch. [1165](#)), the General Assembly requested a copy of the [Strategic Plan for a Children’s Behavioral Health System](#) required by the Governor’s [Executive Order Number Two](#), which created a Children’s System State Board. The Strategic Plan included recommendations that could be acted on in the short and long term. The Strategic Plan envisioned a system that would be built upon the current adult MH/DS system and that could have combined or separate boards, depending on funding. Funding from the General Fund or property tax levies would determine the overall representation and voting membership of the regional boards. Services for children would begin with a behavioral health screening. The timing, responsibility, and location of the screenings would be determined through the administrative rules process. The System would also be built to incorporate a full array of behavioral health core services and supports for children and their families. The work of the State Board and its upcoming meeting schedule can be found here: dhs.iowa.gov/about/mhds-advisory-groups/childrens-system-state-board.

Assumptions — Core Services

Crisis Residential

- There will be an average of 16 crisis residential beds in FY 2020 and an average of 62 beds in FY 2021.
- The MH/DS regions will be responsible for an average 20.0% of bed days that are vacant. Of the bed days that are filled, private insurance will cover 56.0% of children, Medicaid will cover 41.0% of children, and 3.0% of children will be uninsured and covered by the MH/DS regions.
- The per diem cost per bed is \$360.19.
- The Medicaid match rate is 60.88% federal and 39.12% State.

Mobile Crisis Response

- Based on information provided by the East Central Iowa MH/DS region, 0.2% of all children in the region use mobile crisis response per year. This estimate is extrapolated across all MH/DS regions.
- The cost per episode of care is \$1,231.
- The total number of children in Iowa is 731,947.
- Private insurance does not cover mobile crisis response services. Medicaid will cover 41.0% of children, 3.0% of children will be uninsured and covered by the MH/DS regions, and the remaining 56.0% of children will be covered by private insurance.
- The Medicaid match rate is 60.88% federal and 39.12% State.

Prescribing and Medication Management

- Only medication management for children with a serious emotional disturbance (SED) will be included.
- This service will likely be for children between 10 and 18 years of age.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- There will be 503 uninsured children with an SED who will require this service and will receive eight half-hour visits annually at \$74 per visit.
- The MH/DS regions currently provide approximately \$6,093 per child total per year for this service.

Therapy

- Only therapy for children with an SED will be included.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- There will be 503 uninsured children with an SED who will require this service and will receive 21 visits annually at \$74 per visit.
- The MH/DS regions currently provide approximately \$188,266 per year for this service.

Assessment for Eligibility

- Assessments will be available for children of all ages.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- There will be 1,098 uninsured children who will require an assessment at \$112 per child.
- The MH/DS regions currently provide approximately \$2,286 per child total per year for this service.

Inpatient Psychiatric Hospital

- Access is available to children who have an SED and are uninsured.
- Most inpatient care is provided to children between 10 and 18 years of age.
- Both private insurance and Medicaid currently cover this service. The MH/DS regions will be responsible for uninsured children.
- The frequency of admissions is 0.63% of the general population.
- There will be approximately 63 uninsured children who will require inpatient psychiatric hospitalization. The reimbursement rate is \$914 per day, and the average length of stay is five days.
- The MH/DS regions currently provide approximately \$10,297 per year for this service.

Assumptions — Regional Management

- Each of the 14 MH/DS regions will hire 1.0 additional full-time equivalent (FTE) position to manage the new requirements of the Children's Behavioral Health System. The MH/DS regions will be responsible for the cost of the new FTE position.
- The average salary and benefits per FTE position is \$75,000 per year. This amount will increase by 2.0% in the second year.
- There will be an additional \$7,000 needed annually per region for support and travel costs.

Fiscal Impact

[House File 690](#) is estimated to cost the State \$423,000 in FY 2020 and \$1.3 million in FY 2021 due to the increased cost of Medicaid services. In addition, this Act is estimated to cost the MH/DS regions \$3.3 million in FY 2020 and \$5.1 million in FY 2021. A detailed breakdown of the estimated cost of each service is listed in **Table 1**.

If private insurance does not cover the cost of crisis residential services as listed in the assumptions, the MH/DS regions will be responsible for an additional \$922,000 in FY 2020 and \$3.6 million in FY 2021.

Table 1 — Estimated Fiscal Impact of HF 690

	FY 2020			FY 2021		
	Total	Medicaid State Share	MHDS Region	Total	Medicaid State Share	MHDS Region
Core Service						
Crisis Residential	\$ 519,130	\$ 264,141	\$ 254,989	\$2,664,042	\$1,045,324	\$1,618,718
Mobile Crisis Response	743,736	158,969	584,766	1,250,828	267,357	983,471
Prescribing and Medication Management	291,683	0	291,683	291,683	0	291,683
Therapy	593,396	0	593,396	593,396	0	593,396
Assessment for Eligibility	120,681	0	120,681	120,681	0	120,681
Inpatient Psychiatric Hospital	277,613	0	277,613	277,613	0	277,613
Total Core Services	\$2,546,239	\$ 423,110	\$2,123,128	\$5,198,243	\$ 1,312,681	\$3,885,562
Regional Management						
Additional 14 Regional FTE Positions	\$ 1,050,000	\$ 0	\$1,050,000	\$1,071,000	\$ 0	\$1,071,000
Support and Travel Costs	98,000	0	98,000	98,000	0	98,000
Total Regional Management	\$ 1,148,000	\$ 0	\$1,148,000	\$1,169,000	\$ 0	\$1,169,000
Total House File 690	\$3,694,239	\$ 423,110	\$3,271,128	\$6,367,243	\$ 1,312,681	\$5,054,562

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 16, 2019, and signed by the Governor on May 1, 2019.

Sources

Department of Human Services
LSA analysis and calculations

[HF 691](#) – Mental Health Ending Balance, Regional General Funds (LSB2763HVV.1)

Analyst: Jess Benson (515.281.4611) jess.benson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 691](#) modifies the amount of excess funds counties are able to retain for cash flow for the adult Mental Health and Disability Services (MH/DS) system. Beginning in FY 2024, counties are limited to a fund balance reserved for cash flow of 40.0% of gross expenditures. Counties are required to reduce their levies by any dollar amount in excess of 40.0% beginning in FY 2024. If the Act takes effect on or after March 15, 2019, a county may recertify its budget as necessary to implement the provisions of the Act. In addition, MH/DS regions may amend the region's regional service system management plan or annual service and budget plan for FY 2019 and FY 2020.

Background

Under current law beginning in FY 2018, counties were required to spend down fund balances on services required in their regional service system management plans within three years to 25.0% of gross expenditures. Beginning in FY 2022, counties are limited to a fund balance reserved for cash flow of 20.0% of gross expenditures if the region has a population equal to or greater than 100,000, or 25.0% of gross expenditures if the region has a population of fewer than 100,000. Counties will be required to reduce their levies by any dollar amount in excess of the cash flow amount.

Assumptions

Although counties levy funds individually, MH/DS fund balances are combined and calculated on a regional basis. In total, the regions had a combined ending fund balance in FY 2018 of \$121.8 million, but regional fund balances varied from 5.4% of FY 2018 actual expenditures to 238.3% in the Southwest Iowa MH/DS region, which includes Polk County. It is assumed that the Act will slow the reduction in fund balances as regions use the funds to fund current services and develop new services, as required by [HF 2456](#) (FY 2018 Mental Health Complex Services Needs Act), instead of reducing their current levy rates to spend down fund balances.

Fiscal Impact

The fiscal impact of [HF 691](#) cannot be determined, as it is unknown how quickly MH/DS regions will spend down fund balances, but any region that has a fund balance above 40.0% beginning in FY 2024 will be required to reduce its levy until the fund balance is below the 40.0% limit. **Table 1** below details MH/DS regional ending fund balances and expenditures for FY 2018.

**Table 1
MH/DS Regional Ending Fund Balances — FY 2018**

Region	FY 2018 Actual Expenditures	FY 2018 Ending Fund Balance	Balance as a Percent of Expenditures
Central Iowa Community Services	\$ 10,022,159	\$ 17,928,281	178.9%
County Rural Offices of Social Services (CROSS)	2,981,630	5,235,439	175.6%
County Social Services (CSS)	20,694,210	6,446,827	31.2%
Eastern Iowa MHDS Region	9,691,222	12,076,245	124.6%
Heart of Iowa Region	3,414,244	2,671,540	78.2%
MHDS of the East Central Region	16,444,236	35,285,671	214.6%
Northwest Iowa Care Connections	2,192,916	4,081,903	186.1%
Polk County Health Services	21,978,559	1,182,743	5.4%
Rolling Hills Community Services Region	3,442,996	4,214,226	122.4%
Sioux River MHDS	5,535,304	2,538,512	45.9%
South Central Behavioral Health Region	3,315,026	5,818,931	175.5%
Southeast Iowa Link (SEIL)	5,668,511	9,244,953	163.1%
Southern Hills Regional Mental Health	1,075,799	356,409	33.1%
Southwest Iowa MHDS Region	6,168,408	14,701,420	238.3%
Total	\$ 112,625,220	\$ 121,783,098	
<p>Note: FY 2018 revenues, expenditures, and fund balance information is from each region's 2018 annual report. All regions are in compliance with FY 2018 data.</p>			

Effective Date

This Act is effective May 1, 2019 and is retroactive to July 1, 2018.

Enactment Date

This Act was approved by the General Assembly on April 17, 2019, and signed by the Governor on May 1, 2019.

Sources

Department of Human Services
LSA analysis

[HF 732](#) – Medical Cannabidiol (LSB2764HV.2)

Analyst: Kenneth Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 732](#) amends the Iowa Medical Cannabidiol (mCBD) Program. Changes relevant to the fiscal impact include:

- Revises “untreatable pain” to “severe or chronic pain” on the list of debilitating medical conditions for which mCBD may be used.
- Expands the definition of “health care practitioner” to include physician assistants and advanced registered nurse practitioners and makes conforming program changes.
- Removes restrictions on felons.
- Removes the restriction on mCBD containing more than 3.0% tetrahydrocannabinol (THC).
- Adds a restriction that an mCBD dispensary cannot dispense more than a combined total of 25 grams of THC to a patient or primary caregiver in a 90-day period.
- Requires the Board of Medicine adopt rules to allow the mCBD Advisory Board to grant a waiver for patients to receive more than a combined total of 25 grams of THC in a 90-day period if the health care practitioner determines that a 25-gram supply is inadequate to alleviate the patient’s debilitating medical condition and that the patient’s debilitating medical condition is terminal with less than one year of life expectancy.
- Requires the Department of Public Health (DPH) to collect and evaluate data on patient clinical outcomes and quality of life outcomes for the purpose of reporting on benefits, risks, and outcomes for patients engaged in the use of mCBD.

Background

Sales of mCBD through the Iowa mCBD Program began in December 2018.

Assumptions

- Expanding the list of debilitating medical conditions for which mCBD may be used and allowing for more certifying health care practitioners will increase patient access to mCBD.
- The Seed-to-Sale tracking system will require updates to comply with the new purchasing cap.
- The DPH will require a community health consultant to be added to mCBD Program staff to conduct data collection and reporting on patient outcomes.
- The mCBD Program is a fee-sustaining program.

Fiscal Impact

To the extent that more patients qualify for the Program and more certifying health care practitioners are available to certify conditions, there will be increased applications to the DPH for mCBD registration. If the application volume increases enough, the DPH will need to hire additional registration clerks at approximately \$47,000 for every 3,000 applications received in a given year.

The addition of a community health consultant will increase mCBD Program expenditures by an estimated \$70,000.

Expenditures required to support the Seed-to-Sale tracking system changes are anticipated to be covered by the FY 2019 Technology Reinvestment Fund appropriation of \$350,000.

Effective Date

This Bill will not become effective.

Enactment Date

This Bill was approved by the General Assembly on April 27, 2019, and vetoed by the Governor on May 24, 2019.

Sources

Department of Public Health

[HF 767](#) – Electric Vehicle Registration (LSB1803HZ.1)

Analyst: Rodrigo Acevedo (515.281.6764) rodrigo.acevedo@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 767](#) applies an additional registration fee to electric vehicles, an excise tax on hydrogen used as fuel, and an excise tax on electricity used as electric fuel. The registration fees and the hydrogen fees provisions of the Act would take effect on January 1, 2020. The excise tax on electricity would take effect on July 1, 2023. The additional registration fees would be as follows:

- \$130 for a battery electric vehicle (BEV) beginning on January 1, 2022. There is a phase-in fee of \$65 in Calendar Year (CY) 2020 and \$97.50 in CY 2021.
- \$65 for a plug-in hybrid electric vehicle (PHEV) beginning on January 1, 2022. There is a phase-in fee of \$32.50 in CY 2020 and \$48.75 in CY 2022.
- \$9 for a battery electric or plug-in hybrid motorcycle beginning on January 1, 2022. There is a phase-in fee of \$4.50 in CY 2020 and \$6.75 in CY 2021.
- \$0.65 per gallon of hydrogen used as fuel (under the Act, 2.49 pounds of hydrogen are equivalent to 1.00 pound of diesel fuel).
- A \$0.026 tax on each kilowatt hour (kWh) of electricity purchased at a nonresidential location.

Electricity used for powering vehicles is exempt from State and local sales tax.

Background

While hydrogen-powered vehicles are not currently in use outside of California, BEV uptake in Iowa is comparatively small but growing. In June 2016, the Iowa Economic Development Authority (IEDA) identified 163 BEVs and 854 PHEVs in the State. The LSA *Issue Review [Electric Vehicle and Hybrid-Electric Vehicle Registration Fees](#)* states there were 397 BEVs registered in Iowa in April 2017. A December 2018 report by the Iowa Department of Transportation, citing September 2018 data, found around 800 registered electric vehicles. A follow-up IEDA study found that as of December 2018, there were 1,043 BEVs registered in Iowa.

Compared to electric vehicles, PHEVs are more ubiquitous and continue to grow. In June 2016, there were approximately 854 PHEVs in the State of Iowa. As of December 2018, there were 1,964 PHEVs.

While electric vehicles and plug-in hybrids contribute to the Road Use Tax Fund (RUTF) through vehicle registration fees, they contribute little or no revenue to the RUTF through fuel taxes. Fuel tax constitutes more than 40.0% of revenues to the RUTF.

Assumptions

- The energy usage of a BEV is 27 kWh per 100 miles; a PHEV uses 30 kWh per 100 miles.
- There would be a 6.0% sales tax exemption per kWh at a price of \$0.10 per kWh on nonresidential charging.

- There would be an 80.0% residential charge rate for vehicles and a 20.0% nonresidential charge rate.
- There would be 11,500 miles driven annually by electric vehicles, with PHEVs driving 55.0% of those miles using electric power.
- Half of the additional registration fees would be collected for FY 2020, the first year of implementation.
- There would be no excise taxes collected until July 1, 2023.
- In FY 2024, there would be an excise tax of \$16.15 per vehicle for BEVs, and \$9.87 for PHEVs.
- In FY 2024, there would be sales taxes of \$3.73 per vehicle for BEVs, and \$2.28 for PHEVs.
- Hydrogen-powered vehicles and electric motorcycles are not included in this analysis.
- Vehicles registered per year are estimated as follows:

Estimated Vehicle Registration by Type		
Fiscal Year	Number of PHEVs	Number of BEVs
2020	2,835	1,431
2021	3,528	1,970
2022	4,462	2,748
2023	5,698	3,860
2024	7,320	5,447

PHEV = Plug-in Hybrid Electric Vehicle
 BEV = Battery Electric Vehicle

Fiscal Impact

[House File 767](#) would affect revenues deposited into the RUTF and the General Fund by the amounts shown in **Table 1**.

Table 1

House File 767 – Estimated Impact					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
RUTF					
Registration Fees	\$ 185,000	\$ 485,000	\$ 647,000	\$ 872,000	\$ 1,184,000
Excise Tax	-	-	-	-	160,000
Total Revenue Increases	\$ 185,000	\$ 485,000	\$ 647,000	\$ 872,000	\$ 1,344,000
General Fund					
Sales Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -37,000
Total Revenue Decreases	\$ -	\$ -	\$ -	\$ -	\$ -37,000

The Department of Revenue indicated that it would incur additional excise tax administrative expenses, but the cost could not be estimated. Any increased administrative costs to the Department of Transportation are estimated to be minimal.

Effective Date

This Act is effective January 1, 2020, except for the section of the Act authorizing an excise tax on electricity which is effective July 1, 2023.

Enactment Date

This Act was approved by the General Assembly on April 27, 2019, and signed by the Governor on May 16, 2019.

Sources

Iowa Department of Revenue
Iowa Department of Transportation
Iowa Economic Development Authority
LSA calculations

[HF 769](#) – Farm Truck Maximum Gross Weight Increase (LSB1566HZ.1)
Analyst: Rodrigo Acevedo (515.281.6764) rodrigo.acevedo@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 769](#) increases the maximum gross weight registration for a special truck from 32 tons to 39 tons. The registration fee for a special truck will be an additional \$25 per ton between 32 and 38 tons. Between 38 tons and 39 tons, the fee will increase by \$10 for the additional ton.

Background

Iowa Code section [321.1](#)(75) defines a special truck as a motor truck or truck tractor not used for hire with a gross weight registration of 6 to 32 tons. Furthermore, the motor truck or truck tractor is to be used by a person engaged in certain farming purposes and to transport commodities.

In calendar year 2018, there were 17,176 trucks registered as special trucks in the Department of Transportation ARTS database. The current maximum fee, at 32 tons, is \$675, which goes to the Road Use Tax Fund (RUTF). There are 1,082 vehicles registered at the maximum weight.

Assumptions

All trucks currently at the maximum weight that are able to increase their weight would increase their maximum weight to 39 tons, resulting in an extra fee of \$160 per year.

Fiscal Impact

Under [House File 769](#), if 625 special trucks opted for the maximum tonnage and corresponding fees, the additional revenue would be \$100,000 annually to the RUTF. If 1,000 trucks opted for the maximum tonnage, the RUTF would receive an additional \$160,000.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 26, 2019, and signed by the Governor on May 13, 2019.

Sources

Iowa Department of Transportation
LSA calculations

Description

[Senate File 113](#) provides that a person convicted of a third or subsequent operating-while-intoxicated (OWI) offense may be sentenced as a habitual offender pursuant to Iowa Code sections [902.8](#) and [902.9](#) if the person qualifies as a habitual offender as described in Iowa Code section [902.8](#).

Background

Under current law, Iowa Code section [321J.2\(2\)\(c\)](#) provides that a third or subsequent OWI offense is a Class D felony, punishable by confinement not to exceed five years with a mandatory minimum term of 30 days, assessment of a fine between \$3,125 and \$9,375, revocation of the person's driver's license for six years, assignment to substance abuse evaluation and treatment, a course for drinking drivers, and a reality education substance abuse prevention program.

Iowa Code section [902.8](#) provides that a habitual offender is any person convicted of a Class C or D felony who has twice before been convicted of any felony. The maximum sentence for a habitual offender is confinement for no more than 15 years, and the minimum is three years confinement.

The recent Iowa Supreme Court decision in [Noll v. Iowa District Court for Muscatine County](#)¹ held that the maximum sentences set forth in Iowa Code section [321J.2\(5\)](#) for a third OWI offense represent the General Assembly's intent to preclude sentencing a person convicted of a third or subsequent OWI offense as a habitual offender. Prior to this ruling, the habitual offender statute was applied to qualifying OWI third or subsequent offenses.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

¹ 919 N.W.2d 232 (Iowa 2018).

Correctional Impact

[SF 113](#) may increase the number of individuals who enter prison. Under this Act, if the habitual offender sentence enhancement is applied to offenders who have two prior felonies and an OWI third, the offender would be admitted to prison instead of residential treatment or probation. **Table 1** shows the current number of active OWI third offenders with two or more prior felonies and the type of sentence received. The Department of Corrections has indicated it is difficult to estimate the proportion of OWI third offenders who have prior felonies and would qualify for habitual offender status under this provision. In addition, application of the enhanced status is under the discretion of the county attorney, and as a result, it is difficult to determine how many of those who qualify for habitual offender sentences would receive enhanced status.

Table 1 — Active OWI 3rd Offenders with Two or More Prior Felonies by Sentence Received

Sentence Received	OWI 3rd Offenders with Two or More Prior Felonies
Prison	209
OWI Continuum – Residential	70
Probation	95
Total	374

The length of stay for qualifying offenders would increase under the enhanced sentence. In FY 2018, OWI third offenders stayed in prison for approximately 7.9 months. Under this Act, the average length of stay could increase to 18 months.

It is important to note that prior to the *No//* case, the habitual offender statute was previously applied to OWI third sentences. The implementation of [SF 113](#) would allow this practice to resume. As a result, the increase in prison populations may be minimal due to this prior existing practice.

Minority Impact

The minority impact of [SF 113](#) is unknown. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of [SF 113](#) cannot be determined due to the inability to estimate the proportion of OWI third offenders who have prior felonies and would qualify for a habitual offender sentence and receive enhanced status. It should be noted that prior to the *No//* case, the habitual offender statute was applied to OWI third sentences and the implementation of [SF 113](#) would allow this practice to resume. As a result, the increase in prison populations and fiscal impact to the Department of Corrections may be minimal due to this prior existing practice.

Table 2 shows the difference in total prison costs between one OWI third sentence and a Habitual Offender enhanced sentence.

Table 2 — Average Length of Stay Marginal Prison Cost Difference

	Length of Stay (months)	Marginal Costs/Day Prison	Prison Costs
OWI 3rd	7.9	\$18.43	\$4,368
Habitual Offenders	18	\$18.43	\$10,100
Cost Difference	—	—	\$5,732

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on March 11, 2019, and signed by the Governor on March 21, 2019.

Sources

LSA Analysis
Criminal and Juvenile Justice Planning Division, Department of Human Rights
Department of Corrections
Iowa County Attorney Association

[SF 139](#) – Financial Literacy, Phase In (LSB1524SV.1)

Analyst: Lora Vargason (515.725.2249) lora.vargason@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 139](#) amends Iowa Code section [256.11](#) to include that all school districts in the State require students to take at least one-half unit of personal financial literacy beginning with the students in the 2020-2021 school year graduating class. The financial literacy requirement was first enacted by 2018 Iowa Acts, chapter [1119](#), and amended by 2018 Iowa Acts, chapter [1163](#). The 2018 amendment allowed the specified coursework to be covered in otherwise required social studies, math, or career and technical education courses, and for the course to be counted as one-half credit of social studies. The extension of time to have the requirement met as established in [Senate File 139](#) allows school districts more time to incorporate the required financial literacy requirement by using already available teaching resources.

Background

Financial literacy is defined as the ability to use knowledge and skills to manage one's financial resources effectively for lifetime security. The 2018 legislation included specific guidance on the curriculum that, at a minimum, covers [nine areas of financial literacy](#) as outlined by the Department of Education. When first enacted, the financial literacy requirement for graduation was to go into effect July 1, 2019, for the FY 2020 school year. Because many high school students have their coursework planned out several years in advance, this put current high school students in danger of not completing graduating requirements due to lack of space in their schedules to accommodate another required class.

Assumptions

- With the expanded definition of accepted courses that meet the financial literacy requirement, most school districts already have a class in place or can implement a class into their course offerings. Classes that are deemed acceptable include consumer math, economics, introductory business, banking and finance, and personal finance. The Department of Education has said that all districts will be offering these types of classes, but it will be difficult to discern where specific districts are choosing to incorporate financial literacy. In a sampling of school districts' available course work, 80 percent appeared to have course offerings that could meet the financial literacy requirement.
- Several organizations offer free, ready-to-use financial literacy curriculum specifically focused on basic personal financial skills. With the multitude of options, school districts will not have additional curriculum costs to meet the financial literacy requirement.
- Professional development will likely be needed to support implementation and train teachers on the content specifications outlined in the 2018 legislation. Several organizations do offer free professional development and training for financial literacy. It is possible that the requirements to offer financial literacy may supplant other professional development opportunities due to limited funding.

Fiscal Impact

While there is not a fiscal impact associated with [SF 139](#), there may still be costs to school districts related to the financial literacy provisions enacted during the 2018 Legislative Session. The original costs were estimated to be between \$1.6 million to \$2.2 million annually and were largely based on the probability that school districts would need to hire additional teaching staff. The course requirements were later amended and expanded how the financial literacy coursework could be incorporated into existing classes. The changes are expected to reduce the estimated costs; however, the reduction cannot be determined.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 25, 2019, and signed by the Governor on May 9, 2019.

Sources

Department of Education
Iowa Association of School Boards
Iowa State University Extension and Outreach

[SF 274](#) – College Campus Free Speech (LSB1739SV.1)
Analyst: Robin Madison (515.281.5270) robin.madison@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[Senate File 274](#) requires the Board of Regents and the boards of directors of the community colleges to adopt policies regarding free speech on campuses. The Act requires that the policies include specific provisions regarding the proper function and role of the institutions of higher education, the freedoms to be afforded students, and the use of public areas of campus for public forums.

The Act identifies protected activities for members of a campus community and specifies certain responsibilities of the institutions. The Act deems the outdoor areas of the institutions' campuses to be public forums. The Act excludes areas outside of campus health care facilities from being considered or designated public forums.

The Act provides remedies for members of a campus community who are aggrieved by a violation of the legislation and specifies that the legislation does not make any administrator, officer, employee, or agent of an institution personally liable for acts taken pursuant to the individual's official duties.

The Act may include a State mandate as defined in Iowa Code section [25B.3](#).

Fiscal Impact

[Senate File 274](#) may have a fiscal impact related to increased future exposure to litigation for the community colleges and State universities; however, the number of future complaints related to campus free speech provisions required in the Act is unknown. In addition, the legal and settlement costs incurred by the State or by the institutions because of future litigation cannot be estimated. There may also be a fiscal impact related to the need for increased security for large events. The number of such events or the security costs cannot be estimated.

Effective Date

This Act is effective March 27, 2019.

Enactment Date

This Act was approved by the General Assembly on March 14, 2019, and signed by the Governor on March 27, 2019.

Sources

Board of Regents

Iowa Association of Community College Trustees

[SF 303](#) – Driver’s License Electronic Renewal (LSB1303SV.1)
Analyst: Rodrigo Acevedo (515.281.6764) rodrigo.acevedo@legis.iowa.gov
Requestor: Sen. Kevin Kinney
Fiscal Note Version – Final Action

Description

[Senate File 303](#) creates the option, under Iowa Code section [321.189](#), of electronically renewing a driver’s license or nonoperator’s identification card upon reaching the age of 21 regardless of the immediate previous renewal being done electronically. The Act requires the Department of Transportation (DOT) to notify eligible persons as well as to develop educational media to raise awareness of the option of electronic renewal.

Background

A person may receive a driver’s license or nonoperator’s identification card for up to eight years. While a person may renew the person’s license or card upon turning 18 or 21 for a \$10 fee, consecutive electronic renewals are not currently permitted. Driver’s license fees are deposited into the Statutory Allocations Fund (SAF). Driver’s license production is funded from the Road Use Tax Fund (RUTF).

Assumptions

- All eligible persons (14,000) will annually choose to renew their licenses upon reaching their twenty-first birthday. This includes persons who would otherwise have unexpired months on their current license.
- For estimating purposes, no nonoperator’s identification cards are assumed to be issued.
- The vendor cost is \$4.32 to produce and mail each license.

Fiscal Impact

[Senate File 303](#) is estimated to increase expenditures of the RUTF by \$61,000 annually for driver’s license production costs. Approximately \$140,000 in additional renewal fees would be deposited in the SAF.

In addition, annual costs to the DOT Operations budget would increase by \$48,000. In the first year, there would also be an additional \$5,700 for computer programming costs. Any need for additional DOT staff to process renewals is not expected. Labor costs to counties, which constitute 40% of total production, cannot be estimated. The fiscal impact of [SF 303](#) is summarized in **Table 1**.

Table 1

Senate File 303	
Fiscal Impact Beginning FY 2020	
Fund	Annual
Revenue	
SAF	\$ 140,000
Expenses	
RUTF - License Production	\$ 61,000
DOT - Operations	\$ 48,000
Counties	Unknown
Total Expenses	\$ 109,000
Net Annual Impact	\$ 31,000

*DOT indicates one-time IT costs of \$5,700 in FY 2020.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 16, 2019, and signed by the Governor on May 3, 2019.

Sources

Iowa Department of Transportation
LSA calculations

[SF 341](#) – Service Animals (LSB1035SV.1)

Analyst: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov

Fiscal Note Version – Final Action

Requested by Representative Mary Wolfe

Description

[Senate File 341](#) relates to assistance animals and service animals in housing and to the misrepresentation of an animal as a service animal or a service-animal-in-training, and establishes related penalties and applicability provisions.

[Senate File 341](#) creates new Iowa Code section 216.8B, which provides several definitions related to assistance animals and service animals. The Act defines “assistance animal” as an animal that qualifies as a reasonable accommodation under the federal [Fair Housing Act](#), 42 U.S.C. §3601 et seq., as amended, or section 504 of the federal [Rehabilitation Act of 1973](#), 29 U.S.C. §794, as amended. “Service animal” is defined as a dog or a miniature horse as set forth in the implementing regulations of Tit. II and Tit. III of the federal [Americans with Disabilities Act of 1990](#), 42 U.S.C. §12101 et seq. A service animal is considered a “service-animal-in-training” if that animal is undergoing a course of development and training to do work or perform tasks for the benefit of an individual that directly relate to the disability of the individual.

New Iowa Code section 216.8B provides that a landlord shall waive lease restrictions on the keeping of animals as assistance or service animals for a person with a disability. However, under the Act’s provision, a landlord is allowed to deny a request for the accommodation of a service animal or service-animal-in-training if the requestor fails to provide sufficient documentation indicating the existence of a disability and the disability-related need for an assistance animal or service animal. [Senate File 341](#) also provides in new Iowa Code section 216.8B that a renter is liable for any damage to any dwelling by an assistance or service animal. The new Iowa Code section also provides that a person who knowingly denies or interferes with the right of a person with a disability constitutes an unfair practice or discriminatory practice as defined in Iowa Code section [216.2](#) and commits a simple misdemeanor. A person who knowingly misrepresents an animal as a service animal or service-animal-in-training, or a person who assists in controlling a person with a disability’s service animal or service-animal-in-training, commits a simple misdemeanor.

Additionally, the Act criminalizes the intentional misrepresentation of an animal as a service animal or service-animal-in-training if all of the following elements are established:

- For the purpose of obtaining any of the rights or privileges set forth in federal or state law, a person intentionally misrepresents an animal as a service animal or service-animal-in-training, or a person intentionally misrepresents a service animal or service-animal-in-training by controlling the animal on behalf of the disabled individual;
- The person has been previously warned verbally, or in a written notice, that it is illegal to misrepresent a service animal or service-animal-in-training;
- The person knows that the animal in question is not a service animal or service-animal-in-training.

If all elements are present, the person has committed a simple misdemeanor.

[Senate File 341](#) also creates new Iowa Code section 216.8C, which provides a process for a patient or client with a disability to request the assistance of a professional licensed under certain Iowa Code chapters in seeking a finding that the patient or client with a disability needs an assistance or service animal as a reasonable accommodation in housing. Such a licensed professional must be legally and professionally qualified to make a finding of disability, must be sufficiently familiar with the patient or client and the disability, and is required to meet with the patient or client requesting an assistance or service animal in person or via telemedicine. The licensed professional is also required to provide a written copy of any finding regarding the patient or client's disability and whether the need for a service or assistance animal is related to the disability. The Act authorizes the Iowa Civil Rights Commission (ICRC), in consultation with the Consumer Protection Division of the Office of the Attorney General, to adopt rules regarding written findings of professionals under this new Iowa Code section. Such rules are required to comply with the federal [Fair Housing Act](#) and the federal [Rehabilitation Act of 1973](#).

[Senate File 341](#) establishes new Iowa Code section 216C.12, which provides that an owner of real property is not liable for any injury or damage caused by a service animal or service-animal-in-training if the owner believes in good faith that the animal is a service animal or a service-animal-in-training and that the person using the animal is a person with a disability or an individual assisting a person with a disability by controlling or training a service animal or service-animal-in-training; and if the injury or damage is not caused by the property owner's negligence, recklessness, or willful misconduct.

Background

A simple misdemeanor is punishable by confinement for no more than 30 days or a fine of at least \$65 but not more than \$625, or both.

The ICRC receives substantial federal funding from the U.S. Department of Housing and Urban Development (HUD). In some cases, this funding is dependent on compliance with federal statute. If a state enacts legislation that amends existing state law so as to be out of compliance with federal law, the state may lose federal HUD funding. The state of Missouri recently lost federal HUD funding due to amendments to the state's civil rights law, and lost its certification as a Fair Housing Assistance Program (FHAP) participant.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- The ICRC assumes an increase in the amount of complaints related to assistance animals, service animals, service-animals-in-training, or the misrepresentation of such due to the raised awareness of rights and responsibilities of individuals with disabilities, medical

professionals, and landlords across the State. According to the ICRC, 45.0% to 50.0% of housing discrimination complaints filed in fiscal years 2016 through 2018 were related to service and assistance animal issues.

Correctional Impact

The correctional impact of [SF 341](#) cannot be determined. The Act establishes a new criminal offense, and the number of convictions cannot be estimated. A conviction of a simple misdemeanor does not result in any time served in a prison but does carry the possibility of confinement for up to 30 days. Marginal county jail costs are estimated to be \$50 per day, but there is insufficient information to determine any costs related to length of stay. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Minority Impact

The minority impact of [SF 341](#) is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of [SF 341](#) cannot be estimated. The Act establishes a new criminal offense, and the resulting number of convictions and cost to the justice system cannot be estimated. **Table 1** contains an estimate for the average State cost for a single conviction of a simple misdemeanor. The estimate includes operating costs incurred by the Judicial Branch and the State Public Defender.

Table 1 — Estimated Cost for One Conviction Under [SF 341](#)

Offense Class	Total Minimum Cost	Total Maximum Cost
Simple Misdemeanor	\$33	\$330

It is likely that some revenue may be generated from the criminal fines associated with the conviction of a simple misdemeanor, but such fiscal impact is expected to be minimal.

Although the ICRC cannot determine the increase in the number of complaints it will receive related to service and assistance animals, the ICRC believes it will be able to cover any costs associated with such an increase through its existing budget. However, as some of the agency's existing funding is provided by the federal HUD as a participant of the FHAP, the [Iowa Civil Rights Act](#), as amended by the provisions of [SF 341](#), must be in substantial equivalence with the federal Fair Housing Act (Title VIII). If the federal government determines that the provisions of [SF 341](#) amend the Iowa Civil Rights Act so as to be out of compliance with Title VIII, the ICRC may lose up to approximately \$507,000 in federal funding. At this time, no determination of noncompliance has been made.

Effective Date

Section 9 of this Act states that Section 3, which creates new Iowa Chapter section 216.8C, is effective May 2, 2019. All other sections are effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 10, 2019, and signed by the Governor on May 2, 2019.

Sources

Iowa Civil Rights Commission
Division of Criminal and Juvenile Justice Planning, Iowa Department of Human Rights
LSA analysis

[SF 346](#) – Female Genital Mutilation Ban (LSB1171SV.2)

Analyst: Laura Book (515.205.9275) laura.book@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 346](#) creates the criminal offense of female genital mutilation and provides penalties. The Act provides that a person who knowingly commits female genital mutilation on a minor as described in new Iowa Code section 708.16 commits a Class D felony. In addition, a person who knowingly transports a minor outside of this State for the purpose of performing a surgical procedure that would be in violation of the Act if the conduct occurred in this State, commits a Class D felony.

[Senate File 346](#) requires educational campaigns and programming related to female genital mutilation. The Act requires two different educational programs:

- 1) [Crime Victims Assistance Division \(CVAD\) Education Campaign](#) — Requires the CVAD of the Office of the Attorney General, in collaboration with community insiders and culturally specific victim services programs, to initiate an education campaign to increase awareness regarding the health risks of, the prohibitions against, and the criminal penalties associated with female genital mutilation.
- 2) [University of Iowa Hospitals Educational Programming](#) — Requires the University of Iowa Hospitals and Clinics (UIHC) to develop educational programming including protocols for physicians to provide safe health care and treatment to women who are victims of female genital mutilation.

Background

A Class D felony is punishable by confinement for no more than five years and a fine of at least \$750 but not more than \$7,500. Currently, a person who has control over a child or a minor and commits the act of female genital mutilation may be in violation of Iowa Code section [726.6](#) (Child Endangerment), with a penalty ranging from an aggravated misdemeanor to a Class B felony depending on the severity of the offense.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- The CVAD educational campaign would involve the following:
 - Education for the current training and outreach staff members.
 - Targeted marketing and advertising (radio, TV, social media, newsprint, billboards, etc.) and educational materials (brochures, posters, etc.). The materials would likely need to be translated into multiple languages.

- If the educational programming occurs in person, there would be travel/lodging expenses and potentially costs of a venue in which to hold the program.
- Programming would be directed at immigrant and refugee communities, and there would be significant interpreter expenses.

Correctional Impact

The correctional impact of [SF 346](#) cannot be determined. The Act establishes a new offense, and the number of convictions cannot be estimated.

Table 1 below shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; length of stay (LOS) under those supervisions; and supervision marginal costs per day for all convictions of Class D felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Table 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 18 Avg Length of Stay Prison (months)	FY 18 Marginal Cost/Day Prison	Percent to Probation	FY 18 Avg Length of Stay Probation (months)	FY 18 Avg Cost/Day Probation	Percent to CBC	FY 18 Marginal Cost/Day CBC	FY 18 Avg Length of Stay Parole (months)	FY 18 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Class D Felony (Persons)	80.0%	17.2	\$18.43	53.0%	29.5	\$5.38	8.0%	\$11.85	10.6	\$5.38	31.0%	\$50.00

Minority Impact

The minority impact of [SF 346](#) is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

[Senate File 346](#) establishes a new criminal offense, and the resulting cost to the Justice System cannot be estimated. The average State cost for one Class D felony conviction ranges from \$9,200 to \$14,100. This estimate includes operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

[Senate File 346](#) is estimated to have a fiscal impact to the CVAD. The CVAD estimates that the training and education efforts would likely cost \$20,000 to \$35,000. This estimate is based on the cost of the current human trafficking regional trainings and the targeted regional training and education efforts held regarding stalking and domestic violence strangulation. In addition, an awareness campaign involving marketing and social media could add an additional \$5,000 to \$30,000 depending upon the types and frequency of media selected. The

source of funding for this program is unknown at this time, but there is a possibility that grant moneys could be available; otherwise, funds from the Victim Compensation Fund could be utilized.

[Senate File 346](#) is not estimated to have a fiscal impact to the UIHC. The University of Iowa Physicians Group currently has access to an online teaching tool that is used internally by the UIHC staff. The online tool is named Culture Vision and is available on every desktop at UIHC and is also utilized and taught at the medical school. This tool likely satisfies the requirement that UIHC develop programming to educate physicians.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 16, 2019, and signed by the Governor on May 1, 2019.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
Iowa Department of Justice
University of Iowa

[SF 394](#) – Online Education Offer and Teach (LSB2208SV.1)

Analyst: Lora Vargason (515.725.2249) lora.vargason@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 394](#) amends Iowa Code section [256.42](#) to allow Iowa Learning Online (ILO), school districts, or accredited nonpublic schools to provide specified online courses. Currently, specified courses are required to be provided by ILO, and the specified course may only be provided by the school district or accredited nonpublic school if ILO lacks the capacity to accommodate additional students. With the proposed legislation, online courses can be offered through the school district or accredited nonpublic school if the courses meet certain criteria, or through an approved private provider.

Background

In 2018, an Online Learning Task Force examined the needs of Iowa school districts and the availability of online learning offerings for K-12 students. A survey initiated by the Task Force identified that the top private providers for online learning were Edgenuity, ILO, Apex Learning, and community colleges. Both Edgenuity and Apex offer courses through an unfacilitated approach, with Edgenuity being used mostly for credit recovery. The Task Force made [recommendations](#) and identified ILO, Iowa community colleges, and Iowa's Area Education Agencies (AEAs) as statewide partners to assist local districts in the delivery of K-12 online learning.

In FY 2014, FY 2015, and FY 2016, ILO received a General Fund appropriation of \$1.5 million annually to expand the offerings of ILO to a full curriculum except for career and technical education courses. ILO provides “offer and teach” coverage to allow a school to maintain accreditation until the school can provide a teacher. ILO also supports students seeking credit advancement, credit recovery, and classes outside of what their current school districts offer. ILO has a 2018-2019 school year estimated enrollment of 1,702 students in 97 different school districts. Enrollment in world languages accounts for 80.0% of current enrollment.

The community colleges offer high school students the opportunity to enroll in college credit coursework. Kirkwood Community College offers a High School Distance Learning (HSDL) Program which offers supplementary online courses that help students earn credit at their local high school. In the 2017-2018 school year, there were 400 students from more than 35 school districts participating in the HSDL Program.

The AEAs provide both online professional development for teachers and online learning services for K-12 schools to use with their students. AEA Learning Online does not provide direct online instruction to K-12 students.

The Department of Education has estimated an initial cost of \$150,000 per course for a single school district to provide its own online curriculum. This amount would include the cost of maintaining the online platform and 2.0 full-time equivalent (FTE) teaching positions, including one teacher to design content and one teacher to provide instruction. Ongoing costs would include the cost for the teacher

providing instruction and the cost of maintaining the online platform. The Act would allow two or more school districts or accredited nonpublic schools to partner in offering an online course.

Iowa administrative rule [281—15.13\(256\)](#) directs the Director of the Department to maintain a list of approved online providers that meet certain standards, including that course content provided through an online learning platform must be taught by a teacher licensed under Iowa Code chapter [272](#). The licensed teacher must have specialized training or experience in online learning. Providers are required to apply for approval annually or as determined by the Department. The Department is nearing completion of the Private Provider Approval Application and once it is posted, higher education institutions along with other vendors can apply.

The amount of fees collected for ILO for the 2018-2019 school year was estimated to be \$450,000. If there is a significant loss of fee revenue, ILO may not be able to sustain its current level of programming.

Assumptions

- With the expanded options for school districts to use other online providers, ILO may not be used as the primary online provider. If ILO is not able to be a primary online provider, it may not be able to sustain its current programming and collection of enrollment fees.
- Online courses will be a desired option for school districts, especially in a situation where “offer and teach” coverage is necessary to maintain accreditation.
- School districts that choose to offer their own online courses will have training and support available. ILO is offering a new service to help schools take the first step to offering their own online service to meet local district needs. The AEAs currently have a professional development series, Online Learning for Iowa Educators, that aligns to national online teaching standards.

Fiscal Impact

[Senate File 394](#) may result in the loss of fee revenue collected by the Department of Education for the operation of ILO. The amount of revenue loss cannot be estimated as it is dependent upon the future utilization of ILO services by school districts.

The impact on school districts cannot be determined because of the unknown number of districts that may choose to use options other than ILO, including other online providers that would be approved by the Department or school districts creating their own online courses. The current cost per student per online course is detailed in **Table 1**.

Table 1
Cost Per Student Per Course by Online Provider

<u>Online Provider</u>	<u>Cost Per Student Per Course</u>
Kirkwood HSDL	\$175
ILO	\$260
Apex	\$350
Edgenuity	\$350 - \$1,000
Community Colleges	As negotiated

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 22, 2019, and signed by the Governor on May 9, 2019.

Sources

Department of Education
Kirkwood Community College
Apex
Edgenuity

[SF 519](#) – Agricultural Production Facility Trespass (LSB2749SV.1)

Analyst: Debra Kozel (515.281.6767) deb.kozel@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 519](#) creates the criminal offense of agricultural production facility trespass when a person involves the use of deception to obtain access to an agricultural production facility not open to the public with the intent to cause physical or economic harm or to injure the facility's operations, property, or persons. A person who commits agricultural production facility trespass is guilty of a serious misdemeanor for a first offense and an aggravated misdemeanor for a second or subsequent offense. The Act also expressly provides for the application of the conspiracy statute under Iowa Code section [706.1](#). The Act is effective upon enactment.

Background

The enactment of [HF 589](#) (FY 2012 Agricultural Production Facility Fraud Act) made it a crime for persons to obtain access to an agricultural production facility using false pretenses. Several groups challenged the law in court and on January 9, 2019, Senior Federal Judge James Gritzner ruled the law was unconstitutional, saying it violates the First Amendment's free speech protections.

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315 but not more than \$1,875. An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$625 but not more than \$6,250.

In 2018, there were no convictions related to agricultural production facilities or conspiracy. Over the past 10 years, there were four convictions related to agricultural production facilities and 66 for conspiracy.

Assumptions

Other assumptions for the Act include:

- Charge, conviction, and sentencing patterns and trends will not change over the projection period.
- Prisoner length of stay, revocation rates, plea bargaining, and other criminal justice system policies and practices will not change over the projection period.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system. [Senate File 519](#) was signed by the Governor on March 12, 2019, and took effect upon enactment.

Correctional Impact

The correctional impact of [SF 519](#) cannot be determined. The Act establishes a new criminal offense and the number of convictions cannot be estimated.

Table 1 below shows estimates for sentencing to State prison, probation, or Community-Based Corrections (CBC) residential facilities; length of stay (LOS) under those supervisions; and supervision marginal costs per day for all convictions of serious misdemeanors and aggravated misdemeanors in crimes involving persons. Refer to the Legislative Services Agency (LSA) memo addressed to the General

Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Table 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 18 Avg Length of Stay Prison (months)	FY 18 Marginal Cost/Day	Percent to Probation	FY 18 Avg Length of Stay Probation (months)	FY 18 Avg Cost/Day Probation	Percent to CBC	FY 18 Marginal CBC Cost/Day	FY 18 Avg Length of Stay Parole (months)	FY 18 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Aggravated Misdemeanor Persons	46.0%	8.5	\$19.93	71.0%	20.2	\$5.38	5.0%	\$11.85	4.8	\$5.38	53.0%	\$50.00
Serious Misdemeanor Persons	2.0%	6.4	\$19.93	60.0%	13.1	\$5.38	1.0%	\$11.85	6.8	\$5.38	70.0%	\$50.00

Minority Impact

The minority impact of [SF 519](#) is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

[Senate File 519](#) establishes a new criminal offense, and the resulting cost to the Justice System cannot be estimated. **Table 2** shows estimates for the average State cost per offense class type. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Table 2 — Fiscal Estimate to the State Justice System

Offense	Cost Per Conviction	
	Minimum	Maximum
Serious Misdemeanor	\$ 390	\$ 5,000
Aggravated Misdemeanor	4,700	7,500
Total	\$ 5,090	\$ 12,500

Effective Date

This Act is effective March 14, 2019.

Enactment Date

This Act was approved by the General Assembly on March 12, 2019, and signed by the Governor on March 14, 2019.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
LSA calculations

[SF 548](#) – Charitable Conservation Contribution Tax Credit (LSB2753SV.1)

Analyst: Debra Kozel (515.281.6767) deb.kozel@legis.iowa.gov

Fiscal Note Version – Final Action

Description

On or after July 1, 2019, [SF 548](#) prohibits a private entity from acquiring land for a nonpoint source water pollution control project and then selling or donating the land to a political subdivision, the Department of Natural Resources (DNR), or the federal government. Beginning July 1, 2019, the Act also prohibits a private entity from borrowing moneys from the State Revolving Fund (SRF) to acquire land. The Act does allow a private entity to keep any land that was purchased prior to July 1, 2019.

Background

The DNR and the Iowa Finance Authority (IFA) are jointly designated to administer the [SRF](#). The DNR administers the environmental and permitting aspects of a project receiving a loan from the SRF. This includes engineering and design approval as well as issuing construction permits. The IFA manages the financing and works with applicants on loan approvals and disbursements.

The [Iowa Natural Heritage Foundation](#) (INHF) is a private nonprofit organization with the goal to protect and restore Iowa's land, water, and wildlife. The organization is supported by member donations, and the moneys are used to implement conservation projects, which can include the purchase of land. Since 2006, the INHF has borrowed \$48.0 million from the SRF to acquire land, and as of March 5, 2019, the INHF owes the SRF \$9.0 million.

The purchase of land using funding from the SRF was prohibited for FY 2019 with the passage of [HF 2502](#) (FY 2019 Standings Appropriations Act), which specified that the Environmental Protection Commission could not approve water pollution control works projects that included the purchase of land using the SRF for financing during FY 2019.

The Act allows a private entity to borrow funding from the SRF for nonpoint source water pollution control projects as long as there is no acquisition of land. However, there are two projects in the planning phase that could utilize moneys from the SRF to buy land to implement conservation practices to improve water quality. The projects include:

- \$10.0 million for a line of credit for the closure of prairie potholes. When a landowner finds a prairie pothole, moneys are borrowed from the SRF to take the land out of production and implement a conservation practice such as a wetland.
- \$13.4 million for 13 new projects at the INHF. The moneys borrowed will be used to set aside land and implement a conservation practice to improve water quality.

Fiscal Impact

[Senate File 548](#) may result in the non-completion of the above projects, but the Department indicates that other eligible projects will take the place of these restricted land acquisition projects.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 23, 2019 and signed by the Governor on May 9, 2019.

Source

Department of Natural Resources

[SF 589](#) – Criminal Justice Reform, Omnibus (LSB1084SV.3)

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Fiscal Note Version – Final Action

Description

[Senate File 589](#) relates to criminal law and procedure including certain related administrative proceedings, provides penalties, and includes effective date provisions.

Division I — Expungements

Description

Division I relates to the expungement of certain misdemeanor offenses. The Division provides that upon the application of a defendant convicted of a misdemeanor, the court shall enter an order expunging the record of such a criminal case, as a matter of law, if the defendant has established the following:

- More than eight years have passed since the date of the conviction.
- The defendant has no pending criminal charges.
- The defendant has not previously been granted two deferred judgments.
- The defendant has paid all court costs, fees, fines, restitution, and any other financial obligations ordered by the court or assessed by the clerk of the district court.

The Division states that a person shall be granted an expungement of a record one time in the person's lifetime. After receipt of notice from the clerk of the district court that a record of conviction has been expunged, the record of conviction shall be removed from the criminal history data files maintained by the Department of Public Safety (DPS) if such a record was maintained in the criminal history data files.

The Division applies to misdemeanor convictions that occur prior to, on, or after July 1, 2019.

Background

Under Iowa Code section [907.1](#), "expunged" refers to the court's criminal record with reference to a deferred judgment or any other criminal record that has been segregated in a secure area or database which is exempted from public access.

Assumptions

- All applicants will have to pay a law enforcement agency to conduct an interstate criminal background check and provide a written and certified/verified report on that background check with an application for expungement.
- Clerks of court are not allowed to do legal research. Therefore, all applicants will have to pay an attorney or have another authorized entity review the report on the criminal background check to verify that none of the charges revealed in the report meet any of the

disqualifying criteria, and that the applicant has paid all court debt. If private attorneys or other outside entities are not required to conduct this review, Judicial Branch law clerks might have to do so.

- There will be 5,000 applications per year to expunge misdemeanors.
- If required to do the research, Judicial Branch law clerks will spend 45 minutes, at a rate of \$34 per hour, to conduct a review of an application.
- Clerk staff will spend 10 minutes preparing either an order of expungement or a notice that the applicant does not qualify, at a rate of \$26 per hour.
- Ninety percent of applications will qualify for expungement (4,500 applications).
- District Associate Judges will spend five minutes processing each expungement order and a total of 375 hours per year on expungement orders.
- The hourly rate for a District Associate Judge is \$95.43.

Fiscal Impact

Division I is estimated to have an impact on the Judicial Branch operating budget. The Judicial Branch has indicated that there is no way to determine how many people will apply for expungements each year. The estimates provided assume there will be 5,000 applications for expungement per year. **Table 1** provides the cost estimate range to the Judicial Branch for the additional time spent processing expungement applications and orders each year. The Act does not specify who will conduct the review to verify whether the applicant qualifies, and the maximum cost includes the possibility that Judicial Branch law clerks will be required to review the applications.

Table 1 — Total Estimated Annual Additional Costs for Expungement Applications/Orders

	<u>Minimum</u>	<u>Maximum</u>
Law Clerk Review of Application	\$ 0	\$ 127,500
Clerk Staff Preparation of Order	21,667	21,667
District Assoc. Judge Expungement Order	35,786	35,786
Total Cost	\$ 57,453	\$ 184,953

Division II — Robbery and Aggravated Theft

Description

The Division provides that a person serving a sentence for a conviction of robbery in the first degree, if that conviction occurs on or after July 1, 2019, shall serve between 50.0% and 70.0% of a 25-year Class B felony sentence prior to being eligible for parole or work release. The Division provides parameters for the sentencing court to determine when the person is first eligible for parole or work release.

The Division repeals the offense of robbery in the third degree. Under current law, a person commits robbery in the third degree when, while perpetrating a robbery, the person commits a simple misdemeanor assault in violation of Iowa Code section [708.2\(6\)](#). Robbery in the third degree is an aggravated misdemeanor.

The Division repeals Iowa Code section [714.3A](#) (Aggravated Theft) and moves the content of that Iowa Code section into new Iowa Code section 711.3B. The Division also increases the maximum property value threshold for aggravated theft from \$200 to \$300. Aggravated theft is punishable as an aggravated misdemeanor or a Class D felony.

Background

Currently, under Iowa Code section [711.2](#), a person commits robbery in the first degree when, while perpetrating a robbery, the person purposely inflicts or attempts to inflict serious injury or is armed with a dangerous weapon. Robbery in the first degree is a Class B felony. Under Iowa Code section [902.12](#), a person serving a sentence for a conviction of robbery in the first degree is required to serve at least 70.0% of the 25-year maximum Class B felony sentence prior to becoming eligible for parole or work release. A robbery in the second degree is a Class C felony, and aggravated theft is an aggravated misdemeanor or a Class D felony, depending on the circumstances of the crime.

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.
- A lag effect of six months is assumed from the effective date of this Act to the date of the first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day. Additionally, reliable LOS data for county jails is not available.
- The repeal of robbery in the third degree will move 50.0% of convictions from robbery in the third degree to robbery in the second degree and will move 50.0% to aggravated theft.
- The mandatory term before eligibility for parole or work release for those convicted of robbery in the first degree will be halfway between 12.5 years and 25 years (58.3% of sentence).
- It is assumed that 100.0% of those convicted of robbery in the first degree or robbery in the second degree will be sentenced to prison. The maximum costs for Class B and Class C felonies were used to calculate the total additional costs for each offense.
- Of those convicted of aggravated theft or robbery in the third degree, 46.0% will be sentenced to prison. For the State conviction costs, 46.0% of the new convictions are calculated using the maximum cost and the remaining 54.0% are calculated using the minimum cost.
- The average State cost for one aggravated misdemeanor conviction ranges from \$4,700 to \$7,500. The average State cost for one Class C felony conviction ranges from \$10,200 to \$18,400. The average State cost for one Class B felony conviction ranges from \$11,800 to \$38,300.

Correctional Impact

Division II will not increase the number of robbery convictions but will change the distribution of offenses. The Division is estimated to increase the prison population by 286 inmates by year 10 of implementation. The correctional impact incorporates the possible decrease in length of stay for robbery in the first degree. **Table 2** shows the estimated additional prison population each year.

Table 2 — Senate File 589, Division II, Prison Population Increase

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
0	22	55	88	121	154	187	220	253	286

Table 3 shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of Class B felonies, Class C felonies, Class D felonies, and aggravated misdemeanors in crimes involving persons. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Table 3 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 18 Avg Length of Stay Prison (months)	FY 18 Marginal Cost/Day Prison	Percent to Probation	FY 18 Avg Length of Stay Probation (months)	FY 18 Avg Cost/Day Probation	Percent to CBC	FY 18 Marginal Cost/Day CBC	FY 18 Avg Length of Stay Parole (months)	FY 18 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Class B Felony (Persons)	93.0%	85.2	\$19.93	9.0%	39.3	\$5.38	2.0%	\$11.85	34.0	\$5.38	44.0%	\$50.00
Class C Felony (Persons)	90.0%	39.8	\$19.93	30.0%	32.6	\$5.38	5.0%	\$11.85	19.5	\$5.38	39.0%	\$50.00
Class D Felony (Persons)	80.0%	17.2	\$19.93	53.0%	29.5	\$5.38	8.0%	\$11.85	10.6	\$5.38	31.0%	\$50.00
Aggravated Misdemeanor (Persons)	46.0%	8.5	\$19.93	71.0%	20.2	\$5.38	5.0%	\$11.85	4.8	\$5.38	53.0%	\$50.00

Minority Impact

Division II is estimated to have a minority impact. In FY 2018, 52.0% of the persons convicted in Iowa of robbery in the first, second, or third degree were African-American. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

Division II is estimated to increase costs to the Justice System by approximately \$423,800 annually beginning in FY 2021. Under this Division, there will be an estimated 34 additional Class C felony convictions annually. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). **Table 4** contains estimates for the average State cost per offense class type and the estimated cost increase.

Table 4 — Senate File 589, Division II, Estimated Costs for Additional Convictions

<u>Offense</u>	<u>Penalty</u>	<u>Cost Range</u>	<u>Conviction Change</u>		<u>Cost Increase Estimate</u>	
			<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>
Robbery 2nd	Class C Felony	\$10,200 - \$18,400	17	34	\$ 312,800	\$ 625,600
Robbery 3rd	Aggravated Misd.	\$4,700 - \$7,500	-34	-68	-204,600	-406,400
Aggravated Theft	Aggravated Misd.	\$4,700 - \$7,500	17	34	102,300	\$ 204,600
	Total				<u>\$ 210,500</u>	<u>\$ 423,800</u>

Division III — Property Crimes — Value

Description

Division III increases the value of damaged or stolen property or services necessary to commit certain levels of numerous criminal offenses. The Division modifies the minimum value eligible for penalty for the following offenses:

- Arson in the second degree.
- Theft in the second, third, fourth, and fifth degrees.
- Theft detection devices — shield or removal.
- Fraudulent practice in the second, third, fourth, and fifth degrees.
- Credit card fraud.
- Identity theft.
- Criminal mischief in the second, third, fourth, and fifth degrees.
- Trespass.
- Railroad vandalism in the fourth, fifth, sixth, and seventh degrees.
- Transmission of unsolicited bulk email.

Background

Under current law, the following penalties apply to the offenses modified under this Division:

Table 5 — Current Property Crimes Classifications

Penalty	Arson	Theft	Fraudulent Practice	Criminal Mischief	Railroad Vandalism
Class C Felony	2nd	1st	-	-	-
Class D Felony	-	2nd	2nd	2nd	4th
Aggravated Misdemeanor	3rd	3rd	3rd	3rd	5th
Serious Misdemeanor	-	4th	4th	4th	6th
Simple Misdemeanor	-	5th	5th	5th	7th

In addition, the following penalties apply to offenses modified under this Division:

- Simple Misdemeanor: Theft detection devices — shield or removal (if the value is above \$300).
- Serious Misdemeanor: Trespass (if the value is above \$300).
- Aggravated Misdemeanor: Trespass (involving a hate crime).
- Class D Felony: Credit card fraud (if the value is \$1,500 and above); identity theft (if the value is \$1,500 and above); transmission of unsolicited bulk email (if the value is \$1,500 and above).

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.
- A lag effect of six months is assumed from the effective date of this Act to the date of the first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day. Additionally, reliable LOS data for county jails is not available.

Correctional Impact

Division III increases the value of damaged or stolen property or services necessary to commit certain levels of numerous criminal offenses. These modifications will reduce the number of higher-level convictions and increase the number of lower-level convictions. It is difficult to estimate how this Division will affect charging and conviction practice. Due to these unknown factors, this portion of the Act cannot be assessed for correctional impact.

Minority Impact

Table 6 shows the FY 2018 conviction levels for African-Americans for offenses impacted by the Division:

Table 6 — SF 589, Division III, Minority Impact

Offense	Percentage African-American
Arson (2nd)	19.0%
Criminal Mischief (all degrees) and Trespass	19.0%
Identity Theft	24.0%
Credit Card Fraud	21.0%
Theft (all degrees)	18.0%

Fiscal Impact

Division III is estimated to increase the number of lower-level convictions as a result of the reduction in higher-level convictions. The increase in lower-level convictions could result in decreased overall costs to the State through the Judicial Branch, the Indigent Defense Fund, and the DOC. Lower-level convictions may result in a reduction in fines and surcharges paid.

Division IV — Fraud and Forgery Revisions

Section 25 — Forgery

Description and Background

Section 25 amends Iowa Code section [715A.2\(2\)](#) relating to forgery. Under this Section, a person commits forgery when the person possesses a writing with intent to defraud or injure anyone that is or purports to be a driver's license, nonoperator's identification card, birth certificate, or occupational license or certificate in support or an occupational license issued by a department, agency, board, or commission in this State. By amending the definition of forgery, the Section also changes the circumstances under which an employer is subject to a civil penalty for hiring or continuing to employ a person who commits a forgery. A person who forges a document as described in Section 25 of the Act commits a Class D felony.

Correctional Impact

The correctional impact of Section 25 is unknown. **Table 7** below shows estimates for sentencing to State prison, parole, probation, or CBC residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of aggravated misdemeanors and Class D felonies in crimes involving persons. Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Table 7 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 18 Avg Length of Stay Prison (months)	FY 18 Marginal Cost/Day Prison	Percent to Probation	FY 18 Avg Length of Stay Probation (months)	FY 18 Avg Cost/Day Probation	Percent to CBC	FY 18 Marginal Cost/Day CBC	FY 18 Avg Length of Stay Parole (months)	FY 18 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Class D Felony (Persons)	80.0%	17.2	\$19.93	53.0%	29.5	\$5.38	8.0%	\$11.85	10.6	\$5.38	31.0%	\$50.00
Aggravated Misdemeanor (Persons)	46.0%	8.5	\$19.93	71.0%	20.2	\$5.38	5.0%	\$11.85	4.8	\$5.38	53.0%	\$50.00

Fiscal Impact

The fiscal impact of Section 25 is unknown. The estimated impact to the State General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The average State cost per offense for a Class D felony involving persons ranges from \$9,200 to \$14,100.

Section 27 — Breach of Fiduciary Obligation

Section 27 amends Iowa Code section [802.5](#) by extending the period of time during which a person may be prosecuted for any offense involving a material element of fraud or breach of fiduciary obligation.

Correctional Impact

The correctional impact of Section 27 is estimated to be minimal. In FY 2018, there were 22 charges that fell outside the three-year window specified in current law. These charges have the potential to be convictions under this Act, but it is difficult to determine the reasons surrounding the dismissed or quitted charges and whether the extension of the statute of limitations would have influenced the disposition of these cases. For these reasons, the correctional impact associated with Section 27 of the Act cannot be calculated.

Fiscal Impact

The fiscal impact of Section 27 is estimated to be minimal due to the small number of new convictions anticipated under the Section.

Division V — Criminal Proceedings

Description

Division V creates new Iowa Code section 701.12 relating to evidence in a criminal prosecution. The Division modifies various provisions under Iowa Code chapter [814](#) related to appeals from the district court. The Division also modifies postconviction procedure under Iowa Code chapter [822](#).

Assumptions

- The average cost of legal representation of an indigent person in a postconviction relief proceeding is \$1,605.33 at the trial level and an additional \$1,883.33 for representation on the appeal seeking the postconviction relief. It is assumed that the average costs will remain consistent in future fiscal years.
- Division V may change the structure of plea proceedings and decrease the number of guilty pleas entered. This change could result in additional cases being tried rather than being resolved by plea agreement.

Fiscal Impact

Division V is estimated to result in additional costs to the State Public Defender and the Indigent Defense Fund. The Office of the State Public Defender estimates two potential fiscal impacts. The first impact may be from the prohibition on an ineffective assistance of counsel claim being raised on direct appeal from the criminal proceeding. Division V will require a separate postconviction relief case. Currently, there is no information to determine how many separate postconviction relief cases there will be, but the State Public Defender estimates that each case may have an additional estimated cost of approximately \$3,489 for the separate action.

In addition, the Office of the State Public Defender estimates that Division V may result in an increase in Indigent Defense Fund costs because there may be a change in the structure of plea proceedings and a decrease in the number of guilty pleas entered. Currently, guilty pleas are entered in more than 90.0% of cases. In FY 2018, the State Public Defender had a total of 28,632 adult claims against the Indigent Defense Fund that did not go to trial, at a total cost of \$15.0 million. The average cost per claim was \$2,837.05. The fiscal impact of Division V cannot be determined because it is unknown how many more cases will be tried rather than resolved by plea agreement, which would increase claims to the State Public Defender and the Indigent Defense Fund. However, the fiscal impact to the State Public Defender and the Indigent Defense Fund could be significant depending on the increase in cases.

Division VI — Arson

Description

Division VI requires an offender who commits the criminal offense of arson in the first degree to serve between 50.0% and 70.0% of a 25-year Class B felony sentence prior to being eligible for parole or work release. The Division also requires that the court determine when a person convicted of arson in the first degree can first become eligible for parole or work release within the parameters of 50.0% to 70.0% of the 25-year sentence, based upon all pertinent information. This Division applies to convictions of arson in the first degree that occur on or after July 1, 2019.

Background

Under current law, such an offender is sentenced to confinement for 25 years but is eligible for parole upon entering prison.

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.

- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day. Additionally, reliable LOS data for county jails is not available.
- Offenders convicted will serve a length of stay midway between 50.0% and 70.0% of the sentence (12.5 to 17.5 years) under this Division.
- The annual marginal cost of prison per day is equal to the daily marginal cost multiplied by 365 days ($\$19.93 \times 365 = \$7,274.45$).

Correctional Impact

Division VI will not result in any additional convictions but will increase the LOS in prison for those convicted of arson in the first degree. In FY 2018, there were six convictions for arson in the first degree. The projected LOS in prison for those convicted of arson in the first degree is estimated to increase from 29 months to 180 months, an increase of approximately 13 years. The Division is estimated to increase the prison population by 38 inmates by year 10 of implementation. Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2019, for information related to the correctional system.

Minority Impact

In FY 2018, 15.0% of arson convictions in the first, second, and third degree in Iowa were committed by African-Americans. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 7, 2019, for information related to minorities in the criminal justice system.

Fiscal Impact

Division VI will increase the cost of the DOC operating budget due to the increased LOS for offenders convicted of arson in the first degree. The fiscal impact will begin in FY 2022, when those persons convicted on or after July 1, 2019, would have been eligible for release under the prior law. **Table 8** shows the total increase in marginal costs beginning in FY 2022. The Division is estimated to result in increased annual costs of \$276,000 by FY 2029.

Table 8 — Senate File 589, Additional Prison Costs Per Year

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Additional Population	0	0	3	8	13
Annual Marginal Cost Per Inmate	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274	\$ 7,274
Total Additional Cost Per Year	\$ 0	\$ 0	\$ 21,822	\$ 58,192	\$ 94,562

Division VII — Limitation of Criminal Actions

Description

Division VII amends Iowa Code section [802.2](#) to provide that an information or indictment for sexual abuse in the first, second, or third degree committed on or with a person who is under the age of 18 years shall be found within 15 years of the offense. In addition, the Division amends Iowa Code section [802.2A](#) to provide that an information or indictment for incest under Iowa Code section [726.2](#) committed on or with a person who is under the age of 18 shall be found within 15 years after the commission of the offense, and an indictment or information for sexual exploitation by a counselor, therapist, or school employee under Iowa Code section [709.15](#) committed on or with a person who is under the age of 18 shall be found within 15 years after the commission of the offense. Current law provides a 10-year limit for an information or indictment for all the above offenses.

Correctional Impact

It is estimated there will be an increase in convictions under this Division, but the extent is unknown. In FY 2018, there were 10 charges acquitted or dismissed that involved minor victims and had a disposition date that was more than 10 years after the offense date. These acquitted offenses could potentially have become convictions under this Division. It is difficult to determine reasons surrounding dismissed or acquitted charges and whether the extension of the statute of limitations would have influenced the disposition of these cases. As a result, the correctional impact of Division VII cannot be calculated.

Fiscal Impact

The fiscal impact of Division VII is unknown but is estimated to be minimal due to the low level of convictions of the applicable offenses.

Division VIII — Second and Subsequent Alcoholic Beverage Convictions

Description

Division VIII relates to alcoholic beverage control violations and second and subsequent convictions and provides penalties. The Division provides that conviction under Iowa Code section [123.46](#) (consumption or intoxication in public places) is not subject to the sentencing enhancement provisions of Iowa Code section [123.91](#) for a second or subsequent conviction. Under this Division, a second or subsequent violation of Iowa Code section [123.46](#) would be a simple misdemeanor.

Background

Currently, a second violation of Iowa Code section [123.46](#) is a serious misdemeanor, and any subsequent violation is an aggravated misdemeanor. A serious misdemeanor is punishable by a fine of at least \$315 but not more than \$1,875, and the court may order imprisonment not to exceed one year. An aggravated misdemeanor carries a maximum penalty of incarceration not to exceed two years, with a fine of at least \$625 but not more than \$6,250. A simple misdemeanor is punishable by a fine of at least \$65 but not more than \$625, and the court may order imprisonment not to exceed 30 days in lieu of a fine or in addition to a fine.

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.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Forty percent of all offenders convicted of a simple misdemeanor will need a public defender.

Correctional Impact

In FY 2018, there were 7,455 consumption/intoxication in public places convictions. Of these, 6,631 were simple misdemeanors, 296 were serious misdemeanors, and 528 were aggravated misdemeanors. Under this Division, all convictions of this offense will be simple misdemeanors. Within two years of implementation, it is estimated there will be an annual decrease of 72 inmates in the prison population.

Table 9 — Division VIII, Decrease in Orders Beginning FY 2020

Prison Orders	Probation Orders	CBC Residential Orders	Jail Orders
-143	-373	-14	-335

Minority Impact

Division VIII is estimated to have a minority impact. In FY 2018, 13.0% of offenders convicted of this offense were African-American. It is estimated there will be an annual decrease of nine inmates who are minorities in the prison population starting in FY 2020.

Table 10 — Division VIII, Minority Impact Beginning FY 2020

Prison Orders	Probation Orders	CBC Residential Orders	Jail Orders
-19	-48	-2	-44

Fiscal Impact

Division VIII is estimated to have a cost savings of approximately \$3.6 million to the Justice System beginning in FY 2020, as shown in **Table 11**. This estimate includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost savings will be incurred across multiple fiscal years for prison and parole supervision. Under this Division there will be:

- An estimated 824 additional simple misdemeanor convictions.
- An estimated decrease of 296 serious misdemeanor convictions.
- An estimated decrease of 528 aggravated misdemeanor convictions.

Table 11 — Division VIII, Estimated Net Cost Reduction Beginning FY 2020

Offense Class	Cost Range	Conviction Adjustment	Estimated Net Cost Reduction
Simple Misdemeanor	\$30 - \$330	824	\$ 120,720
Serious Misdemeanor	\$390 - \$5,000	-296	-880,700
Aggravated Misdemeanor	\$4,700 - \$7,500	-528	-2,865,200
Total Net Cost Reduction			\$ -3,625,180

Due to the shift in convictions from serious and aggravated misdemeanors to simple misdemeanors, there may be a decrease in fine revenue, but the impact is unknown.

Summary of SF 589

Correctional Impact

Table 12 summarizes the correctional impact of all the Divisions in the Act.

Table 12 — SF 589 Correctional Impact Summary

Bill Division	Offense	Penalties	Net Additional Convictions - FY 2019	Net Additional Convictions - FY 2020
II	Robbery 2nd	Class C Felony	17	34
	Robbery 3rd	Aggravated Misd.	-34	-68
	Aggravated Theft	Aggravated Misd.	17	34
III	Property Crimes	Various	Correctional impact cannot be determined	Correctional impact cannot be determined
IV	Fraud and Forgery	Various	Correctional impact cannot be determined	Correctional impact cannot be determined
VI	Arson in the First Degree	Class B Felony	No additional convictions, increases length of stay	No additional convictions, increases length of stay
VII	Limitation of Criminal Actions	Various	Correctional impact cannot be determined	Correctional impact cannot be determined
VIII	Public Intoxication	Simple Misd.	824	824
		Serious Misd.	-296	-296
		Aggravated Misd.	-528	-528

Fiscal Impact

Table 13 summarizes the estimated fiscal impact of all the Divisions in the Act.

Table 13 — SF 589 Fiscal Impact Summary

<u>Bill Division</u>	<u>Provision</u>	<u>Fund</u>	<u>Cost Estimate - FY 2020</u>	<u>Cost Estimate - FY 2021</u>
I	Expungements	Judicial Branch Operating Budget	\$57,453 - \$184,953	\$57,453 - \$184,953
II	Robbery and Aggravated Theft	Various justice system operating costs	\$210,500	\$423,800
III	Property Crime	Various justice system operating costs	Cannot be determined	Cannot be determined
IV	Fraud and Forgery Revisions	Various justice system operating costs	Cannot be determined	Cannot be determined
V	Criminal Proceedings	State Public Defender Operating Budget, Indigent Defense Fund	Cannot be determined	Cannot be determined
VI	Arson in the First Degree**	Various justice system operating costs	\$0	\$0
VII	Limitation of Criminal Actions	Various justice system operating costs	Cannot be determined	Cannot be determined
VIII	Public Intoxication	Various justice system operating costs	-\$3,625,180	-\$3,625,180

**Division VI fiscal impact will not occur until FY 2022. See Division VI for more detail.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 25, 2019, and signed by the Governor on May 16th, 2019.

Sources

Department of Corrections
 Criminal and Juvenile Justice Planning Division, Department of Human Rights
 Department of Public Safety
 Judicial Branch
 Office of the State Public Defender
 LSA analysis and calculations

[SF 590](#) – Indigent Defense Fund, Privately Retained Attorneys (LSB1191SV.1)

Analyst: Laura Book (515.205.9275) laura.book@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 590](#) relates to payments from the Indigent Defense Fund by the State Public Defender for costs incurred by a privately retained attorney representing an indigent person. The Act establishes a process for the payment of State funds to a privately retained attorney for the costs incurred in the legal representation of a person who is later determined to be indigent.

[Senate File 590](#) also prohibits the payment of State funds to a privately retained attorney unless the district court determines that the represented person is indigent and counsel could have been appointed, and the moneys paid or to be paid by or on behalf of the indigent person to the private attorney are insufficient to pay all or a portion of the expenses sought to be paid from State funds. The Act specifies how the court determines whether the moneys paid or to be paid to the attorney are insufficient.

Background

In the Iowa Supreme Court case [English v. Missildine](#),¹ the Court required, as a matter of constitutional law, that the Office of the State Public Defender pay for the costs incurred by privately retained attorneys who represent indigent clients. The case does not specify the procedures to be followed by the attorney in applying for reimbursement of or getting approval of those costs. The Indigent Defense Fund currently provides the funds for these types of cases, and the District Court reviews the applications for payment from the Fund for these cases.

Assumptions

- In FY 2018, the Office of the State Public Defender paid \$179,793 from the Indigent Defense Fund for *Missildine* cases. The analysis assumes that the costs would remain consistent in future fiscal years.
- The analysis assumes that private attorneys being paid by private third parties would secure payment from the private third parties rather than accepting payment at the statutory rate for indigent defense work under the procedure established in this Act.

Fiscal Impact

[Senate File 590](#) is estimated to result in savings to the Indigent Defense Fund of approximately \$150,000 per year. The new procedures established in this Act would allow for the review of requests made by a privately retained attorney for the payment of expert witnesses, investigators, deposition expenses, and any other related litigation expenses. The Act also requires that the Office of the State Public Defender receive a copy of the application, allowing the Office the opportunity to request a hearing and provide input on the payout of the application.

¹ 311 N.W.2d 292 (1981).

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 15, 2019, and signed by the Governor on May 1, 2019.

Sources

Office of the State Public Defender
LSA calculations

[SF 599](#) – Industrial Hemp (LSB1744SV.1)

Analyst: Debra Kozel (515.281.6767) deb.kozel@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 599](#) creates the Iowa Hemp Act, which authorizes the production and marketing of industrial hemp in Iowa in compliance with federal law and will be administered by the Department of Agriculture and Land Stewardship (DALs). Department responsibilities include submitting a State plan to the United States Department of Agriculture (USDA), establishing license requirements, establishing industrial hemp fees, and establishing rules to implement the Iowa Hemp Act.

[Senate File 599](#) also creates the Hemp Fund in the State Treasury, which will be managed by the DALs. Moneys deposited into the Hemp Fund will include fees collected by the DALs, appropriations from the General Assembly, and other revenue such as interest earned and federal funds.

Background

Industrial hemp and marijuana are different varieties of the *Cannabis sativa* L. plant. The differences between the two plants are their levels of tetrahydrocannabinol (THC) and their usage. Industrial hemp has THC levels of 0.1% to 0.4% of the total plant weight, while marijuana has THC levels of 4.0% to 7.0%. Industrial hemp is grown for commercial use, and the stalks and seeds are used for textiles, food, paper, building materials, and other products. Marijuana is grown for medicinal and recreational uses.

The federal [Agricultural Act of 2014](#) legalized the possession and use of industrial hemp when the crop was part of a pilot program that was regulated by a state department of agriculture or part of a research program conducted by an institution of higher education. The federal [Agriculture Improvement Act of 2018](#) removed industrial hemp from the list of controlled substances and allowed states to regulate industrial hemp production. The Act specifies the DALs will develop and submit a State plan for industrial hemp production in Iowa and submit it to the USDA for approval.

Assumptions

Department of Agriculture and Land Stewardship:

- The DALs will collect a license fee and an inspection fee for industrial hemp production. The license fee will be collected from persons wanting to produce industrial hemp, and the fee will be based on the number of acres planted. The Act specifies that a licensed grower can grow a maximum of 40 acres. The license fee range includes:
 - \$500 fee plus \$5 per acre for a person growing five acres or less.
 - \$750 fee plus \$5 per acre for a person growing more than five acres but less than 10 acres.
 - \$1,000 fee plus \$5 per acre for person growing more than 10 acres.
- An annual inspection fee of not more than \$1,000 will also be charged by the DALs.

- For estimating purposes, it is assumed that the DALs will submit a State plan for industrial hemp production and receive approval from the USDA by July 1, 2019.
- Personnel costs for FY 2020 are estimated at \$181,000 for 2.0 full-time equivalent (FTE) positions. This includes 1.0 FTE position for work in the laboratory and 1.0 FTE position that will work with industrial hemp growers in the field. The estimated costs are increased by 3.0% for FY 2021 to account for increased salary and other benefit expenditures.
- Contract worker costs assume a worker will make \$16 per hour and work 40 hours per week. This also assumes a contract worker will be needed for eight weeks.
- Equipment for testing hemp samples is estimated at \$71,000.
- Required lab samples are estimated at 300 samples with a cost of \$50 each.
- A vehicle for inspection purposes is estimated at \$30,000.
- Mileage costs are estimated at 5,000 miles at \$0.39 per mile.
- The Act also specifies the DALs can assess a civil penalty for disposing of a licensee's crop. The civil penalty will be between \$500 and \$2,500. Any funds collected from civil penalties will be deposited into the General Fund.

Department of Public Safety:

In 2018, the Division of Criminal Investigation Laboratory analyzed over 7,600 cannabis items. Quantifying the level of THC involves different, more involved methods and instrumentation than currently used to identify marijuana. The DPS estimates the THC analysis will take three times longer than identifying marijuana. The DPS estimates it will need 3.0 additional Criminalistics FTE positions and three additional gas chromatography/flame ionization detector (GC/FID) instruments.

- Personnel costs for FY 2020 are estimated at \$251,000 for 3.0 FTE Criminalistics positions. The estimated costs were increased by 3.0% for FY 2021 to account for increased salary and other benefit expenditures.
- The Department will need to purchase three additional testing instruments at a cost of \$50,000 each.

Fiscal Impact

The estimated fiscal impact of [SF 599](#) is an increase in expenditures to the DALs and the DPS budgets for FY 2020 and FY 2021. **Table 1** shows the estimated expenditures related to the implementation of [SF 599](#).

**Table 1 — SF 599 Industrial Hemp Estimated Expenditures for
FY 2020 and FY 2021**

Description	FY 2020	FY 2021
DALS:		
Personnel* (2.0 FTE positions)	\$ 181,000	\$ 187,000
Contract Workers	5,000	5,000
Hemp Testing Lab Equipment	71,000	0
Consumable Lab Sample Testing	15,000	15,000
Vehicle	30,000	0
Mileage	2,000	2,000
Total Estimated Costs for DALS	<u>\$ 304,000</u>	<u>\$ 209,000</u>
DPS:		
Personnel (3.0 FTE positions)	\$ 251,000	\$ 259,000
Testing Instruments	150,000	0
Total Estimated Costs for DPS	<u>\$ 401,000</u>	<u>\$ 259,000</u>
Total Estimated Costs	<u>\$ 705,000</u>	<u>\$ 468,000</u>

*Includes one lab worker and one field worker

The revenue from the fees established in this Act cannot be estimated, as it is unknown how many persons will participate in the manufacturing of industrial hemp. The other unknown factor is the cost to destroy crops that exceed the required THC levels, which cannot be estimated at this time.

Effective Date

Section 18 of this Act specifies that the effective date is contingent upon the USDA approval of the State plan for industrial hemp production in Iowa. The effective date will be the publication date of the Iowa Administrative Bulletin that includes a statement by the Iowa Secretary of Agriculture that certifies the USDA has approved the State plan for industrial hemp production.

Enactment Date

This Act was approved by the General Assembly on April 24, 2019, and signed by the Governor on May 13, 2019.

Sources

Department of Agriculture and Land Stewardship

Department of Public Safety

LSA calculations

Description

[Senate File 603](#) makes various changes to the Iowa Code involving concurrent enrollment, which include:

- **Division I**

- Increasing the supplementary weighting of eligible arts and science concurrent enrollment units from 0.46 to 0.50. This change applies retroactively to the school budget year beginning on July 1, 2019.
- Allowing for an additional exception to the “supplement not supplant” requirements under Iowa Code section [257.11](#)(3) for districts with enrollment of 600 or fewer to generate supplementary weighting for one math or one science unit under “offer and teach” requirements.
- Adding definitions under Iowa Code section [261E.2](#) for “full-time” and “part-time” enrollment under the Senior Year Plus Program.
- Allowing for school districts with enrollment of 600 or more to contract with a community college for certain “offer and teach” requirements without generating supplementary weighting. This provision of the Act applies retroactively to July 1, 2018.

- **Division II**

- Expanding the definition of concurrent enrollment to include courses contracted between community colleges and accredited nonpublic schools.
- Allowing for an appropriation by the General Assembly to the Department of Education to pay the community colleges for the cost of contracted concurrent enrollment with accredited nonpublic schools. Community colleges shall decrease the amount billed to the accredited nonpublic schools by the amount paid to the community colleges under this Division.
- Permitting the Department of Education to prorate the amount available by appropriation if the funds are insufficient to pay for all contracted concurrent enrollment with an accredited nonpublic school.
- Division II is contingent upon an appropriation by the General Assembly to the Department of Education to fund the concurrent enrollment provisions of nonpublic schools and community colleges.

- **Division III**

- Expanding the definition of “school employee” under Iowa Code section [709.15](#) to include a person employed by a community college who provides instruction to high school students under a concurrent enrollment program.

Background

School districts may contract with community colleges to offer college-level courses to eligible high school students in subjects taught by instructors employed or contracted by community colleges. School districts may receive additional supplementary weighting based on the type of course and percentage of a student’s day spent in the class. The total amount of supplementary weighting being generated for the 2019-2020 school year is estimated to be the equivalent of 3,499.1 pupils. Weightings for school year 2019-2020 were collected from spring 2019 and fall 2019 class enrollment and were approved by the School Board Review Committee (SBRC) in December 2019.

2018 Iowa Acts, ch. [1119](#) (Regulation of Primary and Secondary Education — Miscellaneous Changes), created an exception to the “supplement not supplant” requirements under Iowa Code section [257.11](#) for one or more career and technical education (CTE) classes falling under a single technical educational area.

Under current law, nonpublic schools may contract with community colleges to provide access to community college courses for the nonpublic students. The nonpublic student attending classes at the community college is responsible for paying the tuition costs. Nonpublic schools may also enroll their students in concurrent enrollment classes in a public school district. In FY 2019, an estimated 1,525 nonpublic students attended concurrent enrollment classes in 23 school districts. A school district is eligible to generate supplementary weighting for nonpublic students, including those receiving private competent instruction under Iowa Code chapter [299A](#).

Assumptions

- Divisions I and II of this Act will have a fiscal impact. Division III of this Act is not expected to have a fiscal impact.
- Under the provisions of this Act, the first year with an estimated fiscal impact will be FY 2020.
- Approximately 50.8% of concurrent enrollment weightings are for arts and science units.
- For estimating purposes, it is assumed the total number of concurrent enrollment weightings will increase by 5.0% each fiscal year.
- It is not known how many school districts will generate supplementary weighting for one math or for one science course under the “offer and teach” exception. For estimating purposes, the minimum fiscal impact assumes each district will generate the minimum amount of weighting for six pupils in a unit. The maximum fiscal impact assumes each eligible district will generate weightings based on an eligible unit with the highest number of enrolled students.
- Weightings for FY 2020 (school year 2019-2020) have already been calculated using spring and fall 2019 concurrent enrollment data.
- State aid and property tax calculations under Division I use individual districts’ cost per pupil.
- There are 13 State-accredited nonpublic schools that may qualify to generate weighting under Division II for the “offer and teach” requirements for math or science units.
- There are 44 accredited nonpublic schools that may qualify to generate weighting for other eligible concurrent enrollment units.
- Weightings calculated under Division II use the FY 2020 State cost per pupil.
- Under current law, the State cost per pupil in FY 2020 and ensuing years is \$6,880.
- In FY 2020, the appropriation for concurrent enrollment for accredited nonpublic schools will be \$1.0 million if 2019 Iowa Acts, [HF 758](#), is enacted.
- After FY 2020, additional funding under Division II of this Act is subject to General Assembly appropriations.
- Accredited nonpublic schools may cease enrolling nonpublic students in concurrent enrollment classes in school districts, thereby reducing regular program State foundation aid and property taxes.
- The Department of Education will require one full-time equivalent (FTE) position to implement the provisions of this Act.

Fiscal Impact

Table 1 shows the fiscal impact in Division I of the increase in supplementary weighting for concurrent enrollment arts and science units from 0.46 to 0.50.

Table 1 — SF 603

State Aid for Arts and Sciences Concurrent Enrollment Weighting (In Millions)

Fiscal Year	State Aid	Property Taxes	Total	Increase in State Aid Compared to Current Law
2020	\$ 11.8	\$ 1.5	\$ 13.3	\$ 0.9
2021	12.4	1.6	14.0	1.0
2022	13.0	1.6	14.7	1.0
2023	13.7	1.7	15.4	1.1
2024	14.4	1.8	16.2	1.2

Numbers may not equal totals due to rounding.

Table 2 shows the estimated minimum and maximum increase in General Fund State aid in Division I for the additional exceptions under “offer and teach” for school districts with enrollment of 600 or fewer.

Table 2 — SF 603

Estimated Increase in State Aid Due to Supplementary Weighting for Additional Exceptions Under Offer and Teach

Fiscal Year	Minimum Increase in State Aid	Minimum Increase in Property Taxes	Maximum Increase in State Aid	Maximum Increase in Property Taxes
2020	\$ 0	\$ 0	\$ 0	\$ 0
2021	243,650	31,050	584,745	74,464
2022	487,300	62,100	1,169,489	148,928

Table 3 shows the minimum and maximum estimated net General Fund fiscal impact in FY 2020 under Division II, as well as estimated reductions in property taxes if accredited nonpublic school students cease to enroll students in eligible concurrent enrollment classes through a public school district.

Table 3 — SF 603

Estimated Fiscal Impact Due to Nonpublic Concurrent Enrollment — FY 2020

	Minimum	Maximum
General Fund Appropriation	\$ 1,000,000	\$ 1,000,000
Estimated State Aid Reduction	<u>-217,545</u>	
Net Increase — General Fund	<u>\$ 782,455</u>	<u>\$ 1,000,000</u>
Total Property Tax Reduction	\$ -27,517	\$ 0

Table 4 shows the minimum and maximum fiscal impact on the General Fund for FY 2020 and FY 2021.

Table 4 — SF 603

Summary of General Fund Fiscal Impact for FY 2020 (in millions)

	FY 2020		FY 2021	
	Minimum Fiscal Impact	Maximum Fiscal Impact	Minimum Fiscal Impact	Maximum Fiscal Impact
Division I (Sec. 1)	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0
Division I (Sec. 2)	0.0	0.0	0.2	0.6
Division II (Sec. 6)	0.8	1.0	0.0	0.0
Total	<u>\$ 1.7</u>	<u>\$ 1.9</u>	<u>\$ 1.2</u>	<u>\$ 1.6</u>

The Department of Education estimates it will need 1.0 additional FTE position (\$108,000 per fiscal year) to implement the provisions under this Act.

Effective Date

This Act is effective July 1, 2019.

Enactment Date

This Act was approved by the General Assembly on April 26, 2019, and signed by the Governor on May 23, 2019.

Sources

Department of Education
Department of Management
LSA calculations and analysis

Note: House File 758 (FY 2020 Education Appropriations Act) includes a \$1.0 million General Fund appropriation for the purpose of implementing Division II of the Act.

[SF 619](#) – Service Contracts (LSB2469SZ.1)

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Fiscal Note Version – Final Action

Description

[Senate File 619](#) combines the regulation of motor vehicle service contracts (MVSC), currently under Iowa Code chapter [516E](#), and residential service contracts (RSC), currently under Iowa Code chapter [523C](#). Under [SF 619](#), both MVSCs and RSCs will be regulated under Iowa Code chapter [523C](#) and Iowa Code chapter [516E](#) will be repealed. The existing oversight framework will remain in its current form. [Senate File 619](#) proposes fee changes displayed in **Table 1**.

[Senate File 619](#) also creates the Service Company Oversight Fund (SCOF), which will receive one-third of all fees collected under Iowa Code chapter [523C](#), while the remaining two-thirds will be deposited in the Commerce Revolving Fund (CMRF). The SCOF may be used for administration and enforcement as well as education and outreach. The Insurance Division anticipates using the SCOF to develop an electronic filing system and database.

[Senate File 619](#) proposes the following changes to existing fees:

- The MVSC provider filing fee is eliminated.
- The RSC annual license fee is increased from \$250 to \$500 to match the MVSC annual license fee.
- The MVSC form filing fee is increased from \$10 to \$50 per service contract.

Assumptions

The number of service contract providers and transactions will remain relatively consistent in future fiscal years.

Fiscal Impact

[Senate File 619](#) will result in an annual estimated net increase in revenue of \$111,800 beginning in FY 2020. Of this net increase, the SCOF will receive \$37,300 and the CMRF will receive \$74,500. **Table 1** below illustrates in greater detail the fee and revenue changes. Despite creating a net increase in total revenue, [Senate File 619](#) will reduce revenues for the CMRF by an estimated \$96,900 (**Table 2**).

Table 1
SF 619 — Estimated Fiscal Impact of Proposed Fee Changes

	MVSC Provider Filing Fee	MVSC Form Filing Fee	MVSC License & Reg. Fees	RSC Sales Fee	RSC Annual License Fee	Total
Current Fee	\$ 100	\$ 10	\$ 500	3.0%	\$ 250	
Current Revenues	\$ 59,700	\$ 41,000	\$ 60,100	\$ 346,100	\$ 7,500	\$ 514,400
Proposed Fee	\$ 0	\$ 50	\$ 500	3.0%	\$ 500	
Proposed Revenues	\$ 0	\$ 205,000	\$ 60,100	\$ 346,100	\$ 15,000	\$ 626,200
Change in Revenue	\$ -59,700	\$ 164,000	\$ 0	\$ 0	\$ 7,500	\$ 111,800
Distribution of Revenues						
				Current Revenue	New Revenue	Total Revenue
Service Company Oversight Fund Deposits				\$ 171,467	\$ 37,267	\$ 208,733
Commerce Revolving Fund Deposits				342,933	74,533	417,467
Total Annual Revenue				\$ 514,400	\$ 111,800	\$ 626,200

Table 2
SF 619 — Annual Estimated Fiscal Impact on the Commerce Revolving Fund

	FY 2020
Fees - Current Law	\$ 514,400
Fees - SF 619	417,467
Net Reduction	\$ -96,933

Effective Date

This Act is effective May 16, 2019.

Enactment Date

This Act was approved by the General Assembly on April 23, 2019, and signed by the Governor on May 16, 2019.

Source

Department of Commerce, Insurance Division
LSA calculations and analysis

[SJR 18](#) – Weapons, Right to Keep and Bear Arms (LSB1145SV.1)

Analyst: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate Joint Resolution 18](#) proposes an amendment to the Iowa Constitution related to the right of the people to keep and bear arms, explicitly stating that this right shall not be infringed. The amendment states that the sovereign state of Iowa affirms and recognizes this right to be a fundamental individual right, of which any and all restrictions shall be subject to strict scrutiny.

Background

Iowa Code section [49A.1](#) and the Iowa Constitution require that when an amendment to the Constitution is first passed by the General Assembly, and has been referred to the next succeeding General Assembly, the State Commissioner of Elections (Secretary of State) is required to publish the proposed amendment in two newspapers of general circulation in each Iowa congressional district once each month for three consecutive months prior to the start of the next General Assembly. Upon passage of the same amendment by the second General Assembly, the amendment is to be published in newspapers in all 99 counties once each month for three consecutive months immediately preceding the general election.

Assumptions

- The average cost to publish an amendment in a single newspaper is \$600.
- Publication of the initial amendment would occur in eight newspapers (two in each congressional district) for a three-month period.
- Subsequent publication of the amendment would occur in 99 newspapers (one in each county) for a three-month period.

Fiscal Impact

Constitutional Amendment Publication Cost. The estimated cost to publish a proposed Constitutional amendment passed by the General Assembly during the 2019 Legislative Session would be \$14,400 (8 newspapers x 3 months x \$600). The costs would be incurred in the fall of 2020 (FY 2021).

Assuming the proposed amendment is passed a second time during the 2021 Legislative Session, the estimated cost would be \$178,200 (99 newspapers x 3 months x \$600). The costs would be incurred in the fall of 2022 (FY 2023).

The above publication costs would be incurred by the Iowa Secretary of State's Office.

Sources

Legislative Services Agency
Office of the Secretary of State