

Miscellaneous Appropriations Acts

FUNDING SUMMARY

Appropriates 10.0% of the maximum balance of the Iowa Economic Emergency Fund (EEF) as calculated for the immediately preceding fiscal year to the Department of Management (DOM) for disaster response, disaster recovery activities, and disaster aid to citizens each year beginning in FY 2026. The appropriation may be disbursed by the DOM if the Governor has issued a proclamation of disaster emergency that covers the disaster for which the moneys will be used and the disbursement has been directed by the Governor with the approval of the Executive Council. Moneys disbursed by the DOM to a department will not revert to the EEF until the close of the succeeding fiscal year. Any moneys not disbursed by the DOM will revert to the EEF at the close of the fiscal year for which the moneys were appropriated.

Page 89, Line 10

Supplemental appropriation of \$2.0 million from the EEF to the Iowa Economic Development Authority (IEDA) for the Nuisance Property Remediation Assistance Fund for FY 2025. Any unencumbered or unobligated moneys will remain available for expenditure through FY 2026.

Page 91, Line 3

Supplemental appropriation of \$11.6 million from the EEF to the Iowa Finance Authority (IFA) for the Disaster Recovery Housing Assistance Fund for FY 2025. Any unencumbered or unobligated moneys will remain available for expenditure through FY 2026.

Page 91, Line 18

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Establishes the Natural Hazard Mitigation Financing Program as a joint undertaking of the Department of Homeland Security and Emergency Management (HSEMD) and the IFA.

Page 6, Line 35

Establishes the Natural Hazard Mitigation Revolving Loan Fund consisting of moneys appropriated by the General Assembly, moneys received through the Federal Emergency Management Agency (FEMA), and the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, moneys received from the repayment of loan principal and interest, and any other moneys received by the Fund. Moneys in the Fund are appropriated to the HSEMD to provide loans under the Natural Hazard Mitigation Financing Program and to administer the Program. Interest or earnings on moneys in the Fund are deposited into the Revolving Loan Fund.

Page 7, Line 17

FUNDING FOR PROJECTS AND PROGRAMS

Sets the following fees for a license as an adjuster:

Page 30, Line 20

DISASTER RECOVERY HOUSING ASSISTANCE ACT

- Any applicable fee for a criminal history check pursuant to Iowa Code section [522B.5A](#).
- \$50 for the issuance or renewal of an adjuster license for a consecutive 24-month period.
- \$50 for the reinstatement of an adjuster license.
- \$100 for the reinstatement or reissuance of an adjuster license due to a disciplinary action pursuant to new Iowa Code section 522C.15.
- A reasonable fee for the compilation and production of adjuster licensing records, which may be charged by the Iowa Insurance Commissioner (Commissioner).
- A fee to administer the examination pursuant to new Iowa Code section 522C.8, which may be set by a third-party testing service and must be approved by the Iowa Insurance Division (IID).

Provides that a person who meets the requirements under new Iowa Code section 522F.3, unless otherwise denied licensure, is to be issued an appraiser license that is valid for two years. Sets the following fees for a license as an appraiser:

Page 58, Line 33

- Any applicable fee for a criminal history check pursuant to Iowa Code section [522B.5A](#).
- \$50 for an initial or a renewal of an appraiser license for two years.
- \$100 for the reinstatement of an expired appraiser license.
- \$100 for the reinstatement or reissuance of an appraiser license suspended or revoked due to a disciplinary action.

Provides that a person who meets the requirements under new Iowa Code section 522F.8, unless otherwise denied licensure, is to be issued an umpire license that is valid for two years. Sets the following fees for a license as an appraiser:

Page 65, Line 14

- Any applicable fee for a criminal history check pursuant to Iowa Code section 522B.5A.
- \$50 for an initial or a renewal of an umpire license for two years.
- \$100 for the reinstatement of an expired umpire license.
- \$100 for the reinstatement or reissuance of an umpire license suspended or revoked due to a disciplinary action.

STUDIES AND INTENT

Intent

Specifies that it is the intent of the General Assembly that pledges made under the Natural Hazard Mitigation Financing Program are binding.

Page 3, Line 34

EXECUTIVE SUMMARY

DISASTER RECOVERY HOUSING ASSISTANCE ACT

Specifies that it is the intent of the General Assembly to enable the Executive Branch to react to disasters impacting Iowa, including the ability to protect citizens, safeguard property, ensure safety, and provide for economic stability during disaster emergencies.

Page 89, Line 3

Required Reports

Modifies the required contents of the annual report submitted by the IFA on January 31 of each year to the General Assembly on the Disaster Recovery Housing Assistance Program.

Page 14, Line 10

SIGNIFICANT CODE CHANGES

Allows the HSEMD, in consultation with the IFA, to establish funds to carry out the purposes of new Iowa Code chapter 29D (Natural Hazard Mitigation Financing Program). These funds are separate from the General Fund.

Page 1, Line 13

Allows the IFA to issue bonds and notes to fund the Natural Hazard Mitigation Revolving Loan Fund.

Page 2, Line 9

Establishes new Iowa Code chapter 29D as the Natural Hazard Mitigation Financing Program.

Page 5, Line 1

Provides that bonds issued under the Natural Hazard Mitigation Financing Program are not used to compute an individual's net income.

Page 10, Line 22

Defines "financial assistance" under the Disaster Recovery Housing Assistance Program to mean assistance provided only from the funds, rights, and assets legally available to the IFA and includes but is not limited to assistance in the form of grants, loans, and forgivable loans.

Page 11, Line 8

Allows the IFA to use up to 5.0% of moneys deposited into, instead of 5.0% of the balance of, the Disaster Recovery Housing Assistance Fund for administrative costs.

Page 11, Line 23

Requires that moneys in the Disaster Recovery Housing Assistance Fund support financial assistance for homeowners and renters. Provides that a State of Disaster Emergency Proclamation by the Governor must specify whether disaster recovery housing assistance is available to homeowners, renters, or both.

Page 11, Line 29

Removes the requirement that a homeowner or renter must register for the Disaster Case Advocacy Program to be considered for financial assistance under the Disaster Recovery Housing Assistance Program.

Page 12, Line 9

Removes requirements for a homeowner to be referred to the IFA or a local program administrator to be eligible for financial assistance under the Disaster Recovery Housing Assistance Program.

Page 13, Line 2

EXECUTIVE SUMMARY

DISASTER RECOVERY HOUSING ASSISTANCE ACT

SENATE FILE 619

Provides that a homeowner will not be awarded financial assistance under the Disaster Recovery Housing Assistance Program for the repair or rehabilitation of a disaster-affected home if the home is located in a 100-year floodplain.	Page 13, Line 7
Removes requirements for a renter to be referred to the IFA or a local program administrator to be eligible for financial assistance under the Disaster Recovery Housing Assistance Program.	Page 14, Line 4
Excludes grants issued under the State Disaster Recovery New Housing Program between August 20, 2024, and December 31, 2024, from net income for State personal income tax purposes. The exclusion is repealed January 1, 2028.	Page 15, Line 13
Excludes grants issued under the State Disaster Recovery New Housing Program between August 20, 2024, and December 31, 2024, from net income for State corporate income tax purposes. The exclusion is repealed January 1, 2028.	Page 15, Line 25
FISCAL IMPACT: Sections 23 and 24 of this Act regarding net income are estimated to decrease revenue to the General Fund by \$570,000 in FY 2025.	
Adds any violation of the Insured Homeowner's Protection Act by a residential contractor as an unfair method of competition and unfair or deceptive acts or practices in the business of insurance.	Page 16, Line 9
Requires any written contract, repair estimate, or work order prepared by a residential contractor to provide goods or services paid from an insurance policy pursuant to a post-loss assignment to include the notice provided in Iowa Code section 103A.71(4)(a) , be signed by the named insured, and be sent to the named insured's insurer prior to payment under the applicable insurance policy.	Page 20, Line 11
Prohibits a residential contractor from entering into a contract with an insured homeowner that includes a post-loss assignment for a minimum of 72 hours following a catastrophic disaster. Permits the Commissioner of Insurance (Commissioner) to extend the prohibition an additional 72 hours if additional time is necessary to safely deploy additional consumer protection resources.	Page 20, Line 20
Permits the Iowa Insurance Commissioner (Commissioner) to adopt administrative rules to administer and enforce Iowa Code chapter 522C .	Page 24, Line 28
Requires public and independent adjusters to be licensed under Iowa Code chapter 522C.	Page 25, Line 16

EXECUTIVE SUMMARY

DISASTER RECOVERY HOUSING ASSISTANCE ACT

SENATE FILE 619

Requires an applicant for licensure to secure a surety bond as prescribed by the Commissioner. The bond must be for at least \$50,000, be in favor of the State, authorize recovery by the Commissioner on behalf of any person damaged, and not be terminated without 30 days prior notice to the IID.

Page 31, Line 7

Requires applicants for licensure under Iowa Code chapter 522C to pass a written examination unless otherwise exempt. Requires an individual to pay an examination fee each time the individual applies for examination. The results of an examination are valid for 90 days after the date of the examination.

Page 31, Line 33

Prohibits a public adjuster from providing services to an insured before a written contract with the insured has been executed on a form filed with and approved by the Commissioner. Provides reporting, compensation, and disclosure requirements. Requires a public adjuster to provide the insurer with a signed letter authorizing the public adjuster to represent the insured within 72 hours of executing a contract with an insured. The insurer must verify that the public adjuster is licensed with the IID. Prohibits a contract in violation of new Iowa Code section 522C.10(1)(a) from being enforceable.

Page 33, Line 17

Establishes standards of conduct for adjusters.

Page 38, Line 19

Permits the IID to take disciplinary action regarding an adjuster's license for one or more of the violations listed in new Iowa Code section 522C.13 and establishes guidelines.

Page 43, Line 23

Provides that a person acting as an adjuster without proper licensure, or an adjuster who willfully violates Iowa Code chapter [522C](#), is guilty of a Class D felony. If the violation results in a loss of more than \$10,000, the individual is guilty of a Class C felony. An adjuster who steals, converts, or misappropriates funds that should be held in trust under new Iowa Code section 522C.11 is guilty of a Class D felony. If the violation results in a loss of more than \$10,000, the adjuster is guilty of a Class C felony. Permits the Commissioner to refer evidence concerning a violation of Iowa Code chapter 522C to the Attorney General or the proper county attorney, who may institute the appropriate criminal proceedings. Iowa Code chapter 522C does not limit the power of the State to punish a person under any other statute.

Page 48, Line 19

Permits an adjuster whose license has been revoked, suspended, or forfeited in connection with a disciplinary matter to apply to the Commissioner for reinstatement or reissuance and submit to a criminal history check.

Page 49, Line 10

Provides for adjuster license suspension for failure to pay child support or State debt.

Page 51, Line 31

Provides that if any provision of Iowa Code chapter 522C or the application thereof is determined to be invalid, the invalidity does not affect other provisions or applications of Iowa Code chapter 522C that can go into effect without the invalid provision or application.

Page 54, Line 17

EXECUTIVE SUMMARY

DISASTER RECOVERY HOUSING ASSISTANCE ACT

SENATE FILE 619

Permits the Commissioner to require a State and national criminal history check on initial licenses for appraisers and umpires in the State.	Page 55, Line 20
Permits the Commissioner to adopt administrative rules to administer new Iowa Code chapter 522F regarding licensing and regulation of appraisers and umpires.	Page 57, Line 16
Provides eligibility requirements for an appraiser's license pursuant to new Iowa Code chapter 522F.	Page 57, Line 19
Provides guidelines for appraisers not in connection with a disciplinary matter to apply for reinstatement, new licenses, and reactivation.	Page 60, Line 12
Establishes standards of conduct for appraisers.	Page 61, Line 20
Provides eligibility requirements for an umpire's license pursuant to new Iowa Code chapter 522F.	Page 64, Line 13
Provides guidelines for umpires not in connection with a disciplinary matter to apply for reinstatement, new licenses, and reactivation.	Page 66, Line 19
Establishes standards of conduct for umpires.	Page 68, Line 13
Establishes the appraisal process under new Iowa Code chapter 522F.	Page 71, Line 20
Requires all property insurance policies in this State on or after January 1, 2026, to contain an appraisal clause in compliance with new Iowa Code chapter 522F.	Page 73, Line 32
Permits the IID to take disciplinary actions, including the levy of a civil penalty, against an appraiser or umpire for one or more of the listed causes.	Page 76, Line 32
Provides that a person acting as an appraiser or an umpire without proper licensure, or an appraiser or an umpire who willfully violates new Iowa Code chapter 522F, is guilty of a Class D felony. If the violation results in a loss of more than \$10,000, the individual is guilty of a Class C felony. Permits the Commissioner to refer evidence concerning a violation of new Iowa Code chapter 522F to the Attorney General or the proper county attorney, who may institute the appropriate criminal proceedings. Iowa Code chapter 522F does not limit the power of the State to punish a person under any other statute.	Page 82, Line 2
Permits an appraiser or umpire whose license has been revoked, suspended, or forfeited in connection with a disciplinary matter to apply to the Commissioner for reinstatement or reissuance and submit to a criminal history check.	Page 82, Line 18

EXECUTIVE SUMMARY

DISASTER RECOVERY HOUSING ASSISTANCE ACT

SENATE FILE 619

Provides for appraiser and umpire license suspension for failure to pay child support or State debt.	Page 85, Line 14
Provides that if any provision of new Iowa Code chapter 522F or the application thereof is determined to be invalid, the invalidity does not affect other provisions or applications of Iowa Code chapter 522F that can go into effect without the invalid provision or application.	Page 88, Line 5
Provides that the Governor may direct the disbursement of funds from the EEF for disaster response, disaster recovery activities, and disaster aid to citizens with the approval of the Executive Council.	Page 90, Line 31

EFFECTIVE DATE

Provides that Division III of this Act regarding State Disaster Recovery New Housing Program grants takes effect on April 22, 2025, and applies retroactively to tax years beginning on or after January 1, 2024.	Page 16, Line 2
Provides that the licensure and examination requirements of Iowa Code chapter 522C in Division V of this Act apply three months after April 22, 2025, to a person currently doing business in Iowa as an independent adjuster or a staff adjuster as of January 1, 2025.	Page 54, Line 24
Provides that Division VIII of this Act regarding the Iowa Economic Emergency Fund supplemental appropriations takes effect on April 22, 2025.	Page 91, Line 32

ENACTMENT DATE

This Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.	Page 1, Line 1
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Senate File 619 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	13	2	New	16.231
1	3	1	New	16.230
2	5	3	New	16.232
3	10	4	New	16.233
5	1	5	New	29D.1
5	4	6	New	29D.2
6	35	7	New	29D.3
7	17	8	New	29D.4
8	17	9	New	29D.5
8	34	10	New	29D.6
9	16	11	New	29D.7
10	22	14	Add	422.7.2
10	32	16	Amend	16.57B.1.a
10	1	12	New	29D.8
10	19	13	New	29D.9
11	15	18	Amend	16.57B.2.a.(1)
11	8	17	Add	16.57B.1.0b
11	23	19	Amend	16.57B.2.c
11	29	20	Amend	16.57B.3.a
12	7	21	Amend	16.57B.4,5,6,7
15	13	23	Add	422.7.45
15	25	24	Add	422.35.14
15	5	22	Amend	16.57D.1,2
16	13	28	Add	515.137A.2.0b,00b,000b
16	30	29	Strike and Replace	515.137A.3,4,5
16	9	27	Add	507B.4.3.v
21	23	31	Amend	522C.1
21	13	30	Amend	522B.5A.2.c,e
21	31	32	Strike and Replace	522C.2
24	28	33	Strike and Replace	522C.3
25	34	35	Strike and Replace	522C.5
25	16	34	Strike and Replace	522C.4
26	9	36	New	522C.5A
27	8	37	New	522C.5B
28	20	38	New	522C.5C
29	21	39	New	522C.5D
30	20	40	Strike and Replace	522C.6
31	33	42	New	522C.8
31	7	41	New	522C.7
32	28	43	New	522C.9

Senate File 619 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
33	17	44	New	522C.10
38	19	45	New	522C.11
43	23	47	New	522C.13
43	10	46	New	522C.12
46	34	48	New	522C.14
49	10	49	New	522C.15
51	31	50	New	522C.16
54	17	51	New	522C.17
54	31	53	Amend	507B.2.1
55	9	54	Amend	522B.5A.2.c
55	26	56	New	522F.1
55	20	55	Add	522B.5A.2.f,g
57	19	58	New	522F.3
57	16	57	New	522F.2
58	33	59	New	522F.4
60	12	60	New	522F.5
61	20	62	New	522F.7
61	4	61	New	522F.6
64	13	63	New	522F.8
65	14	64	New	522F.9
66	19	65	New	522F.10
67	10	66	New	522F.11
67	32	67	New	522F.12
68	13	68	New	522F.13
71	20	69	New	522F.14
73	32	70	New	522F.15
74	2	71	New	522F.16
74	35	73	New	522F.18
74	20	72	New	522F.17
75	15	74	New	522F.19
76	32	75	New	522F.20
80	16	76	New	522F.21
82	18	77	New	522F.22
85	14	78	New	522F.23
88	5	79	New	522F.24
88	29	81	Amend	8.55.3.a
89	3	82	Add	8.55.3.f
90	31	83	Add	29C.6.18

<p>1 1 DIVISION I</p> <p>1 2 NATURAL HAZARD MITIGATION FINANCING PROGRAM</p> <p>1 3 Section 1. NEW SECTION 16.230 DEFINITIONS.</p> <p>1 4 1. "Department" means the department of homeland security</p> <p>1 5 and emergency management.</p> <p>1 6 2. "Fund" means the natural hazard mitigation revolving loan</p> <p>1 7 fund created in section 29D.4.</p> <p>1 8 3. "Loan recipient" means the same as defined in section</p> <p>1 9 29D.2.</p> <p>1 10 4. "Program" means the natural hazard mitigation financing</p> <p>1 11 program created in section 29D.3.</p> <p>1 12 5. "Project" means the same as defined in section 29D.2.</p> <p>1 13 Sec. 2. NEW SECTION 16.231 FUNDS AND ACCOUNTS — PROGRAM</p> <p>1 14 FUNDS AND ACCOUNTS NOT PART OF STATE GENERAL FUND.</p> <p>1 15 1. The department, in consultation with the authority,</p> <p>1 16 may establish and maintain funds or accounts determined to</p> <p>1 17 be necessary to carry out the purposes of chapter 29D and</p> <p>1 18 shall provide for the funding, administration, investment,</p> <p>1 19 restrictions, and disposition of the funds and accounts.</p> <p>1 20 Any moneys appropriated to the department and the authority</p> <p>1 21 for purposes of paying the costs and expenses associated</p> <p>1 22 with the administration of the program shall be administered</p> <p>1 23 as determined by the department in consultation with the</p> <p>1 24 authority.</p> <p>1 25 2. The funds or accounts held by the department or the</p> <p>1 26 authority, or a trustee acting on behalf of the department or</p> <p>1 27 the authority pursuant to a trust agreement related to the</p> <p>1 28 program, shall not be considered part of the general fund of</p> <p>1 29 the state, are not subject to appropriation for any other</p> <p>1 30 purpose by the general assembly, and in determining a general</p> <p>1 31 fund balance shall not be included in the general fund of the</p> <p>1 32 state, but shall remain in the funds and accounts maintained</p> <p>1 33 by the department or the authority, or a trustee pursuant to a</p> <p>1 34 trust agreement. Funds and accounts held by the department or</p> <p>1 35 the authority, or a trustee acting on behalf of the department</p> <p>2 1 or the authority pursuant to a trust agreement related to the</p> <p>2 2 program, are separate dedicated funds and accounts under the</p> <p>2 3 administration and control of the department in consultation</p>	<p>CODE: Establishes definitions for the Natural Hazard Mitigation Financing Program created in this Act.</p> <p>CODE: Allows the Department of Homeland Security and Emergency Management (HSEMD), in consultation with the Iowa Finance Authority (IFA), to establish funds to carry out the purposes of new Iowa Code chapter 29D (Natural Hazard Mitigation Financing Program).</p> <p>CODE: Specifies that funds created under the Natural Hazard Mitigation Financing Program are not part of the General Fund and are not subject to appropriation for any other purpose.</p>
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2 4 with the authority.

2 5 Sec. 3. NEW SECTION 16.232 PROGRAM FUNDING — BONDS AND
2 6 NOTES.

2 7 1. The authority shall cooperate with the department in the
2 8 creation, administration, and financing of the program.

2 9 2. The authority may issue bonds and notes for the purpose
2 10 of funding the fund and the state matching funds required
2 11 pursuant to the federal Robert T. Stafford Disaster Relief
2 12 and Emergency Assistance Act, Pub.L.No.93-288, as amended,
2 13 42 U.S.C. §5121 et seq. The authority may enter into one or
2 14 more loan agreements or purchase agreements with one or more
2 15 bondholders or noteholders containing the terms and conditions
2 16 of the repayment of, and the security for, each bond or note.
2 17 The authority and each bondholder or noteholder, or a trustee
2 18 agent designated by the authority, may enter into an agreement
2 19 to provide for any of the following:

2 20 a. That the proceeds of the bond or note and the investments
2 21 of the proceeds may be received, held, and disbursed by the
2 22 authority or by a trustee or agent designated by the authority.

2 23 b. That the bondholder or noteholder, or a trustee or
2 24 agent designated by the authority, may collect, invest, and
2 25 apply the amount payable under the loan agreement or any other
2 26 instruments securing the debt obligations under the loan
2 27 agreement.

2 28 c. That the bondholder or noteholder may enforce the
2 29 remedies provided in the loan agreement or other instruments on
2 30 the bondholder's or noteholder's behalf without the appointment
2 31 or designation of a trustee. If there is a default in the
2 32 principal of, or interest on, the bond or note or in the
2 33 performance of any agreement contained in the loan agreement or
2 34 other instrument, the payment or performance may be enforced in
2 35 accordance with the loan agreement or other instrument.

3 1 d. Other terms and conditions as deemed necessary or
3 2 appropriate by the authority.

3 3 3. Chapter 16, except to the extent inconsistent with this
3 4 section, shall apply to bonds or notes issued, and powers
3 5 granted to the authority, under this section. Section 16.28,
3 6 subsection 4, shall not apply to this section.

CODE: Requires the IFA to cooperate with the HSEMD in the creation of the Natural Hazard Mitigation Financing Program.

CODE: Allows the IFA to issue bonds and notes to fund the Natural Hazard Mitigation Revolving Loan Fund pursuant to federal law. Loan agreements entered into by the IFA and each bondholder or noteholder may provide any of the following:

- That proceeds and investments from bonds or notes may be administered by the IFA.
- That the bondholder, noteholder, or IFA may collect, invest, and apply the amount payable under the loan agreement.
- That the bondholder or noteholder may enforce remedies in the loan agreement.
- Other terms as specified by the IFA.

CODE: Provides that the IFA does not need to give 30 days' notice before declaring the principal of bonds or notes due and payable under the Natural Hazard Mitigation Financing Program.

3 7 4. All bonds or notes issued by the authority in connection
 3 8 with the program are exempt from taxation by this state and the
 3 9 interest on the bonds or notes is exempt from state income tax.

CODE: Provides that bonds or notes issued under the Natural Hazard Mitigation Financing Program are exempt from taxation by the State and that interest on bonds or notes is exempt from State income tax.

3 10 Sec. 4. NEW SECTION 16.233 SECURITY — RESERVE FUNDS —
 3 11 PLEDGES — NONLIABILITY.

CODE: Provides that the IFA may include in agreements under the Natural Hazard Mitigation Financing Program that the principal of, premium on, and interest on the bonds or notes are payable from any of the following sources:

3 12 1. The authority may provide in the resolution, trust
 3 13 agreement, or other instrument authorizing the issuance of
 3 14 bonds or notes pursuant to chapter 29D that the principal of,
 3 15 premium, and interest on the bonds or notes are payable from
 3 16 any of the following and may pledge the same to the authority's
 3 17 bonds or notes:
 3 18 a. The income and receipts or other moneys derived from the
 3 19 projects financed with the proceeds of the bonds or notes.
 3 20 b. The income and receipts or other moneys derived from
 3 21 designated projects whether or not the projects are financed in
 3 22 whole or in part with the proceeds of the bonds or notes.
 3 23 c. The amounts on deposit in the fund.
 3 24 d. The amounts payable to the authority by loan recipients
 3 25 pursuant to loan agreements with loan recipients.
 3 26 e. Any other funds or accounts established by the authority
 3 27 in connection with the program or the sale and issuance of the
 3 28 authority's bonds or notes.

- Income derived from projects under the Program.
- Income derived from designated projects not under the Program.
- The amounts on deposit in the IFA.
- The amounts payable to the IFA pursuant to loan agreements.
- Other IFA programs that issue bonds or notes.

3 29 2. The authority may establish reserve funds to secure
 3 30 one or more issues of its bonds or notes. The authority may
 3 31 deposit in a reserve fund established under this subsection
 3 32 the proceeds of the sale of the authority's bonds or notes and
 3 33 other moneys which are made available from any other source.

CODE: Allows the IFA to establish reserve funds with the proceeds of bonds or notes or other funds to secure bonds or notes.

3 34 3. It is the intention of the general assembly that a pledge
 3 35 made in respect of bonds or notes shall be valid and binding
 4 1 from the time the pledge is made, that the moneys or property
 4 2 so pledged and received after the pledge by the authority
 4 3 shall immediately be subject to the lien of the pledge without
 4 4 physical delivery or further act, and that the lien of the
 4 5 pledge shall be valid and binding as against all parties having
 4 6 claims of any kind in tort, contract, or otherwise against
 4 7 the authority whether or not the parties have notice of the
 4 8 lien. Neither the resolution, trust agreement, nor any other

CODE: Specifies that it is the intent of the General Assembly that pledges made under the Natural Hazard Mitigation Financing Program are binding.

4 9 instrument by which a pledge is created needs to be recorded or
 4 10 filed under the Iowa uniform commercial code, chapter 554, to
 4 11 be valid, binding, or effective against the parties.

4 12 4. Neither the members of the authority nor persons
 4 13 executing the bonds or notes are liable personally on the bonds
 4 14 or notes or are subject to personal liability or accountability
 4 15 by reason of the issuance of the bonds or notes.

CODE: Provides that neither the members of the IFA nor the individuals executing the bonds or notes are personally liable for the bonds or notes.

4 16 5. The bonds or notes issued by the authority are not
 4 17 an indebtedness or other liability of the state or of a
 4 18 political subdivision of the state within the meaning of any
 4 19 constitutional or statutory debt limitations but are special
 4 20 obligations of the authority, and are payable solely from
 4 21 the income and receipts or other funds or property of the
 4 22 authority, and the amounts on deposit in the revolving loan
 4 23 funds, and the amounts payable to the authority under the
 4 24 authority's loan agreements with loan recipients to the extent
 4 25 that the amounts are designated in the resolution, trust
 4 26 agreement, or other instrument of the authority authorizing the
 4 27 issuance of the bonds or notes as being available as security
 4 28 for such bonds or notes. The authority shall not pledge the
 4 29 faith or credit of the state or of a political subdivision of
 4 30 the state to the payment of any bonds or notes. The issuance
 4 31 of any bonds or notes by the authority does not directly,
 4 32 indirectly, or contingently obligate the state or a political
 4 33 subdivision of the state to apply moneys from, or levy or
 4 34 pledge any form of taxation to the payment of the bonds or
 4 35 notes.

CODE: Specifies that bonds or notes issued under the Natural Hazard Mitigation Financing Program are a special liability of the IFA and are payable solely from funds of the IFA. Bonds and notes issued are not a liability of the State or a political subdivision.

5 1 Sec. 5. NEW SECTION 29D.1 SHORT TITLE.
 5 2 This chapter shall be known and may be cited as the "Natural
 5 3 Hazard Mitigation Financing Program".

Designates new Iowa Code chapter 29D as the Natural Hazard Mitigation Financing Program.

5 4 Sec. 6. NEW SECTION 29D.2 DEFINITIONS.
 5 5 As used in this chapter, unless the context otherwise
 5 6 requires:
 5 7 1. "Authority" means the Iowa finance authority created in
 5 8 section 16.1A.
 5 9 2. "Cost" means all costs or indebtedness incurred by a loan
 5 10 recipient and determined by the department as reasonable and
 5 11 necessary for carrying out all work necessary or incidental to

CODE: Establishes definitions for the Natural Hazard Mitigation Financing Program created in this Act.

- 5 12 the accomplishment of a project.
- 5 13 3. "Department" means the department of homeland security
5 14 and emergency management.
- 5 15 4. "Director" means the director of the department of
5 16 homeland security and emergency management.
- 5 17 5. "Eligible entity" means a person that is eligible under
5 18 the STORM Act to receive a loan under the program.
- 5 19 6. "Fund" means the natural hazard mitigation revolving loan
5 20 fund created in section 29D.4.
- 5 21 7. "Loan recipient" means an eligible entity that has
5 22 received a loan from the fund.
- 5 23 8. "Municipality" means a city, county, sanitary district,
5 24 state agency, or other governmental body or corporation, or any
5 25 combination of two or more governmental bodies or corporations
5 26 acting jointly, in connection with a project.
- 5 27 9. "Private entity" means a corporation, limited liability
5 28 company, trust, estate, partnership, association, or any
5 29 other legal entity or a legal representative, agent, officer,
5 30 employee, or assignee of such entity. "Private entity" does not
5 31 include any of the following:
- 5 32 a. An individual, municipality, or city utility as that term
5 33 is defined in section 362.2.
- 5 34 b. A public water supply system as defined in section
5 35 455B.171.
- 6 1 c. A qualified entity as defined in section 384.84,
6 2 subsection 2.
- 6 3 10. "Program" means the natural hazard mitigation financing
6 4 program created in section 29D.3.
- 6 5 11. a. "Project" means an activity or set of activities,
6 6 in accordance with the limitations set forth in the STORM Act,
6 7 that mitigate the impact of natural hazards, including but not
6 8 limited to:
- 6 9 (1) Drought and prolonged episodes of intense heat.
6 10 (2) Severe storms, including tornadoes, windstorms, and
6 11 severe winter storms.
- 6 12 (3) Wildfires.
6 13 (4) Earthquakes.
6 14 (5) Flooding.
6 15 (6) Shoreline erosion.
6 16 (7) High water levels.
6 17 (8) Storm surges.
- 6 18 b. "Project" may include but is not limited to any of the

6 19 following:

6 20 (1) The construction, repair, or replacement of a
 6 21 nonfederal levee or other flood control structure, provided
 6 22 that the administrator of the federal emergency management
 6 23 agency, in consultation with the United States army corps of
 6 24 engineers, if appropriate, requires an eligible entity to
 6 25 determine that such levee or other flood control structure is
 6 26 designed, constructed, and maintained in accordance with sound
 6 27 engineering practices and standards equivalent to the purpose
 6 28 for which such levee or structure is intended.

6 29 (2) Zoning and land use planning changes.

6 30 (3) Establishing and enforcing building codes.

6 31 12. "Safeguarding tomorrow through ongoing risk mitigation
 6 32 Act", or "STORM Act", means the federal Robert T. Stafford
 6 33 Disaster Relief and Emergency Assistance Act, Pub.L.No.
 6 34 93-288, as amended, 42 U.S.C.§5121 et seq.

6 35 Sec. 7. NEW SECTION 29D.3 NATURAL HAZARD MITIGATION
 7 1 FINANCING PROGRAM.

7 2 1. The natural hazard mitigation financing program is
 7 3 created for the purpose of making loans available to eligible
 7 4 entities to finance all or part of the costs of a project.

7 5 2. The program shall be a joint and cooperative undertaking
 7 6 of the department and the authority. The department and
 7 7 the authority may enter into any agreements, documents,
 7 8 instruments, certificates, data, or information as necessary
 7 9 for the operation, administration, and financing of the program
 7 10 consistent with this chapter, chapter 16, subchapter X, part
 7 11 11, the STORM Act, the rules promulgated under chapter 17A by
 7 12 the department in consultation with the authority, and any
 7 13 other applicable federal or state laws. The authority and the
 7 14 department may act to conform the program to the applicable
 7 15 guidance and regulations adopted by the federal emergency
 7 16 management agency.

CODE: Establishes the Natural Hazard Mitigation Financing Program as a joint undertaking of the HSEMD and the IFA. Allows the HSEMD and the IFA to enter into agreements to administer the Program.

7 17 Sec. 8. NEW SECTION 29D.4 NATURAL HAZARD MITIGATION
 7 18 REVOLVING LOAN FUND.

7 19 1. A natural hazard mitigation revolving loan fund is
 7 20 created in the state treasury under the control of the
 7 21 department in consultation with the authority. The revolving
 7 22 loan fund is a separate dedicated fund under the administration
 7 23 and control of the department in consultation with the

CODE: Establishes the Natural Hazard Mitigation Revolving Loan Fund under the HSEMD in consultation with the IFA. Moneys in the Fund are invested by the Treasurer of State, and income from the investments is deposited into the Revolving Loan Fund.

7 24 authority and shall be subject to section 16.31. Moneys
 7 25 on deposit in the revolving loan fund shall be invested by
 7 26 the treasurer of state in cooperation with the department,
 7 27 in consultation with the authority, and the income from the
 7 28 investments shall be credited to and deposited in the revolving
 7 29 loan fund.

7 30 2. a. The fund shall consist of moneys appropriated by
 7 31 the general assembly, moneys received by the fund through the
 7 32 federal emergency management agency and the STORM Act, moneys
 7 33 received as repayment of loan principal and interest from loans
 7 34 paid for by the fund, and all other moneys received by the fund
 7 35 from any other source. Notwithstanding section 8.33, moneys in
 8 1 the fund that remain unencumbered or unobligated at the close
 8 2 of the fiscal year shall not revert but shall remain available
 8 3 for expenditure for the purposes designated. Notwithstanding
 8 4 section 12C.7, subsection 2, interest or earnings on moneys in
 8 5 the fund shall be credited to the fund.

8 6 b. Moneys in the fund are appropriated to the department to
 8 7 provide loans to eligible entities pursuant to section 29D.9,
 8 8 and for administration of the program as permitted under the
 8 9 STORM Act. Moneys in the fund shall not be used to provide a
 8 10 loan to a private entity for the acquisition of real property.
 8 11 Moneys in the fund shall not be considered part of the general
 8 12 fund of the state subject to appropriation for any other
 8 13 purpose by the general assembly, and in determining a general
 8 14 fund balance, shall not be included in the general fund of
 8 15 the state subject to section 16.31, insofar as section 16.31
 8 16 complies with the STORM Act.

8 17 Sec. 9. NEW SECTION 29D.5 DIRECTOR — POWERS AND DUTIES.

8 18 The director shall do all of the following:

- 8 19 1. Process and review each intended use plan application
 8 20 to determine if the intended use plan application meets the
 8 21 eligibility requirements promulgated by the department by rule,
 8 22 and approve or deny the application.
- 8 23 2. Process and review all documents relating to the
 8 24 planning, design, construction, and operation of each project.
- 8 25 3. Prepare and process, in coordination with the authority,
 8 26 documents relating to the administration of the program.
- 8 27 4. Prepare an annual budget for administration of the

CODE: Provides that the Natural Hazard Mitigation Revolving Loan Fund will consist of moneys appropriated by the General Assembly, moneys received through the Federal Emergency Management Agency (FEMA) and the [Safeguarding Tomorrow through Ongoing Risk Mitigation \(STORM\) Act](#), moneys received from the repayment of loan principal and interest, and any other moneys received by the Fund. Provides that unencumbered or unobligated moneys in the Fund remain in the Fund and do not revert at the close of the fiscal year. Interest or earnings on moneys in the Fund are credited to the Fund.

CODE: Provides that moneys in the Natural Hazard Mitigation Revolving Loan Fund are appropriated to the HSEMD to provide loans under the Natural Hazard Mitigation Financing Program and to administer the Program. Moneys in the Fund cannot be used by a private entity to acquire real property and are not considered part of the General Fund.

CODE: Requires the Director of the HSEMD to do the following in administering the Natural Hazard Mitigation Financing Program:

- Process and review intended use plan applications and approve or deny applications.
- Process and review all documents related to the planning, design, construction, and operation of each project.
- Prepare and process documents relating to administration of the Program in coordination with the IFA.
- Prepare an annual budget for the Program.

<p>8 28 program. 8 29 5. Receive program fees as determined in conjunction with 8 30 the authority. 8 31 6. Perform other acts and assume other duties and 8 32 responsibilities necessary for the administration of the 8 33 program and compliance with the STORM Act.</p>	<ul style="list-style-type: none"> • Receive Program fees. • Perform other duties necessary to administer the Program.
<p>8 34 Sec. 10. NEW SECTION 29D.6 INTENDED USE PLANS — 8 35 CAPITALIZATION GRANTS — ACCOUNTING. 9 1 1. For the fiscal year beginning July 1, 2025, and each 9 2 fiscal year thereafter, the department may prepare and deliver 9 3 intended use plans to, and enter into capitalization grant 9 4 agreements with, the administrator of the federal emergency 9 5 management agency under the terms and conditions set forth 9 6 in the STORM Act and federal regulations adopted pursuant to 9 7 the STORM Act, and may accept capitalization grants for the 9 8 fund in accordance with payment schedules established by the 9 9 administrator. All payments from the administrator shall be 9 10 deposited into the fund.</p>	<p>CODE: Allows the HSEMD to prepare and deliver intended use plans to, and enter into capitalization grant agreements with, the FEMA administrator. All payments from the FEMA administrator are deposited into the Natural Hazard Mitigation Revolving Loan Fund.</p>
<p>9 11 2. The department, in consultation with the authority, 9 12 shall establish fiscal controls and accounting procedures 9 13 during appropriate accounting periods for payments received for 9 14 deposit into, and disbursements made from, the fund, and to 9 15 fund balances at the beginning and end of an accounting period.</p>	<p>CODE: Requires the HSEMD, in consultation with the IFA, to establish fiscal controls and accounting procedures related to the Natural Hazard Mitigation Revolving Loan Fund.</p>
<p>9 16 Sec. 11. NEW SECTION 29D.7 AUTHORITY — LOAN APPLICATION 9 17 REVIEW AND APPROVAL. 9 18 1. The department and the authority shall review each 9 19 loan application to determine if the applicant is an eligible 9 20 entity and qualifies for a loan pursuant to eligibility 9 21 requirements established by rule promulgated by the department 9 22 and the authority, and in accordance with the intended use plan 9 23 applications approved by the director under section 29D.6.</p>	<p>CODE: Requires the HSEMD and the IFA to review each loan application to determine the applicant's eligibility.</p>
<p>9 24 2. The authority, in cooperation with the department, shall 9 25 determine the interest rate and repayment terms for each loan 9 26 made under the program and the authority shall enter into a 9 27 loan agreement with each loan recipient in compliance with 9 28 the Clean Water Act as defined in section 455B.291, the Safe 9 29 Drinking Water Act as defined in section 455B.291, the STORM 9 30 Act, and any other applicable state or federal law.</p>	<p>CODE: Provides that the IFA, in cooperation with the HSEMD, will determine the interest rate and repayment terms of each loan made under the Natural Hazard Mitigation Financing Program. Loan agreements must be in compliance with applicable State and federal laws.</p>

<p>9 31 3. The authority may charge loan recipients fees and assess 9 32 costs as deemed necessary by the authority for the continued 9 33 operation of the program. Fees and costs collected pursuant 9 34 to this subsection shall be deposited in the fund described in 9 35 section 29D.4.</p>	<p>CODE: Permits the IFA to charge loan recipients fees and assess necessary costs to operate the Natural Hazard Mitigation Financing Program. Fees and costs collected will be deposited in the Natural Hazard Mitigation Revolving Loan Fund.</p>
<p>10 1 Sec. 12. NEW SECTION 29D.8 LOANS TO ELIGIBLE ENTITIES. 10 2 1. Moneys deposited in the fund shall be used for the 10 3 primary purpose of making loans to eligible entities to finance 10 4 eligible costs of projects in accordance with the intended 10 5 use plans prepared and delivered to the administrator of the 10 6 federal emergency management system by the department under 10 7 section 29D.6. The loan recipients and the purpose and amount 10 8 of the loans shall be determined by the director, in compliance 10 9 with the STORM Act and other applicable federal law, and any 10 10 resolution, agreement, indenture, or other document of the 10 11 authority, and rules adopted by the authority relating to any 10 12 bonds, notes, or other obligations issued for the program which 10 13 may be applicable to the loan.</p>	<p>CODE: Provides that moneys in the Natural Hazard Mitigation Revolving Loan Fund must be used to make loans to eligible entities to finance eligible costs in accordance with intended use plans. Loan recipients and the purpose and amount of the loans are determined by the HSEMD Director.</p>
<p>10 14 2. Notwithstanding any provision of this chapter to the 10 15 contrary, moneys received under the federal American Recovery 10 16 and Reinvestment Act of 2009, Pub.L.No.111-5, and deposited 10 17 in the fund may be used in any manner permitted or required by 10 18 applicable federal law.</p>	<p>CODE: Requires that funds received under the American Recovery and Reinvestment Act of 2009 and deposited into the Natural Hazard Mitigation Revolving Loan Fund may be used in any manner permitted or required by federal law.</p>
<p>10 19 Sec. 13. NEW SECTION 29D.9 RULES. 10 20 The department, in consultation with the authority, shall 10 21 adopt rules pursuant to chapter 17A to administer this chapter.</p>	<p>CODE: Requires the HSEMD, in consultation with the IFA, to adopt administrative rules to administer the Natural Hazard Mitigation Financing Program.</p>
<p>10 22 Sec. 14. Section 422.7, subsection 2, Code 2025, is amended 10 23 by adding the following new paragraph: 10 24 NEW PARAGRAPH u. Natural hazard mitigation financing 10 25 program bonds pursuant to section 16.232, subsection 4.</p>	<p>CODE: Provides that bonds issued under the Natural Hazard Mitigation Financing Program are not used to compute an individual's net income.</p>
<p>10 26 Sec. 15. CODE EDITOR DIRECTIVE. The Code editor shall 10 27 designate sections 16.230 through 16.233, as enacted in this 10 28 division of this Act, as part 11 of chapter 16, subchapter X, 10 29 entitled "Natural Hazard Mitigation Financing Program".</p>	<p>Designates Iowa Code sections 16.230 through 16.233 as the Natural Hazard Mitigation Financing Program.</p>

10 31 DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM

10 32 Sec. 16. Section 16.57B, subsection 1, paragraph a, Code
10 33 2025, is amended to read as follows:

10 34 a. "Disaster-affected home" means a primary residence
10 35 that is destroyed or damaged due to a natural disaster that
11 1 occurs on or after June 16, 2021, and the primary residence
11 2 is located in a county that is the subject of a state of
11 3 disaster emergency proclamation by the governor that authorizes
11 4 disaster recovery housing assistance. The state of disaster
11 5 emergency proclamation shall specify if disaster recovery
11 6 housing assistance is available to homeowners, renters, or both
11 7 homeowners and renters.

CODE: Modifies the definition of "disaster-affected home."

11 8 Sec. 17. Section 16.57B, subsection 1, Code 2025, is amended
11 9 by adding the following new paragraph:
11 10 NEW PARAGRAPH 0b. "Financial assistance" means assistance
11 11 provided only from the funds, rights, and assets legally
11 12 available to the authority pursuant to this chapter and
11 13 includes but is not limited to assistance in the form of
11 14 grants, loans, and forgivable loans.

CODE: Defines "financial assistance" under the Disaster Recovery Housing Assistance Program to mean assistance provided only from the funds, rights, and assets legally available to the IFA and includes but is not limited to assistance in the form of grants, loans, and forgivable loans.

11 15 Sec. 18. Section 16.57B, subsection 2, paragraph a,
11 16 subparagraph (1), Code 2025, is amended to read as follows:
11 17 (1) A disaster recovery housing assistance fund is created
11 18 within the authority. The moneys in the fund shall be used by
11 19 the authority ~~for the development and operation of a forgivable~~
11 20 ~~loan and grant program for to award financial assistance to~~
11 21 homeowners and renters with disaster-affected homes, and for
11 22 the eviction prevention program pursuant to section 16.57C.

CODE: Requires that moneys in the Disaster Recovery Housing Assistance Fund are to be used by the IFA to award financial assistance to homeowners and renters with disaster-affected homes and for the Eviction Prevention Program.

11 23 Sec. 19. Section 16.57B, subsection 2, paragraph c, Code
11 24 2025, is amended to read as follows:
11 25 c. The authority shall not use more than five percent of the
11 26 moneys ~~in deposited into the fund on July 1 of a fiscal year~~
11 27 under paragraph "b" for purposes of administrative costs and
11 28 other program support ~~during the fiscal year.~~

CODE: Allows the IFA to use up to 5.00% of moneys deposited into, instead of 5.00% of the balance of, the Disaster Recovery Housing Assistance Fund for administrative costs.

11 29 Sec. 20. Section 16.57B, subsection 3, paragraph a, Code
11 30 2025, is amended to read as follows:
11 31 a. The authority shall establish and administer a disaster
11 32 recovery housing assistance program and shall use moneys in the
11 33 fund to award ~~forgivable loans~~ financial assistance to eligible

CODE: Requires that moneys in the Disaster Recovery Housing Assistance Fund support financial assistance for homeowners and renters. Provides that a State of Disaster Emergency Proclamation by the Governor must specify whether disaster

<p>11 34 homeowners and grants to eligible renters of disaster-affected 11 35 homes. Moneys in the fund may be expended following a state 12 1 of disaster emergency proclamation by the governor pursuant 12 2 to section 29C.6 that authorizes disaster recovery housing 12 3 assistance. <u>The governor, by state of disaster emergency</u> 12 4 <u>proclamation, shall specify if disaster recovery housing</u> 12 5 <u>assistance is available to homeowners, renters, or both</u> 12 6 <u>homeowners and renters.</u></p>	<p>recovery housing assistance is available to homeowners, renters, or both.</p>
<p>12 7 Sec. 21. Section 16.57B, subsections 4, 5, 6, and 7, Code 12 8 2025, are amended to read as follows: 12 9 4. REGISTRATION REQUIRED —To be considered for a forgivable 12 10 loan or grant under the program, a <u>A</u> homeowner or renter must 12 11 <u>may</u> register for the disaster case advocacy program established 12 12 pursuant to section 29C.20B. The disaster case manager may 12 13 refer the homeowner or renter to the appropriate local program 12 14 administrator.</p>	<p>CODE: Removes the requirement that a homeowner or renter must register for the Disaster Case Advocacy Program to be considered for financial assistance under the Disaster Recovery Housing Assistance Program.</p>
<p>12 15 5. HOMEOWNERS. 12 16 a. To be eligible for a forgivable loan <u>financial assistance</u> 12 17 under the program, all of the following requirements shall 12 18 apply: 12 19 (1) The homeowner's disaster-affected home must have 12 20 sustained damage greater than the damage that is covered by the 12 21 homeowner's property and casualty insurance policy insuring the 12 22 home plus any other state or federal disaster-related financial 12 23 assistance that the homeowner is eligible to receive. 12 24 (2) A local official must either deem the disaster-affected 12 25 home suitable for rehabilitation or damaged beyond reasonable 12 26 repair.</p>	<p>CODE: Changes homeowner's disaster assistance under the Disaster Recovery Housing Assistance Program from a forgivable loan to financial assistance.</p>
<p>12 27 (3) The disaster-affected home is not eligible for buyout by 12 28 the county or city where the disaster-affected home is located, 12 29 or the disaster-affected home is eligible for a buyout by the 12 30 county or city where the disaster-affected home is located, 12 31 but the homeowner is requesting a forgivable loan <u>financial</u> 12 32 <u>assistance</u> for the repair or rehabilitation of the homeowner's 12 33 disaster-affected home in lieu of a buyout.</p>	<p>CODE: Provides that a homeowner may request financial assistance for the repair or rehabilitation of a disaster-affected home in lieu of a buyout by the county or city.</p>
<p>12 34 (4) Assistance <u>Financial assistance</u> under the program must 12 35 not duplicate benefits provided by any local, state, or federal 13 1 disaster recovery assistance program.</p>	<p>CODE: Specifies that financial assistance awarded to a homeowner under the Disaster Recovery Housing Assistance</p>

	Program must not duplicate benefits provided from another program.
<p>13 2 b.—If a homeowner is referred to the authority or to a 13 3 local program administrator by the disaster case manager of 13 4 the homeowner, the The authority may award a forgivable loan 13 5 <u>financial assistance</u> to the eligible homeowner for any of the 13 6 following purposes:</p>	CODE: Removes requirements for a homeowner to be referred to the IFA or a local program administrator to be eligible for financial assistance under the Disaster Recovery Housing Assistance Program.
<p>13 7 (1) Repair or rehabilitation of the disaster-affected home. 13 8 <u>The disaster-affected home to be repaired or rehabilitated</u> 13 9 <u>shall not be located in a one-hundred-year floodplain.</u> 13 10 (2) (a) Down payment assistance on the purchase of 13 11 replacement housing, and the cost of reasonable repairs to be 13 12 performed on the replacement housing to render the replacement 13 13 housing decent, safe, sanitary, and in good repair. 13 14 (b) Replacement housing shall not be located in a 13 15 one-hundred-year floodplain. 13 16 (c) For purposes of this subparagraph, “decent, safe, 13 17 sanitary, and in good repair” means the same as described in 24 13 18 C.F.R.§5.703.</p>	CODE: Provides that a homeowner will not be awarded financial assistance under the Disaster Recovery Housing Assistance Program for the repair or rehabilitation of a disaster-affected home if the home is located in a 100-year floodplain.
<p>13 19 c. The authority shall determine the interest rate for the 13 20 <u>any financial assistance awarded in the form of a loan or a</u> 13 21 <u>forgivable loan.</u></p>	CODE: Authorizes the IFA to determine interest rates for financial assistance under the Disaster Recovery Housing Assistance Program.
<p>13 22 d. If a homeowner who has been awarded a <u>loan or a</u> 13 23 <u>forgivable loan</u> sells a disaster-affected home or replacement 13 24 housing for which the homeowner received the <u>loan or forgivable</u> 13 25 <u>loan</u> prior to the end of the loan term, the remaining principal 13 26 on the <u>loan or</u> forgivable loan shall be due and payable 13 27 pursuant to rules adopted by the authority.</p>	CODE: Requires the repayment of any remaining principal on a loan awarded to a homeowner under the Disaster Recovery Housing Assistance Program if the homeowner sells the disaster-affected home.
<p>13 28 6. RENTERS. 13 29 a. To be eligible for a grant <u>financial assistance</u> under the 13 30 program, all of the following requirements shall apply: 13 31 (1) A local program administrator either deems 13 32 the disaster-affected home of the renter suitable for 13 33 rehabilitation but unsuitable for current short-term 13 34 habitation, or the disaster-affected home is damaged beyond 13 35 reasonable repair.</p>	CODE: Changes financial assistance for renters under the Disaster Recovery Housing Assistance Program from a grant to financial assistance.

14 1 (2)—~~Assistance~~ Financial assistance under the program must
 14 2 not duplicate benefits provided by any local, state, or federal
 14 3 disaster recovery assistance program.

CODE: Specifies that financial assistance awarded to a renter under the Disaster Recovery Housing Assistance Program must not duplicate benefits provided from another program.

14 4 ~~b.—If a renter is referred to the authority or to a~~
 14 5 ~~local program administrator by the disaster case manager of~~
 14 6 ~~the renter, the~~ The authority may award a grant financial
 14 7 assistance to the eligible renter to provide short-term
 14 8 financial assistance for the payment of rent for replacement
 14 9 housing.

CODE: Removes requirements for a renter to be referred to the IFA or a local program administrator to be eligible for financial assistance under the Disaster Recovery Housing Assistance Program.

14 10 7. REPORT. On or before January 31 of each year, or as part
 14 11 of the annual report under section 16.7, the authority shall
 14 12 submit a report to the general assembly that identifies all of
 14 13 the following for the calendar year immediately preceding the
 14 14 year of the report:

CODE: Modifies the required contents of the annual report submitted by the IFA on January 31 of each year to the General Assembly on the Disaster Recovery Housing Assistance Program to identify the following:

14 15 a. The date of each state of disaster emergency proclamation
 14 16 by the governor that authorized disaster recovery housing
 14 17 assistance under this section, and if disaster recovery housing
 14 18 assistance was made available to homeowners, renters, or both
 14 19 homeowners and renters.

- Whether assistance was made available to homeowners, renters, or both.
- The total number of financial assistance awards awarded.
- The total number of awards and amount of each award awarded for repair or rehabilitation.
- The total number of awards and amount of each award awarded for down payment assistance for the purchase of replacement housing and the cost of reasonable repairs to be performed on the replacement housing to render it decent, safe, sanitary, and in good repair.
- The total number of loans awarded in each county.
- The total amount of loan principal repaid.

14 20 b. The total number of ~~forgivable loans and grants~~ financial
 14 21 assistance awards awarded.

14 22 c. The total number of ~~forgivable loans~~ financial assistance
 14 23 awards, and the amount of each ~~loan~~ financial assistance award
 14 24 awarded for repair or rehabilitation.

14 25 d. The total number of ~~forgivable loans~~ financial assistance
 14 26 awards, and the amount of each ~~loan~~ financial assistance
 14 27 award, awarded for down payment assistance on the purchase of
 14 28 replacement housing and the cost of reasonable repairs to be
 14 29 performed on the replacement housing to render the replacement
 14 30 housing decent, safe, sanitary, and in good repair.

14 31 e. The total number of grants, and the amount of each grant,
 14 32 awarded for rental assistance.

14 33 f. The total number of loans, forgivable loans, and grants
 14 34 awarded in each county in which at least one homeowner or
 14 35 renter has been awarded a loan, forgivable loan, or grant.

15 1 g. Each local program administrator involved in the
 15 2 administration of the program.

15 3 h. The total amount of loan and forgivable loan principal
 15 4 repaid.

15 5 Sec. 22. Section 16.57D, subsections 1 and 2, Code 2025, are
 15 6 amended to read as follows:
 15 7 1. Establish the maximum loan, forgivable loan, and grant
 15 8 amounts awarded under the program.
 15 9 2. Establish the terms of any loan or forgivable loan
 15 10 provided under the program.

CODE: Requires the IFA to adopt administrative rules to establish the maximum loan amounts available and the terms of any loan provided under the Disaster Recovery Housing Assistance Program.

15 11 DIVISION III
 15 12 DISASTER RECOVERY NEW HOUSING PROGRAM

15 13 Sec. 23. Section 422.7, Code 2025, is amended by adding the
 15 14 following new subsection:
 15 15 NEW SUBSECTION 45. a. Subtract, to the extent included,
 15 16 the amount of any qualifying state disaster recovery new
 15 17 housing grant issued to an individual or business by the
 15 18 economic development authority.
 15 19 b. For purposes of this subsection, "qualifying state
 15 20 disaster recovery new housing grant" means an award of a state
 15 21 disaster recovery new housing grant that was applied for
 15 22 between August 20, 2024, and December 31, 2024, and approved
 15 23 and issued by the economic development authority.
 15 24 c. This subsection is repealed January 1, 2028.

CODE: Excludes qualifying grants issued under the State Disaster Recovery New Housing Program from net income for State personal income tax purposes. The exclusion is repealed January 1, 2028.

DETAIL: Defines a "qualifying State Disaster Recovery New Housing grant" as an award of a grant that was applied for between August 20, 2024, and December 31, 2024, and approved and issued by the Iowa Economic Development Authority (IEDA).

FISCAL IMPACT: Sections 23 and 24 of this Act are estimated to decrease revenue to the General Fund by \$570,000 in FY 2025.

15 25 Sec. 24. Section 422.35, Code 2025, is amended by adding the
 15 26 following new subsection:
 15 27 NEW SUBSECTION 14. a. Subtract, to the extent included,
 15 28 the amount of any qualifying state disaster recovery new
 15 29 housing grant issued to a business by the economic development
 15 30 authority.
 15 31 b. For purposes of this subsection, "qualifying state
 15 32 disaster recovery new housing grant" means an award of a state
 15 33 disaster recovery new housing grant that was applied for
 15 34 between August 20, 2024, and December 31, 2024, and approved
 15 35 and issued by the economic development authority.
 16 1 c. This subsection is repealed January 1, 2028.

CODE: Excludes qualifying grants issued under the State Disaster Recovery New Housing Program from net income for State corporate income tax purposes. The exclusion is repealed January 1, 2028.

DETAIL: Defines a "qualifying State Disaster Recovery New Housing grant" as an award of a grant that was applied for between August 20, 2024, and December 31, 2024, and approved and issued by the Iowa Economic Development Authority (IEDA).

FISCAL IMPACT: Sections 23 and 24 of this Act are estimated to decrease revenue to the General Fund by \$570,000 in FY 2025.

<p>16 2 Sec. 25. EFFECTIVE DATE. This division of this Act, being 16 3 deemed of immediate importance, takes effect upon enactment.</p>	<p>Provides that Division III of this Act regarding State Disaster Recovery New Housing Program grants takes effect on April 22, 2025.</p>
<p>16 4 Sec. 26. RETROACTIVE APPLICABILITY. This division of this 16 5 Act applies retroactively to tax years beginning on or after 16 6 January 1, 2024.</p>	<p>Provides that Division III of this Act regarding State Disaster Recovery New Housing Program grants applies retroactively to tax years beginning on or after January 1, 2024.</p>
<p>16 7 DIVISION IV 16 8 POST-LOSS ASSIGNMENT OF BENEFITS — RESIDENTIAL CONTRACTOR</p>	
<p>16 9 Sec. 27. Section 507B.4, subsection 3, Code 2025, is amended 16 10 by adding the following new paragraph: 16 11 NEW PARAGRAPH v. POST-LOSS ASSIGNMENT OF BENEFITS. Any 16 12 violation of section 515.137A by a residential contractor.</p>	<p>CODE: Adds any violation of the Insured Homeowner's Protection Act by a residential contractor as an unfair method of competition and unfair or deceptive acts or practices in the business of insurance.</p>
<p>16 13 Sec. 28. Section 515.137A, subsection 2, Code 2025, is 16 14 amended by adding the following new paragraphs: 16 15 NEW PARAGRAPH 0b. "Catastrophic disaster" includes a major 16 16 disaster declaration by the president of the United States or a 16 17 state of disaster emergency proclamation by the governor. 16 18 NEW PARAGRAPH 00b. "Consumer advocate" means a consumer 16 19 advocate appointed pursuant to section 505.8, subsection 6, 16 20 paragraph "b", subparagraph (1). 16 21 NEW PARAGRAPH 000b. "Post-loss assignment" means any 16 22 instrument by which post-loss benefits, rights, or duties of 16 23 a named insured under a residential property and casualty 16 24 insurance policy are assigned or transferred to a residential 16 25 contractor. The post-loss assignment must only assign the 16 26 insurance proceeds a named insured is entitled to receive 16 27 from the named insured's insurer for the repair, replacement 16 28 construction, or reconstruction of the named insured's 16 29 property.</p>	<p>CODE: Establishes definitions for the Insured Homeowner's Protection Act.</p>
<p>16 30 Sec. 29. Section 515.137A, subsections 3, 4, and 5, Code 16 31 2025, are amended by striking the subsections and inserting in 16 32 lieu thereof the following: 16 33 3. A residential contractor shall be prohibited from all of 16 34 the following under a post-loss assignment by a named insured 16 35 to the residential contractor:</p>	<p>CODE: Prohibits residential contractors from taking certain actions under a post-loss assignment by a named insured to the residential contractor.</p>

17 1 a. Rebating or offering to rebate any portion of the named
 17 2 insured's insurance deductible as an inducement for the named
 17 3 insured to purchase a good or service.

17 4 b. Imposing an administrative fee on the named insured
 17 5 for canceling the post-loss assignment, or imposing a fee to
 17 6 process the insurance check or to interact with the named
 17 7 insured's mortgage company.

17 8 c. Acting as a public adjuster without being licensed under
 17 9 chapter 522C.

17 10 d. Receiving payments from the named insured's insurer
 17 11 that are unrelated to the repair, replacement construction,
 17 12 or reconstruction work on the covered insured's property,
 17 13 including but not limited to all of the following:

17 14 (1) Additional living expenses.
 17 15 (2) Loss of use.
 17 16 (3) Loss of business income.

17 17 4. a. A post-loss assignment must include all of the
 17 18 following:

17 19 (1) An itemized description of the work to be performed.
 17 20 (2) An itemized description of the materials, labor, and
 17 21 fees for the work to be performed.
 17 22 (3) A total itemized amount to be paid for the work to be
 17 23 performed.
 17 24 (4) A statement that the residential contractor has made
 17 25 no assurances that the claimed loss will be fully covered by
 17 26 the named insured's insurance contract and shall include the
 17 27 following notice in capitalized fourteen point type:

17 28 YOU ARE AGREEING TO GIVE UP CERTAIN RIGHTS YOU HAVE UNDER
 17 29 YOUR INSURANCE POLICY.PLEASE READ AND UNDERSTAND THIS
 17 30 DOCUMENT BEFORE SIGNING.
 17 31 THE ITEMIZED DESCRIPTION OF THE WORK TO BE DONE SHOWN IN THIS
 17 32 ASSIGNMENT FORM HAS NOT BEEN AGREED TO BY THE INSURER.THE
 17 33 INSURER HAS THE RIGHT TO PAY ONLY FOR THE COST TO REPAIR OR
 17 34 REPLACE DAMAGED PROPERTY CAUSED BY A COVERED PERIL.POST-LOSS
 17 35 ASSIGNMENTS ARE SUBJECT TO THE AUTHORITY OF THE IOWA INSURANCE
 18 1 DIVISION.YOU MAY FILE A COMPLAINT WITH THE DIVISION ON THE
 18 2 DIVISION'S INTERNET SITE AT IID.IOWA.GOV OR CALL THE DIVISION
 18 3 AT (877) 955-1212.
 18 4 (5) In capitalized fourteen point type and located in the
 18 5 immediate proximity of the space reserved in the assignment for
 18 6 the signature of the named insured, the following notice:

CODE: Requires post-loss assignments to include enumerated items, including but not limited to a description of the work and costs of the work, notices for the post-loss assignment, and a provision for the assignee to indemnify and hold harmless the assignor. Includes additional requirements for post-loss assignments, including prohibiting impairment of the interest of a mortgagee, prohibiting the limitation of communication between an insurer and the named insured or a mortgagee, the sharing of certain documents, and limiting the scope of the post-loss assignment.

18 7 YOU MAY CANCEL THIS POST-LOSS ASSIGNMENT FOR ANY REASON
18 8 WITHOUT PENALTY WITHIN FIVE (5) BUSINESS DAYS FROM THE LATER OF
18 9 THE DATE THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED OR THE DATE
18 10 ON WHICH YOU RECEIVE A COPY OF THE FULLY EXECUTED POST-LOSS
18 11 ASSIGNMENT. IF MAILED, THE CANCELLATION MUST BE POSTMARKED
18 12 BEFORE THE FIVE (5) BUSINESS DAY DEADLINE.
18 13 YOU MUST CANCEL THE POST-LOSS ASSIGNMENT IN WRITING AND
18 14 THE CANCELLATION MUST BE DELIVERED TO (name and address
18 15 of residential contractor as provided by the residential
18 16 contractor). IF THE ASSIGNEE HAS NOT BEGUN SUBSTANTIALLY
18 17 PERFORMING WORK ON THE PROPERTY, YOU MAY CANCEL THIS POST-LOSS
18 18 ASSIGNMENT WITHOUT PENALTY AFTER AT LEAST THIRTY (30) CALENDAR
18 19 DAYS AFTER THE DATE WORK ON THE PROPERTY IS SCHEDULED TO
18 20 COMMENCE, OR AFTER AT LEAST THIRTY (30) CALENDAR DAYS AFTER
18 21 THE POST-LOSS ASSIGNMENT IS FULLY EXECUTED IF THE POST-LOSS
18 22 ASSIGNMENT DOES NOT CONTAIN A COMMENCEMENT DATE.
18 23 IF YOU CANCEL THIS POST-LOSS ASSIGNMENT, THE RESIDENTIAL
18 24 CONTRACTOR HAS UP TO TEN (10) BUSINESS DAYS TO RETURN TO YOU
18 25 ALL PAYMENTS OR DEPOSITS YOU HAVE MADE.
18 26 (6) A provision that requires the assignee to indemnify and
18 27 hold harmless the assignor from liabilities, damages, losses,
18 28 and costs, including but not limited to attorney fees related
18 29 to the loss claim.
18 30 b. A post-loss assignment shall not impair the interest of
18 31 a mortgagee listed on the declarations page of the property and
18 32 casualty insurance policy that is the subject of the post-loss
18 33 assignment. All mortgagees shall be named as a co-payee for
18 34 the payment of benefits under a property and casualty insurance
18 35 policy covering residential real estate.
19 1 c. A post-loss assignment shall only authorize a residential
19 2 contractor to be named as a co-payee, along with the named
19 3 insured and all mortgagees, for the payment of benefits under
19 4 a property and casualty insurance policy covering residential
19 5 real estate.
19 6 d. A post-loss assignment shall not prevent or inhibit
19 7 an insurer from communicating with the named insured or a
19 8 mortgagee listed on the declarations page of the property and
19 9 casualty insurance policy that is the subject of the post-loss
19 10 assignment.
19 11 e. An electronic copy of the fully executed post-loss
19 12 assignment shall be provided to the insurer of the residential
19 13 real estate, the named insured, and all mortgagees of the

19 14 damaged residential real estate within five business days after
 19 15 execution of the post-loss assignment. A paper copy shall be
 19 16 provided to the insurer, a named insured, and any mortgagee of
 19 17 the damaged residential real estate within five business days
 19 18 of a request by the insurer, the named insured, or a mortgagee.
 19 19 f. A residential contractor named in a post-loss assignment
 19 20 must cooperate with the insurer of the damaged residential
 19 21 real estate in a claim investigation by providing documents
 19 22 and records requested by the insurer and complying with each
 19 23 post-loss duty included in the named insured's insurance
 19 24 policy.

19 25 5. a. A named insured shall have the right to cancel a
 19 26 post-loss assignment without penalty or fee under all of the
 19 27 following circumstances:
 19 28 (1) For any reason within five business days from the
 19 29 date on which the named insured receives a copy of the fully
 19 30 executed post-loss agreement.
 19 31 (2) The assignee has not substantially performed work on
 19 32 the property that is the subject of the post-loss assignment at
 19 33 least thirty calendar days after the date work on the property
 19 34 was scheduled to commence.
 19 35 (3) The assignee has not begun substantial work on the
 20 1 property that is the subject of the post-loss assignment at
 20 2 least thirty calendar days after the date the insured received
 20 3 a fully executed copy of the executed post-loss assignment and
 20 4 the post-loss assignment does not contain a commencement date.
 20 5 b. The cancellation shall be made in writing. Within ten
 20 6 business days of the date of the written cancellation, the
 20 7 residential contractor shall tender to the named insured, the
 20 8 landowner, or the possessor of the real estate, all payments,
 20 9 partial payments, or deposits that have been made by such
 20 10 person.

20 11 6. Any written contract, repair estimate, or work order
 20 12 prepared by a residential contractor to provide goods or
 20 13 services to be paid from the proceeds of a property and
 20 14 casualty insurance policy pursuant to a post-loss assignment
 20 15 shall include, in capitalized fourteen point type, the notice
 20 16 as provided in section 103A.71, subsection 4, paragraph "a",
 20 17 which shall be signed by the named insured, and sent to the
 20 18 named insured's insurer prior to payment to the residential

CODE: Provides a named insured homeowner with the right to cancel a post-loss assignment in writing without penalty or fee under certain circumstances.

CODE: Requires any written contract, repair estimate, or work order prepared by a residential contractor to provide goods or services paid from an insurance policy pursuant to a post-loss assignment to include the notice provided in Iowa Code section [103A.71\(4\)\(a\)](#), be signed by the named insured, and be sent to the named insured's insurer prior to payment under the applicable insurance policy.

20 19 contractor of proceeds under the applicable insurance policy.

20 20 7. For a minimum of seventy-two hours following a
 20 21 catastrophic disaster, a residential contractor shall
 20 22 not enter into a contract with an insured that includes a
 20 23 post-loss assignment. If the commissioner deems the severity
 20 24 of the catastrophic disaster to have placed people under
 20 25 duress, the commissioner shall immediately dispatch the
 20 26 consumer advocate and other personnel to the disaster area to
 20 27 provide consumer guidance. If, after a public hearing, the
 20 28 commissioner determines that, due to the scope and severity
 20 29 of the catastrophic disaster, additional time is necessary to
 20 30 safely deploy additional consumer protection resources, the
 20 31 commissioner may extend the time period that a residential
 20 32 contractor shall not enter into a contract with an insured that
 20 33 includes a post-loss assignment for an additional seventy-two
 20 34 hours.

CODE: Prohibits a residential contractor from entering into a contract with an insured homeowner that includes a post-loss assignment for 72 hours following a catastrophic disaster. Permits the Commissioner of Insurance (Commissioner) to extend the prohibition an additional 72 hours if additional time is necessary to safely deploy additional consumer protection resources. If the Commissioner deems the disaster to have placed people under duress, the Commissioner must dispatch the consumer advocate and other personnel to the disaster area to provide consumer guidance.

20 35 8. A post-loss assignment entered into with a residential
 21 1 contractor shall be void if the residential contractor violates
 21 2 this section.

CODE: Voids post-loss assignments if a residential contractor violates Iowa Code section [515.137A](#).

21 3 9. A violation of this section by a residential contractor
 21 4 shall be an unfair practice pursuant to chapter 507B.

CODE: Deems a violation by a residential contractor as an unfair practice pursuant to Iowa Code chapter [507B](#).

21 5 10. If any provision of this section or the application
 21 6 thereof to any person or circumstance is held invalid, the
 21 7 invalidity does not affect other provisions or applications
 21 8 of this section which can be given effect without the invalid
 21 9 provision or application, and to this end the provisions of
 21 10 this section are severable.

CODE: Provides that if any provision of Iowa Code section 515.137A or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of Iowa Code section 515.137A that may be given effect without the invalid provision or application.

21 11 DIVISION V
 21 12 PUBLIC, INDEPENDENT, AND STAFF ADJUSTERS

21 13 Sec. 30. Section 522B.5A, subsection 2, paragraphs c and e,
 21 14 Code 2025, are amended to read as follows:

CODE: Makes conforming changes to Iowa Code section [522B.5A](#).

21 15 c. A renewal, reinstatement, or reissuance of a license
 21 16 if the license of a producer has been revoked or suspended
 21 17 pursuant to section 522B.11, the license of a public an
 21 18 adjuster has been revoked or suspended pursuant to section
 21 19 ~~522C.6~~ [522C.13](#), or the license of a viatical settlement

21 20 provider or viatical settlement broker has been revoked or
 21 21 suspended pursuant to section 508E.4.
 21 22 e. An initial license as a ~~public~~ an adjuster in this state.

21 23 Sec. 31. Section 522C.1, Code 2025, is amended to read as
 21 24 follows:
 21 25 522C.1 PURPOSE.
 21 26 The purpose of this chapter is to govern the qualifications
 21 27 and procedures for licensing ~~public~~ adjusters in this state,
 21 28 and to specify the duties of and restrictions on public
 21 29 adjusters, including limitation of such licensure to assisting
 21 30 insureds only with first-party claims.

CODE: Makes Iowa Code chapter [522C](#) pertainable to all adjusters.

21 31 Sec. 32. Section 522C.2, Code 2025, is amended by striking
 21 32 the section and inserting in lieu thereof the following:

CODE: Defines terms related to the licensing of adjusters in the State.

21 33 522C.2 DEFINITIONS.

21 34 As used in this chapter, unless the context otherwise
 21 35 requires:

- 22 1 1. "Adjuster" means a public adjuster, an independent
 22 2 adjuster, or a licensed staff adjuster. A person that acts as
 22 3 an adjuster solely for a crop hail insurance or a multiperil
 22 4 crop insurance claim shall not be subject to this chapter.
 22 5 2. "Amount of loss" means the monetary amount determined
 22 6 to be necessary to properly repair or replace damage related
 22 7 to the scope of loss for a covered peril, and is limited to
 22 8 all applicable coverages for covered items associated with the
 22 9 claim.
 22 10 3. "Business entity" means a corporation, association,
 22 11 partnership, limited liability company, limited liability
 22 12 partnership, or any other legal entity.
 22 13 4. a. "Catastrophic disaster" means an event that results
 22 14 in all of the following:
 22 15 (1) A large number of deaths or injuries.
 22 16 (2) Extensive damage or destruction of facilities that
 22 17 provide and sustain human needs.
 22 18 (3) An overwhelming demand on state and local response
 22 19 resources and mechanisms.
 22 20 (4) A severe long-term effect on general economic activity.
 22 21 (5) A severe effect on state, local, and private sector
 22 22 capabilities to commence and sustain disaster response
 22 23 activities.
 22 24 b. "Catastrophic disaster" includes a major disaster

22 25 declaration by the president of the United States or a state of
22 26 disaster emergency proclamation by the governor.

22 27 5. "Commissioner" means the commissioner of insurance.

22 28 6. "Consumer advocate" means a consumer advocate appointed
22 29 pursuant to section 505.8, subsection 6, paragraph "b",
22 30 subparagraph (1).

22 31 7. "Disciplinary matter" means but is not limited to a
22 32 person who is the subject of an investigation, complaint, or
22 33 pending administrative action in this state or any other state.

22 34 8. "Financial interest" means but is not limited to a fee,
22 35 commission, or other valuable consideration.

23 1 9. "First-party claim" means a claim filed by a named
23 2 insured under an insurance policy against which the claim is
23 3 made.

23 4 10. "Home state" means the District of Columbia, or any
23 5 state or territory of the United States in which an adjuster
23 6 maintains the adjuster's principal place of residence or
23 7 principal place of business.

23 8 11. "Independent adjuster" means a person who does all of
23 9 the following:

23 10 a. Contracts, either directly or through a firm or
23 11 third-party administrator, for compensation with insurers or
23 12 self-insurers, and is treated by the insurer or self-insurer as
23 13 an independent contractor and not as an employee as that term
23 14 is described in 26 C.F.R. §31.3121(d)(1).

23 15 b. Investigates, negotiates, or settles property,
23 16 casualty, or workers' compensation claims for insurers or for
23 17 self-insurers.

23 18 12. "Insured" means a person covered under an insurance
23 19 policy against which a claim is made.

23 20 13. "Insurer" means the same as defined in section 507A.3.

23 21 14. "NAIC" means the national association of insurance
23 22 commissioners.

23 23 15. "NIPR gateway" means the communication network developed
23 24 and operated by the national insurance producer registry that
23 25 links state insurance regulators with regulated entities to
23 26 facilitate the electronic exchange of adjuster information,
23 27 including but not limited to license applications, license
23 28 renewals, appointments, and terminations.

23 29 16. "Person" means an individual or a business entity.

23 30 17. "Producer database" means the national database of
23 31 insurance producers maintained by the NAIC.

23 32 18. "Public adjuster" means a person who, for compensation
 23 33 or other thing of value, does any of the following:

23 34 a. Acts for or aids an insured in negotiating or affecting
 23 35 the settlement of a first-party claim for loss or damage to
 24 1 real or personal property of an insured.

24 2 b. Advertises for employment as a public adjuster of
 24 3 first-party insurance claims or otherwise solicits business or
 24 4 represents to the public that the person is a public adjuster
 24 5 of first-party insurance claims for loss or damage to real or
 24 6 personal property of an insured.

24 7 c. Directly or indirectly solicits business investigating
 24 8 or adjusting losses, or advising an insured about first-party
 24 9 claims for loss or damage to real or personal property of the
 24 10 insured.

24 11 19. "Reinstatement" means the reinstatement of a suspended
 24 12 license which was suspended in connection with a disciplinary
 24 13 matter, and that has not expired or been terminated during the
 24 14 suspension period.

24 15 20. "Reissuance" means the issuance of a new license
 24 16 following the revocation of a license, the suspension and
 24 17 subsequent termination of a license, or the forfeiture of a
 24 18 license in connection with a disciplinary matter.

24 19 21. "Staff adjuster" means a person who is directly employed
 24 20 by an insurer or self-insurer to investigate, negotiate, or
 24 21 settle property, casualty, or workers' compensation claims.

24 22 22. "Uniform business entity application" means the most
 24 23 recent version of NAIC's uniform application for business
 24 24 entity license and registration.

24 25 23. "Uniform individual application" means the most recent
 24 26 version of NAIC's uniform application for individual adjuster
 24 27 or apprentice license and registration.

24 28 Sec. 33. Section 522C.3, Code 2025, is amended by striking
 24 29 the section and inserting in lieu thereof the following:

24 30 522C.3 AUTHORITY OF THE COMMISSIONER.

24 31 The commissioner may adopt rules pursuant to chapter 17A as
 24 32 necessary to administer and enforce this chapter, which may
 24 33 include but are not limited to all of the following:

24 34 1. Advertising standards.

24 35 2. Continuing education requirements for licensees.

25 1 3. Contracts between public adjusters and insureds.

25 2 4. Required disclosures by licensees.

CODE: Permits the Commissioner to adopt administrative rules
 to administer and enforce Iowa Code chapter [522C](#).

25 3 5. Examinations for licensure.
 25 4 6. Exemptions.
 25 5 7. License bonds, and errors and omissions insurance
 25 6 requirements.
 25 7 8. License requirements and exclusions.
 25 8 9. Prohibited practices.
 25 9 10. Record retention requirements.
 25 10 11. Reporting requirements.
 25 11 12. Requirements and limitations on fees charged by public
 25 12 adjusters.
 25 13 13. Standards for reasonableness of payment.
 25 14 14. Standards of conduct.
 25 15 15. Penalties.

25 16 Sec. 34. Section 522C.4, Code 2025, is amended by striking
 25 17 the section and inserting in lieu thereof the following:
 25 18 522C.4 LICENSE REQUIRED.
 25 19 1. A person shall not act as, or represent that the person
 25 20 is, a public adjuster or an independent adjuster in this state
 25 21 unless the person is licensed under this chapter.

25 22 2. A license as an adjuster shall not be required of any of
 25 23 the following:
 25 24 a. A staff adjuster; however, staff adjusters shall comply
 25 25 with all other provisions of this chapter not including section
 25 26 522C.7.
 25 27 b. An attorney licensed to practice law in the state when
 25 28 acting within their professional capacity as an attorney.
 25 29 c. A person employed only for the purpose of obtaining facts
 25 30 surrounding a loss, or furnishing technical assistance to a
 25 31 licensed adjuster, including but not limited to a photographer,
 25 32 estimator, private investigator, engineer, and handwriting
 25 33 expert.

25 34 Sec. 35. Section 522C.5, Code 2025, is amended by striking
 25 35 the section and inserting in lieu thereof the following:
 26 1 522C.5 APPLICATION FOR LICENSE.
 26 2 1. A person applying for an adjuster license shall complete
 26 3 a uniform individual application or a uniform business entity
 26 4 application through the NIPR gateway or as otherwise prescribed
 26 5 by the commissioner.

CODE: Requires public and independent adjusters to be licensed under Iowa Code chapter [522C](#).

CODE: Clarifies that an adjuster's license is not required for staff adjusters, attorneys acting within their professional capacity, and persons employed only for the purposes of obtaining facts surrounding a loss or furnishing technical assistance to a licensed adjuster.

CODE: Requires a person applying for an adjuster license to complete a uniform application as prescribed by the Commissioner.

26 6 2. To determine an applicant's eligibility for licensure,
 26 7 the commissioner may require a criminal history check pursuant
 26 8 to section 522B.5A.

CODE: Permits the Commissioner to require a criminal history check pursuant to Iowa Code section [522B.5A](#) to determine an applicant's eligibility for licensure.

26 9 Sec. 36. NEW SECTION 522C.5A INDIVIDUAL APPLICANTS —
 26 10 RESIDENT ADJUSTER.

CODE: Requires the Commissioner to verify, prior to approving an individual's application for a resident adjuster license, that the applicant meets the enumerated requirements of this Iowa Code section.

26 11 Prior to approving an individual's application for a
 26 12 resident adjuster license, the commissioner shall find that the
 26 13 applicant meets all of the following requirements:

26 14 1. This state is the applicant's home state.

26 15 2. The applicant has not committed any act that is a ground
 26 16 for denial, suspension, or revocation of a license under
 26 17 section 522C.13.

26 18 3. The applicant has the requisite character and competence
 26 19 to be licensed as an adjuster, as may be determined by the
 26 20 commissioner.

26 21 4. The applicant is financially responsible pursuant to
 26 22 section 522C.7.

26 23 5. The applicant has paid all fees required under this
 26 24 chapter. An applicant who concurrently applies for both an
 26 25 adjuster license, and a license as an appraiser under chapter
 26 26 522F, shall only be required to pay the fee required under this
 26 27 chapter or the fee required under chapter 522F.

26 28 6. The applicant maintains an office in the applicant's home
 26 29 state that is available by reasonable appointment or regular
 26 30 business hours.

26 31 7. The applicant is at least eighteen years of age.

26 32 8. The applicant successfully passed the adjuster
 26 33 examination pursuant to section 522C.8.

26 34 9. The applicant for a public adjuster license has submitted
 26 35 contracts and any subsequent contract modification to the
 27 1 commissioner for review and approval prior to use. A contract
 27 2 that has been filed is deemed to be approved unless disapproved
 27 3 or additional information is requested by the commissioner
 27 4 within thirty calendar days of receipt of the filing by the
 27 5 commissioner.

27 6 10. The applicant has obtained any necessary authority from
 27 7 the secretary of state to transact business in this state.

27 8 Sec. 37. NEW SECTION 522C.5B INDIVIDUAL APPLICANTS —
 27 9 NONRESIDENT ADJUSTER.

CODE: Requires the Commissioner to verify, before approving a nonresident applicant's application for a nonresident adjuster

27 10 Before approving a nonresident applicant's application for
27 11 a nonresident adjuster license, the commissioner shall find
27 12 that the nonresident applicant meets all of the following
27 13 requirements:

27 14 1. The nonresident applicant has not committed any act that
27 15 is a ground for denial, suspension, or revocation of a license
27 16 under section 522C.13.

27 17 2. The nonresident applicant is licensed as a resident
27 18 adjuster and in good standing in the nonresident applicant's
27 19 home state. If the nonresident applicant's resident license
27 20 in the nonresident applicant's home state terminates for any
27 21 reason, a license issued to a nonresident applicant under this
27 22 section shall become inactive, unless the termination is due to
27 23 the nonresident applicant being issued a new resident adjuster
27 24 license in the nonresident applicant's home state and the home
27 25 state has reciprocity with this state.

27 26 3. The nonresident applicant has submitted a request for
27 27 licensure to the division in a form and manner prescribed by
27 28 the commissioner.

27 29 4. The nonresident applicant has the requisite character
27 30 and competence to be licensed as an adjuster, as may be
27 31 determined by the commissioner.

27 32 5. The nonresident applicant is financially responsible
27 33 pursuant to section 522C.7.

27 34 6. The nonresident applicant has paid all fees required
27 35 under this chapter. An applicant who concurrently applies for
28 1 both an adjuster license, and a license as an appraiser under
28 2 chapter 522F, shall only be required to pay the fee required
28 3 under this chapter or the fee required under chapter 522F.

28 4 7. The nonresident applicant has obtained any necessary
28 5 authority from the Iowa secretary of state to transact business
28 6 in this state.

28 7 8. The nonresident applicant for a public adjuster
28 8 license has filed contracts with the commissioner for review
28 9 and approval prior to use. A contract that has been filed
28 10 is deemed to be approved unless disapproved or additional
28 11 information is requested by the commissioner within thirty
28 12 calendar days of receipt of the filing by the commissioner.

28 13 9. The nonresident applicant successfully passed the
28 14 adjuster examination pursuant to section 522C.8.

28 15 10. The nonresident applicant is at least eighteen years of
28 16 age.

28 17 11. The nonresident applicant maintains an office in
 28 18 the nonresident applicant's home state that is available by
 28 19 reasonable appointment or regular business hours.

28 20 Sec. 38. NEW SECTION 522C.5C BUSINESS ENTITY APPLICANTS —
 28 21 RESIDENT PUBLIC ADJUSTER OR INDEPENDENT ADJUSTER.

28 22 Prior to approving a business entity's application for a
 28 23 license for a resident public adjuster or resident independent
 28 24 adjuster, the commissioner shall find that the business entity
 28 25 meets all of the following requirements:

28 26 1. The business entity has designated an individual
 28 27 adjuster licensed in this state to be responsible for the
 28 28 business entity's compliance with the insurance laws and
 28 29 administrative rules of this state.

28 30 2. The business entity has not committed any act that is a
 28 31 ground for denial, suspension, or revocation of a license under
 28 32 section 522C.13.

28 33 3. The business entity has the requisite character and
 28 34 competence to be licensed as an adjuster, as may be determined
 28 35 by the commissioner.

29 1 4. The business entity is financially responsible pursuant
 29 2 to section 522C.7.

29 3 5. The business entity has paid all fees required under this
 29 4 chapter. An applicant who concurrently applies for both an
 29 5 adjuster license, and a license as an appraiser under chapter
 29 6 522F, shall only be required to pay the fee required under this
 29 7 chapter or the fee required under chapter 522F.

29 8 6. The business entity maintains an office in the business
 29 9 entity's home state that is available by reasonable appointment
 29 10 or regular business hours.

29 11 7. The business entity applying for a public adjuster
 29 12 license has submitted contracts and any subsequent contract
 29 13 modification to the commissioner for review and approval prior
 29 14 to use. A contract that has been filed is deemed to be approved
 29 15 unless disapproved or additional information is requested by
 29 16 the commissioner within thirty calendar days of receipt of the
 29 17 filing by the commissioner.

29 18 8. The business entity has obtained any necessary authority
 29 19 from the Iowa secretary of state to transact business in this
 29 20 state.

CODE: Requires the Commissioner to verify, prior to approving a business entity's application for a license for a resident public adjuster or resident independent adjuster, that the business entity meets enumerated requirements of this Iowa Code section.

29 21 Sec. 39. NEW SECTION 522C.5D BUSINESS APPLICANTS —
 29 22 NONRESIDENT BUSINESS ENTITY.

29 23 Before approving a nonresident business entity's application
 29 24 for a nonresident public adjuster license or a nonresident
 29 25 independent adjuster license, the commissioner shall find that
 29 26 the nonresident business entity meets all of the following
 29 27 requirements:

29 28 1. The nonresident business applicant has designated an
 29 29 individual adjuster licensed in this state to be responsible
 29 30 for the nonresident business applicant's compliance with the
 29 31 insurance laws and administrative rules of this state.

29 32 2. The nonresident business applicant has not committed any
 29 33 act that is a ground for denial, suspension, or revocation of a
 29 34 license under section 522C.13.

29 35 3. The nonresident business applicant has the requisite
 30 1 character and competence to be licensed as an adjuster, as may
 30 2 be determined by the commissioner.

30 3 4. The nonresident business applicant is financially
 30 4 responsible pursuant to section 522C.7.

30 5 5. The nonresident business applicant has paid all fees
 30 6 required under this chapter.

30 7 6. The nonresident business applicant maintains an office
 30 8 in the nonresident business applicant's home state that is
 30 9 available by reasonable appointment or regular business hours.

30 10 7. The nonresident business applicant applying for a
 30 11 public adjuster license has submitted contracts and any
 30 12 subsequent contract modification to the commissioner for review
 30 13 and approval prior to use. A contract that has been filed
 30 14 is deemed to be approved unless disapproved or additional
 30 15 information is requested by the commissioner within thirty
 30 16 calendar days of receipt of the filing by the commissioner.

30 17 8. The nonresident business applicant has obtained any
 30 18 necessary authority from the Iowa secretary of state to
 30 19 transact business in this state.

30 20 Sec. 40. Section 522C.6, Code 2025, is amended by striking
 30 21 the section and inserting in lieu thereof the following:
 30 22 522C.6 FEES — LICENSE ISSUANCE, RENEWAL, OR REINSTATEMENT,
 30 23 AND EXAMINATION.

30 24 Fees for a license as an adjuster shall be as follows:

30 25 1. Any applicable fee for a criminal history check pursuant

CODE: Requires the Commissioner to verify, before approving a nonresident business entity's application for a license for a nonresident public adjuster or nonresident independent adjuster, that the nonresident business entity meets the enumerated requirements of this Iowa Code section.

CODE: Sets the following fees for a license as an adjuster:

- Any applicable fee for a criminal history check pursuant to Iowa Code section [522B.5A](#).
- \$50 for the issuance or renewal of an adjuster license for a consecutive 24-month period.

<p>30 26 to section 522B.5A. 30 27 2. The fee for issuance or renewal of an adjuster license is 30 28 fifty dollars for a consecutive twenty-four-month period. 30 29 3. The fee for reinstatement of an adjuster license is fifty 30 30 dollars. 30 31 4. The fee for a reinstatement or reissuance of an adjuster 30 32 license due to a disciplinary action under section 522C.15 is 30 33 one hundred dollars. 30 34 5. The commissioner may charge a reasonable fee for the 30 35 compilation and production of adjuster licensing records. 31 1 6. The fee for an examination under section 522C.8 may 31 2 be set by a third-party testing service under contract with 31 3 the division to administer the examination. The fee must be 31 4 approved by the division. 31 5 7. Fees shall be paid electronically through the NIPR 31 6 gateway.</p>	<ul style="list-style-type: none"> • \$50 for the reinstatement of an adjuster license. • \$100 for the reinstatement or reissuance of an adjuster license due to a disciplinary action pursuant to new Iowa Code section 522C.15. • A reasonable fee for the compilation and production of adjuster licensing records, which may be charged by the Commissioner. • A fee to administer the examination pursuant to new Iowa Code section 522C.8, which may be set by a third-party testing service and must be approved by the Iowa Insurance Division (IID). <p>Fees are to be paid electronically through the National Insurance Producer Registry (NIPR).</p>
<p>31 7 Sec. 41. NEW SECTION 522C.7 FINANCIAL RESPONSIBILITY. 31 8 1. Prior to issuance of a license under section 522C.5A, 31 9 522C.5B, 522C.5C, or 522C.5D, an applicant shall secure 31 10 evidence of financial responsibility through a surety bond 31 11 as prescribed by the commissioner. The surety bond shall be 31 12 executed and issued by an insurer authorized to issue surety 31 13 bonds in this state and meet the following requirements: 31 14 a. The surety bond shall be a minimum of fifty thousand 31 15 dollars. 31 16 b. The surety bond shall be in favor of the state and 31 17 specifically authorize recovery by the commissioner on behalf 31 18 of any person in this state who sustains damages as the result 31 19 of an adjuster's erroneous act, failure to act, fraud, or 31 20 unfair or deceptive act or practice under chapter 507B. 31 21 c. The surety bond shall not be terminated without prior 31 22 written notice filed with the division a minimum of thirty 31 23 calendar days prior to termination.</p>	<p>CODE: Requires an applicant for licensure to secure a surety bond as prescribed by the Commissioner. The bond must be for at least \$50,000, be in favor of the State, authorize recovery by the Commissioner on behalf of any person damaged, and not be terminated without 30 days prior notice to the IID.</p>
<p>31 24 2. The division may request that an adjuster provide 31 25 evidence of financial responsibility at any time the division 31 26 deems relevant.</p>	<p>CODE: Permits the IID to request that an adjuster provide evidence of financial responsibility at any time.</p>
<p>31 27 3. An adjuster shall immediately notify the division if the 31 28 adjuster's evidence of financial responsibility terminates in 31 29 violation of subsection 1, paragraph "c", or becomes impaired,</p>	<p>CODE: Requires an adjuster to immediately notify the IID if the adjuster's evidence of financial responsibility becomes</p>

31 30 and the adjuster's license shall become inactive until the
 31 31 adjuster provides the division with evidence of financial
 31 32 responsibility.

insufficient, at which time the adjuster's license becomes inactive until remedied.

31 33 Sec. 42. NEW SECTION 522C.8 EXAMINATION.

31 34 1. a. An individual applying for a license under this
 31 35 chapter shall pass a written examination, unless exempt
 32 1 pursuant to section 522C.9. The examination shall test
 32 2 the knowledge of the individual concerning the duties and
 32 3 responsibilities of an adjuster and the insurance laws and
 32 4 administrative rules of this state, and shall be conducted as
 32 5 prescribed by the division.

CODE: Requires applicants for licensure under Iowa Code chapter [522C](#) to pass a written examination unless otherwise exempt. An individual who concurrently applies for an adjuster license and an appraiser license may take a joint examination and receive both licenses. Requires an individual to pay a fee each time the individual applies for examination. However, an individual applying for a joint examination will only pay one examination fee. The results of an examination are valid for 90 days.

32 6 b. An individual who concurrently applies for an adjuster
 32 7 license, and a license as an appraiser under chapter 522F, may
 32 8 choose to take a joint examination conducted as prescribed by
 32 9 the division. The joint examination shall test the knowledge
 32 10 of the individual concerning the duties and responsibilities
 32 11 of an adjuster and of an appraiser, and the insurance laws
 32 12 and administrative rules of this state. An individual who
 32 13 successfully passes a joint examination, and who meets all
 32 14 other requirements for licensure as an adjuster, and as an
 32 15 appraiser under chapter 522F, shall be licensed as both an
 32 16 adjuster and as an appraiser.

32 17 2. Each individual applying for examination shall remit the
 32 18 examination fee under section 522C.6. An individual applying
 32 19 for a joint examination under subsection 1, paragraph "b", shall
 32 20 pay one examination fee for the joint examination.

32 21 3. An individual who fails to appear for a scheduled
 32 22 examination, or who fails to pass the examination, may reapply
 32 23 for examination and must remit the required fee to be scheduled
 32 24 for another examination.

32 25 4. The results of an examination shall be valid to submit
 32 26 for licensure for ninety calendar days after the date of the
 32 27 examination.

32 28 Sec. 43. NEW SECTION 522C.9 EXAMINATION — EXEMPTION.

32 29 1. An individual who applies for a nonresident license
 32 30 under this chapter and who was previously a licensed adjuster
 32 31 in another state that required an examination that included
 32 32 Iowa-specific statutes and administrative rules shall not be
 32 33 required to apply for examination under section 522C.8.

CODE: Provides an exemption from examination if the individual was a licensed adjuster in another state that required knowledge of Iowa-specific statutes and rules are met.

32 34 2. An individual who relocates to this state and who was a
 32 35 licensed adjuster in another state that required an examination
 33 1 that included Iowa-specific statutes and administrative rules
 33 2 shall not be required to apply for examination under section
 33 3 522C.8 if the individual submits an application for a resident
 33 4 adjuster license under section 522C.5A within ninety calendar
 33 5 days of establishing legal residency, and all of the following
 33 6 apply:

33 7 a. The individual is currently a licensed adjuster in the
 33 8 state from which the applicant relocated.

33 9 b. The state from which the applicant relocated issues
 33 10 a certification that the applicant is licensed and in good
 33 11 standing.

33 12 c. The producer database records of the state from which
 33 13 the applicant relocated, or records maintained by the NAIC or
 33 14 a NAIC affiliate or subsidiary, indicate that the adjuster
 33 15 is currently licensed or had been licensed, and is in good
 33 16 standing.

CODE: Provides that additional requirements for resident adjuster licenses, such as certification the applicant is in good standing, may apply.

33 17 Sec. 44. NEW SECTION 522C.10 PUBLIC ADJUSTER AND INSURED
 33 18 — CONTRACT FOR SERVICES.

33 19 1. a. A public adjuster shall not provide services to an
 33 20 insured until a written contract with the insured has been
 33 21 executed on a form filed with and approved by the commissioner
 33 22 pursuant to section 522C.5A, subsection 9, section 522C.5B,
 33 23 subsection 8, section 522C.5C, subsection 7, or section
 33 24 522C.5D, subsection 7. The contract must have a heading that
 33 25 indicates the contract is a public adjuster contract and must
 33 26 contain all of the following:

33 27 (1) The full name, address, telephone number, and license
 33 28 number of the public adjuster presenting and negotiating the
 33 29 contract and, if applicable, the full name, address, telephone
 33 30 number, and license number of the business entity the public
 33 31 adjuster is associated with.

33 32 (2) The insured's full name, street address, insurance
 33 33 company name, and, if known or upon notification, the insurance
 33 34 policy number and claim number.

33 35 (3) A description of the insured's loss claim and the
 34 1 address at which the loss is located, if applicable.

34 2 (4) A description of services to be provided by the public
 34 3 adjuster on behalf of the insured.

CODE: Prohibits a public adjuster from providing services to an insured before a written contract with the insured has been executed on a form filed with and approved by the Commissioner. The contract must have a heading indicating the contract is a public adjuster contract and must include additional enumerated requirements. No provision of the contract may be redacted in any copy of the contract submitted to the Commissioner. Such redaction may be applicable to penalties pursuant to Iowa Code chapter [522C](#).

34 4 (5) A signature of the public adjuster and of the insured,
34 5 and the date the public adjuster and the insured each signed
34 6 the contract.

34 7 (6) An attestation that the public adjuster has a surety
34 8 bond pursuant to section 522C.7.

34 9 (7) An explanation of the amount payable to the public
34 10 adjuster, and how the amount is calculated, which may include
34 11 any of the following:

34 12 (a) If an hourly rate, the contract shall state the hourly
34 13 rate and how the rate is applied to the hours of service
34 14 provided by the public adjuster to calculate the amount
34 15 payable.

34 16 (b) If a flat fee, the contract must state the exact amount
34 17 payable to the public adjuster.

34 18 (c) If a percentage of settlement, the contract must state
34 19 the exact percentage applied to the settlement on the claim.

34 20 (d) If any other consideration, the contract must detail how
34 21 the amount payable is calculated or determined.

34 22 (8) A public adjuster may charge a reasonable fee that shall
34 23 not exceed any of the following:

34 24 (a) Fifteen percent of all claim payments approved by
34 25 the insurer for any noncatastrophic disaster insurance claim
34 26 settlement.

34 27 (b) Ten percent of all claim payments approved by the
34 28 insurer for any catastrophic disaster insurance claim
34 29 settlement.

34 30 (9) That compensation for any reopened or supplemental
34 31 claim may not exceed the limitations set forth in the contract.

34 32 (10) That the insured has the right to agree to or reject
34 33 a loss settlement even if the public adjuster objects to the
34 34 insured's decision.

34 35 (11) The initial expenses of the public adjuster that will
35 1 be reimbursed from the proceeds of the claim payment shall be
35 2 specified by expense type, with reimbursement estimates set
35 3 forth in the contract. Any additional expenses for which the
35 4 public adjuster requests reimbursement shall be disclosed in
35 5 writing to the insured, and must be approved by the insured
35 6 prior to reimbursement.

35 7 (12) A statement that the public adjuster shall not render
35 8 services or perform acts that constitute the practice of law.

35 9 (13) A statement that the public adjuster shall not act on
35 10 behalf of or aid any person in negotiation or settlement of a

35 11 claim related to bodily injury, death, or noneconomic damages.
 35 12 (14) The process for rescinding the contract, including
 35 13 the date by which rescission of the contract by the public
 35 14 adjuster or the insured must occur. The public adjuster
 35 15 shall provide notice of the insured's rights under chapter
 35 16 555A, and the insured may rescind the contract as provided in
 35 17 chapter 555A.A contract shall not be construed to prevent an
 35 18 insured from pursuing a civil remedy after the revocation or
 35 19 cancellation period. If the insured rescinds the contract,
 35 20 anything of value given by the insured shall be returned to the
 35 21 insured within fifteen business days following receipt of the
 35 22 cancellation notice by the public adjuster.
 35 23 b. A contract provision shall not be redacted in a copy of
 35 24 the contract submitted to the commissioner. Such redaction
 35 25 shall constitute a violation of this chapter, and shall be
 35 26 subject to penalties under sections 522C.13 and 522C.14.

35 27 2. If the insurer, no later than five calendar days
 35 28 after the date on which the insured's loss is reported to
 35 29 the insurer, either pays or commits in writing to pay to the
 35 30 insured the policy limit of the insured's insurance policy, the
 35 31 public adjuster shall:
 35 32 a. Inform the insured that the total amount of loss claimed
 35 33 by the insured may not be agreed to by the insurer.
 35 34 b. Only be entitled to reasonable compensation from the
 35 35 insured for services provided on behalf of the insured based on
 36 1 the time spent on the claim, and the expenses incurred by the
 36 2 public adjuster, until the date the insurer pays the claim or
 36 3 provides the insured with a written commitment that the insurer
 36 4 will pay the claim.

36 5 3. A public adjuster contract shall not contain a provision
 36 6 that does any of the following:
 36 7 a. Allows the public adjuster's percentage of a settlement
 36 8 to be collected if money is still due from an insurer, or that
 36 9 allows the public adjuster to collect the entire percentage
 36 10 of a settlement from any single payment issued by an insurer
 36 11 rather than as a percentage of each payment issued by the
 36 12 insurer.
 36 13 b. Requires or permits the insured to authorize an insurer
 36 14 to issue a check only in the name of the public adjuster.
 36 15 c. Imposes collection costs or late fees prior to an

CODE: Requires that if the insurer, within five days of the insured's loss being reported, pays or commits in writing to pay to the insured the insured's policy limit, the public adjuster is to inform the insured that the total amount of loss claimed may not be agreed to by the insurer. Additionally, the public adjuster is only entitled to compensation from the insured based on the time and expenses incurred by the public adjuster until the date the insurer pays or commits in writing to pay the claim.

CODE: Prohibits public adjuster contracts from containing certain provisions.

36 16 insurance claim payment by an insurer to an insured.
 36 17 d. Allows the public adjuster's compensation to be increased
 36 18 based on the fact that a claim is litigated.
 36 19 e. Precludes either an insured or the public adjuster from
 36 20 pursuing civil remedies.
 36 21 f. Restricts an insured's right to initiate or maintain
 36 22 direct communication with the insured's attorney or insurer,
 36 23 with the insurer's adjuster or attorney, or any other person
 36 24 regarding settlement of the insured's claim.
 36 25 g. Grants the public adjuster power of attorney for the
 36 26 insured. However, a public adjuster may obtain a limited power
 36 27 of attorney for an insured for the sole purpose of depositing
 36 28 claim payments in the insured's name into a fiduciary trust
 36 29 account pursuant to section 522C.11, subsection 26.
 36 30 h. Requires the insured to use a particular business entity
 36 31 or individual for the reconstruction, repair, or restoration of
 36 32 the insured's damaged property.

36 33 4. Prior to execution of the contract, the public adjuster
 36 34 shall review the terms of the contract with the insured
 36 35 and provide the insured with a separate disclosure document
 37 1 regarding the claim process that shall include the following:
 37 2 DISCLOSURE DOCUMENT
 37 3 REGARDING THE CLAIM PROCESS
 37 4 1.PROPERTY INSURANCE POLICIES OBLIGATE THE INSURED TO
 37 5 PRESENT A CLAIM TO THE INSURED'S INSURER FOR CONSIDERATION.
 37 6 THERE ARE THREE TYPES OF ADJUSTERS THAT MAY BE INVOLVED IN THAT
 37 7 PROCESS.THE THREE TYPES ARE AS FOLLOWS:
 37 8 (A)"STAFF ADJUSTER" IS DEFINED IN IOWA CODE SECTION 522C.2.
 37 9 A STAFF ADJUSTER IS EMPLOYED BY THE INSURER.THEY WILL NOT
 37 10 CHARGE THE INSURED A FEE.
 37 11 (B)"INDEPENDENT ADJUSTER" IS DEFINED IN IOWA CODE SECTION
 37 12 522C.2. AN INDEPENDENT ADJUSTER IS CONTRACTED BY THE INSURER
 37 13 TO REPRESENT THE INSURER.THEY WILL NOT CHARGE THE INSURED A
 37 14 FEE.
 37 15 (C)"PUBLIC ADJUSTER" IS DEFINED IN IOWA CODE SECTION
 37 16 522C.2. A PUBLIC ADJUSTER IS NOT AN EMPLOYEE OR REPRESENTATIVE
 37 17 OF THE INSURER.THEY ARE HIRED BY THE INSURED TO ASSIST IN THE
 37 18 PREPARATION, PRESENTATION, AND SETTLEMENT OF A CLAIM.
 37 19 2.THE INSURED IS NOT REQUIRED TO HIRE A PUBLIC ADJUSTER
 37 20 TO HELP THE INSURED MEET THE INSURED'S OBLIGATIONS UNDER THE
 37 21 INSURED'S POLICY, BUT HAS THE RIGHT TO DO SO.

CODE: Requires the public adjuster to review the terms of the contract for services with the insured and provide the insured with a separate disclosure document regarding the claim process, and provides the specific language of the required disclosure document.

37 22 3.THE INSURED HAS THE RIGHT TO INITIATE DIRECT
 37 23 COMMUNICATIONS WITH THE INSURED'S ATTORNEY, THE INSURED'S
 37 24 INSURANCE COMPANY, THE INSURANCE COMPANY'S STAFF ADJUSTER OR
 37 25 INDEPENDENT ADJUSTER, THE INSURANCE COMPANY'S ATTORNEY, OR ANY
 37 26 OTHER PERSON REGARDING THE SETTLEMENT OF THE INSURED'S CLAIM.
 37 27 4.THE INSURED MAY BE RESPONSIBLE FOR ANY AMOUNT PAYABLE TO
 37 28 A PUBLIC ADJUSTER RELATED TO ANY PORTION OF A CLAIM THAT WAS
 37 29 PREVIOUSLY PAID IN PART, IN FULL, OR SETTLED BY THE INSURER
 37 30 PRIOR TO A CONTRACT BEING ENTERED INTO BETWEEN THE PUBLIC
 37 31 ADJUSTER AND THE INSURED.
 37 32 5.THE AMOUNT PAYABLE TO A PUBLIC ADJUSTER, WHICH CAN
 37 33 INCLUDE A SALARY, FEE, COMMISSION, OR OTHER CONSIDERATION AS
 37 34 OUTLINED IN THE CONTRACT, IS THE OBLIGATION OF THE INSURED, NOT
 37 35 THE INSURER.
 38 1 6.THE INSURED MAY FILE A COMPLAINT WITH THE IOWA INSURANCE
 38 2 DIVISION BY CALLING (877) 955-1212 OR VISITING IID.IOWA.GOV.

38 3 5. An original copy of a completed contract shall be
 38 4 provided to the public adjuster and to the insured. The
 38 5 commissioner may inspect the original contract in possession
 38 6 of the public adjuster at any time without prior notice.
 38 7 A contract may be executed electronically if done so in
 38 8 compliance with chapter 554D.

CODE: Requires an original copy of a completed contract to be provided to the public adjuster and the insured. The Commissioner is permitted to inspect the public adjuster's original contract at any time without prior notice.

38 9 6. Within seventy-two hours of executing a contract with an
 38 10 insured under this section, the public adjuster shall provide
 38 11 the insured's insurer a notification letter, which has been
 38 12 signed by the insured, authorizing the public adjuster to
 38 13 represent the insured's interest. The insurer shall verify
 38 14 that the public adjuster is currently licensed with the
 38 15 division.

CODE: Requires a public adjuster to provide the insurer with a signed letter authorizing the public adjuster to represent the insured within 72 hours of executing a contract with an insured. The insurer must verify that the public adjuster is licensed with the IID.

38 16 7. A contract between a public adjuster and an insured
 38 17 executed on a form in violation of subsection 1, paragraph "a",
 38 18 shall not be enforceable in this state.

CODE: Prohibits the enforcement of a contract in violation of new Iowa Code section 522C.10(1)(a).

38 19 Sec. 45. NEW SECTION 522C.11 ADJUSTERS — STANDARDS OF
 38 20 CONDUCT.

38 21 1. A public adjuster shall serve with objectivity and
 38 22 complete loyalty to the interest of the insured. A public
 38 23 adjuster shall render to the insured in good faith information,
 38 24 counsel, and service, that in the opinion of the public

CODE: Establishes standards of conduct for adjusters. Includes requirements for objectivity, good faith information, restricted solicitation by public adjusters, competency, documentation, timeliness, and claim settlement funds. Includes prohibitions of conflicts of interest and offers by public adjusters to pay or claim

38 25 adjuster will best serve the insured's insurance claim needs
 38 26 and interest. These duties extend to the claims process and
 38 27 include providing timely responses to both the insurer and the
 38 28 insured.

38 29 2. For a minimum of seventy-two hours following a
 38 30 catastrophic disaster, to allow time for the commissioner
 38 31 to safely deploy consumer protection resources, a public
 38 32 adjuster shall not, in person or by telephone, directly offer
 38 33 to contract, attempt to offer to contract, or enter into an
 38 34 adjuster contract with an insured unless the offer to contract,
 38 35 the attempt to offer to contract, or entering into a contract
 39 1 is initiated by a consumer. If the commissioner deems the
 39 2 severity of the catastrophic disaster to have placed people
 39 3 under duress, the commissioner shall immediately dispatch the
 39 4 consumer advocate and other personnel to the disaster area to
 39 5 provide consumer guidance. If, after a public hearing, the
 39 6 commissioner determines that, due to the scope and severity
 39 7 of the catastrophic disaster, additional time is necessary to
 39 8 safely deploy additional consumer protection resources, the
 39 9 commissioner may extend the time period that a public adjuster
 39 10 shall not offer to contract, attempt to offer to contract, or
 39 11 enter into a contract for an additional seventy-two hours.

39 12 3. A public adjuster shall not solicit between the hours
 39 13 of 8:00 p.m. and 9:00 a.m. Solicitation shall include but is
 39 14 not limited to a door-to-door sale as that term is defined in
 39 15 section 555A.1.

39 16 4. A public adjuster, or an independent adjuster, shall not
 39 17 permit an unlicensed employee or representative of the public
 39 18 adjuster or independent adjuster, nor any person associated
 39 19 with a claim, to conduct business for which a license is
 39 20 required under this chapter.

39 21 5. An adjuster shall not have a direct or indirect financial
 39 22 interest in any aspect of a claim other than the amount payable
 39 23 pursuant to the written contract with an insured under section
 39 24 522C.10.

39 25 6. An adjuster shall not acquire any interest in salvage of
 39 26 property.

39 27 7. An adjuster shall not undertake the adjustment of any
 39 28 claim if the adjuster is not competent and knowledgeable as
 39 29 to the terms and conditions of the insurance coverage, or if
 39 30 the loss or coverage otherwise exceeds the adjuster's current
 39 31 expertise.

to waive deductibles. Failure to comply with new Iowa Code section 522C.11 may result in penalties.

39 32 8. An adjuster shall maintain all documentation relating to
39 33 all estimates and coverage determinations for a minimum of five
39 34 years from the date of completion of a settlement.

39 35 9. An adjuster shall not knowingly make any false oral or
40 1 written material statements regarding any person engaged in the
40 2 business of insurance, or any other adjuster, to an insured who
40 3 is a client or potential client.

40 4 10. a. An adjuster shall not reasonably act, or fail to
40 5 act, in any manner that obstructs or prevents an insurer or
40 6 adjuster from timely conducting an inspection of any part of
40 7 an insured's property for which there is a claim for loss or
40 8 damage.

40 9 b. If a public adjuster is unavailable after reasonable
40 10 request by an insurer, resulting in delay of the insurer's
40 11 timely inspection of the property, the insured shall allow
40 12 the insurer to have access to the property without the
40 13 participation or presence of the public adjuster to facilitate
40 14 the insurer's prompt inspection of the loss or damage.

40 15 11. An adjuster shall respond to an inquiry from an insurer
40 16 or an insured regarding a claim within fifteen business days
40 17 of the date of the inquiry unless good cause exists for delay.
40 18 The adjuster shall reply within fifteen business days to all
40 19 pertinent communications from the insured, the insurer, or a
40 20 representative of the insured or the insurer that reasonably
40 21 suggest that a response is expected.

40 22 12. Upon receiving notification of a claim, an insurer shall
40 23 provide necessary claim forms, instructions, and reasonable
40 24 assistance within fifteen business days of notification of the
40 25 claim so that first-party claimants can comply with the policy
40 26 conditions and the insurer's reasonable requirements.

40 27 13. An adjuster shall not act as an appraiser and as an
40 28 adjuster on the same claim.

40 29 14. An adjuster shall not act as an umpire and as an
40 30 adjuster on the same claim.

40 31 15. A public adjuster shall not enter into a contract that
40 32 accepts a power of attorney or limited power of attorney for
40 33 an insured.

40 34 16. a. An independent adjuster shall not act as an
40 35 independent adjuster and a public adjuster on the same claim.

41 1 b. A public adjuster shall not act as a public adjuster and
41 2 an independent adjuster on the same claim.

41 3 17. A staff adjuster may be licensed as a public adjuster

41 4 or as an independent adjuster, but shall be prohibited from
41 5 providing services as an independent adjuster or a public
41 6 adjuster while employed as a staff adjuster.

41 7 18. A public adjuster shall not agree to, or reject, any
41 8 loss settlement without the insured's express knowledge and
41 9 written consent.

41 10 19. An adjuster shall not engage in any act or practice
41 11 that is a conflict of interest. A conflict of interest shall
41 12 include but is not limited to the following:

41 13 a. A direct or indirect financial interest with a person
41 14 responsible for the reconstruction, repair, or restoration of
41 15 damaged property that is the subject of a claim, or with a
41 16 person involved in resolving a claim valuation dispute.

41 17 b. A direct or indirect financial interest, or other
41 18 valuable consideration regardless of form or amount paid to an
41 19 adjuster in exchange for referring an insured to an appraiser,
41 20 umpire, construction company, contractor, salvage company, or
41 21 attorney.

41 22 c. Being an owner, employee, agent, investor, or having
41 23 other financial interest in a business entity responsible for
41 24 the reconstruction, repair, or restoration of damaged property
41 25 that is the subject of a claim, or having an immediate family
41 26 member who is an owner, employee, agent, or investor in a
41 27 business entity responsible for the reconstruction, repair,
41 28 or restoration of a damaged property that is the subject of a
41 29 claim.

41 30 d. Entering into a written or verbal contract, or formal
41 31 or informal agreement, with any person that compromises the
41 32 adjuster's duty of loyalty to the insured.

41 33 e. Using claim information obtained in the course of a claim
41 34 investigation for commercial purposes including marketing or
41 35 advertising for the benefit of the adjuster.

42 1 20. A public adjuster shall not file a complaint with
42 2 the division on behalf of an insured without the insured's
42 3 knowledge and written consent.

42 4 21. An adjuster shall not represent, directly or
42 5 indirectly, that damage has occurred at a property unless the
42 6 adjuster has inspected the damaged areas of the property.

42 7 22. An adjuster shall produce a detailed written estimate to
42 8 repair or replace covered damages and provide a copy to both
42 9 the insured and the insurer in a timely manner.

42 10 23. A public adjuster shall not offer to pay an insured's

42 11 deductible, or claim that the insured's deductible will be
 42 12 waived, as an inducement to use the services of the public
 42 13 adjuster.

42 14 24. An adjuster shall respond reasonably promptly to
 42 15 inquiries by the division.

42 16 25. A public adjuster shall provide a detailed invoice for
 42 17 completed services to an insured prior to requesting payment
 42 18 for services pursuant to a contract under section 522C.10.

42 19 26. Funds received or held by a public adjuster on behalf of
 42 20 an insured toward the settlement of a claim shall be:

42 21 a. Held in a fiduciary capacity.

42 22 b. Deposited by the adjuster into one or more separate
 42 23 noninterest-bearing fiduciary trust accounts in a financial
 42 24 institution licensed to do business in this state no later
 42 25 than the close of the fifth business day from the date the
 42 26 public adjuster received the funds, and either deposited in the
 42 27 insured's name or in the name of the public adjuster as trustee
 42 28 for the insured, to be held and administered as a trust account
 42 29 for the benefit and protection of the insured.

42 30 c. Held separately from personal or nonbusiness funds.

42 31 d. Held separately from other business funds.

42 32 e. Listed specifically and separately, by the insured's name
 42 33 and the amount in trust in the book of accounts and records of
 42 34 the public adjuster. The book of accounts and records must
 42 35 indicate the fiduciary nature of the account and any amounts
 43 1 deposited or withdrawn.

43 2 f. Disbursed within thirty calendar days of receipt of an
 43 3 invoice by the public adjuster from a contractor that completed
 43 4 work, if the public adjuster receives approval of the insured
 43 5 that the work was satisfactorily completed.

43 6 27. A public adjuster shall comply with all applicable local
 43 7 ordinances.

43 8 28. An adjuster who fails to comply with this section shall
 43 9 be subject to penalties under sections 522C.13 and 522C.14.

43 10 Sec. 46. NEW SECTION 522C.12 ADJUSTERS — RECORDS.

43 11 1. An adjuster shall have a continuing duty to keep, at
 43 12 the adjuster's place of business, usual and customary records
 43 13 pertaining to transactions undertaken by the adjuster. All
 43 14 such records shall be kept available and open for inspection
 43 15 by the division at any time during regular business hours;
 43 16 however, the division is not entitled to inspect any records

CODE: Requires that an adjuster keep transaction records for five years and that the records be kept available for inspection by the IID during regular business hours. The IID is not entitled to inspect records prepared in anticipation of litigation or that are subject to any privilege recognized in Iowa Code chapter [622](#) (Evidence). Failure to comply with new Iowa Code section

43 17 prepared in anticipation of litigation or that are subject to
 43 18 any privilege recognized in chapter 622. The records shall be
 43 19 maintained for a minimum of five years from the date of the
 43 20 adjuster transaction.
 43 21 2. An adjuster who fails to comply with this section shall
 43 22 be subject to penalties under sections 522C.13 and 522C.14.

522C.12 may result in penalties as provided in new Iowa Code sections 522C.13 and 522C.14.

43 23 Sec. 47. NEW SECTION 522C.13 LICENSE DENIAL, NONRENEWAL,
 43 24 SUSPENSION, OR REVOCATION.

CODE: Permits the IID to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, and to levy a civil penalty as provided in new Iowa Code section 522C.14, for one or more of the listed violations.

43 25 1. The division may place on probation, suspend, revoke, or
 43 26 refuse to issue or renew an adjuster's license, and may levy a
 43 27 civil penalty as provided in section 522C.14, for one or more
 43 28 of the following causes:

43 29 a. The adjuster provided incorrect, misleading, incomplete,
 43 30 or materially untrue information in a license application.

43 31 b. The adjuster violated an insurance law, regulation,
 43 32 subpoena, or order of the commissioner or of a commissioner of
 43 33 another state.

43 34 c. The adjuster obtained or attempted to obtain a license
 43 35 through misrepresentation or fraud.

44 1 d. The adjuster improperly withheld, misappropriated, or
 44 2 converted money or property received in the course of doing
 44 3 business.

44 4 e. The adjuster was convicted of a felony.

44 5 f. The adjuster admitted to, or was found to have committed,
 44 6 any unfair trade practice or fraud.

44 7 g. The adjuster used fraudulent, coercive, or dishonest
 44 8 practices, or demonstrated incompetence, untrustworthiness, or
 44 9 financial irresponsibility, or was a source of injury or loss
 44 10 in the conduct of business in this state or elsewhere.

44 11 h. The adjuster had any professional license, or its
 44 12 equivalent, denied, suspended, or revoked in this state or any
 44 13 other state, province, district, or territory.

44 14 i. The adjuster forged another's name to any document
 44 15 related to the adjuster's work as an adjuster.

44 16 j. The adjuster improperly used notes or any other reference
 44 17 material to complete an examination for an adjuster license.

44 18 k. The adjuster knowingly negotiated as an adjuster with an
 44 19 individual or business entity who is not, but is required to
 44 20 be, licensed as an adjuster, appraiser, or umpire.

44 21 l. The adjuster failed to comply with an administrative or
 44 22 court order imposing a child support obligation.

44 23 m. The adjuster failed to comply with an administrative
 44 24 or court order related to repayment of loans to the college
 44 25 student aid commission.
 44 26 n. The adjuster failed to pay state income tax or to comply
 44 27 with any administrative or court order directing payment of
 44 28 state income tax.
 44 29 o. The adjuster failed or refused to cooperate in
 44 30 an investigation conducted by the commissioner or the
 44 31 commissioner's designee.
 44 32 p. The adjuster intentionally misrepresented the terms of an
 44 33 actual or proposed contract for services.

44 34 2. If the commissioner does not renew an adjuster's license
 44 35 or denies an application for a license, the commissioner shall
 45 1 notify the adjuster or applicant and advise, in writing, of
 45 2 the reason for the nonrenewal of the license or denial of
 45 3 the application for a license. The adjuster or applicant
 45 4 may request a hearing on the nonrenewal or denial by filing
 45 5 a written request for a hearing within thirty calendar days
 45 6 from the date of notice of the nonrenewal or denial. A hearing
 45 7 shall be conducted according to section 522C.15.

45 8 3. The license of a business entity may be suspended,
 45 9 revoked, placed on probation, or refused if the commissioner
 45 10 finds, after hearing, that an individual adjuster's violation
 45 11 was known or should have been known by a licensed partner,
 45 12 officer, or manager of the business entity and the violation
 45 13 was not reported to the commissioner and corrective action was
 45 14 not taken.

45 15 4. The license of a nonresident adjuster shall be
 45 16 immediately inactive if the nonresident adjuster is placed on
 45 17 probation, suspended, revoked, refused, or denied licensure in
 45 18 any other state. The nonresident adjuster shall have seven
 45 19 calendar days to alert the commissioner that the nonresident
 45 20 adjuster has been placed on probation, suspended, revoked,
 45 21 refused, nonrenewed, or denied licensure in another state.
 45 22 Failure to meet the reporting deadline shall be a violation of
 45 23 this section.

45 24 5. In addition to, or in lieu of, denial, probation,
 45 25 suspension, or revocation of a license under this section, an

CODE: Provides that if the Commissioner denies or does not renew an adjuster's license, the Commissioner is to notify the adjuster of the reason. The adjuster may request a hearing within 30 days of the notice. The hearing must be conducted according to new Iowa Code section 522C.15.

CODE: Permits the Commissioner to suspend, revoke, place on probation, or refuse the license of a business entity if the Commissioner finds, after hearing, that a violation was known or should have been known by a licensed partner, officer, or manager of the business entity if the violation was not reported to the Commissioner and corrective action was not taken.

CODE: Requires the license of a nonresident adjuster to be inactive immediately if the adjuster has an enumerated punitive action taken by another state. The adjuster has seven days to alert the Commissioner of the punitive action, failure of which is a violation of new Iowa Code section 522C.13.

CODE: Provides that in addition to, or in lieu of, punitive actions, an adjuster may be subject to a civil penalty after hearing.

45 26 adjuster, after hearing, may be subject to a civil penalty as
45 27 provided in section 522C.14.

45 28 6. The commissioner may enforce this chapter, may conduct
45 29 an investigation of any suspected violation of this chapter,
45 30 and may impose any penalty or remedy authorized by this chapter
45 31 against any person who is under investigation for, or charged
45 32 with, a violation of this chapter even if the person's license
45 33 has been surrendered or has lapsed by operation of law.

CODE: Permits the Commissioner to enforce, conduct an investigation of suspected violations of, and impose any penalty or remedy authorized by Iowa Code chapter [522C](#), even if the person's license has been surrendered or has lapsed by operation of law.

45 34 7. a. All complaint files, investigation files,
45 35 investigation reports, and other investigative information
46 1 in the possession of the commissioner or the commissioner's
46 2 agents that relates to adjuster discipline shall be privileged
46 3 and confidential, and shall not be subject to discovery,
46 4 subpoena, or other means of legal compulsion for release to a
46 5 person other than the adjuster, and shall not be admissible in
46 6 evidence in a judicial or administrative proceeding other than
46 7 a proceeding involving adjuster discipline. A final written
46 8 decision of the commissioner in a disciplinary proceeding shall
46 9 be a public record.

CODE: Provides that investigative information in the possession of the Commissioner or the Commissioner's agents that relates to adjuster discipline is privileged and confidential but may be disclosed at the Commissioner's discretion if the recipient maintains the privileged status and confidentiality of the information. If the investigative information indicates a crime has been committed, the information must be reported to the proper law enforcement agency. A final written decision of the Commissioner is public record.

46 10 b. Investigative information in the possession of the
46 11 commissioner or the commissioner's agents that relates to
46 12 adjuster discipline may be disclosed, at the commissioner's
46 13 discretion. The commissioner may share documents, materials,
46 14 or other information, including confidential and privileged
46 15 documents and materials subject to this subsection, with other
46 16 state, federal, and international regulatory agencies, with
46 17 NAIC, its affiliates or subsidiaries, and with state, federal,
46 18 and international law enforcement authorities, provided
46 19 that the recipient agrees to maintain the confidentiality
46 20 and privileged status of the document, material, or other
46 21 information.

46 22 c. If the investigative information in the possession of the
46 23 commissioner or the commissioner's agents indicates a crime has
46 24 been committed, the information shall be reported to the proper
46 25 law enforcement agency.

46 26 8. a. Pursuant to section 17A.19, subsection 6, upon an
46 27 appeal by the adjuster, the commissioner shall transmit the
46 28 entire record of the contested case to the reviewing court.

46 29 b. Notwithstanding section 17A.19, subsection 6, if a

CODE: Pursuant to the Iowa Administrative Procedure Act (IAPA), upon appeal by the adjuster, the Commissioner must transmit the entire record of the contested case to the reviewing court. Notwithstanding the IAPA, if a waiver of privilege has

46 30 waiver of privilege has been involuntary and evidence has been
 46 31 received at a disciplinary hearing, the court shall issue
 46 32 an order to withhold the identity of the individual whose
 46 33 privilege was waived.

been involuntary and evidence has been received at a disciplinary hearing, the court must issue an order to withhold the identity of the individual.

46 34 Sec. 48. NEW SECTION 522C.14 CIVIL AND CRIMINAL PENALTIES.

46 35 1. a. Upon a determination by the commissioner after a
 47 1 hearing conducted pursuant to chapter 17A that an adjuster has
 47 2 violated a provision of this chapter, the commissioner shall
 47 3 reduce the findings of the hearing to writing and deliver a
 47 4 copy of the findings to the adjuster.

CODE: Requires the Commissioner to provide a written copy of a hearing of a violation of Iowa Code chapter [522C](#) to the violating adjuster. Permits the Commissioner to take any enumerated action towards an adjuster who is violating, or about to violate, Iowa Code chapter 522C. Permits the Commissioner to assess a penalty to the employer of the adjuster if the Commissioner finds that a violation was directed, encouraged, condoned, ignored, or ratified by the employer.

47 5 b. Upon a determination by the commissioner that an adjuster
 47 6 has engaged, is engaging, or is about to engage in any act or
 47 7 practice constituting a violation of this chapter or a rule
 47 8 adopted or order issued under this chapter, the commissioner
 47 9 may take the following actions:

47 10 (1) Issue an order requiring the adjuster to cease and
 47 11 desist from engaging in the conduct resulting in the violation.

47 12 (2) Assess a civil penalty against the adjuster of not more
 47 13 than one thousand dollars for each violation of this chapter,
 47 14 not to exceed an aggregate of ten thousand dollars.

47 15 (3) If the adjuster knew or reasonably should have known
 47 16 the adjuster was in violation of this chapter, assess a
 47 17 civil penalty of not more than five thousand dollars for each
 47 18 violation of this chapter, not to exceed an aggregate penalty
 47 19 of fifty thousand dollars in any one six-month period.

47 20 (4) (a) Issue a summary order, including a brief statement
 47 21 of findings of fact, conclusions of law, and policy reasons for
 47 22 the decision, and directing the adjuster to cease and desist
 47 23 from engaging in the act or practice or to take affirmative
 47 24 action as is necessary in the judgment of the commissioner to
 47 25 comply with the requirements of this chapter.

47 26 (b) An adjuster may contest a summary order by filing,
 47 27 within thirty calendar days from the date of the issuance of
 47 28 the summary order, a written request for a contested case
 47 29 proceeding and hearing as provided in chapter 17A and in
 47 30 accordance with rules adopted by the commissioner. Section
 47 31 17A.18A shall be inapplicable to a summary order issued under
 47 32 this subsection. If a hearing is not requested within thirty
 47 33 calendar days from the date of issuance of the summary order,
 47 34 the summary order shall become final by operation of law. A
 47 35 summary order shall remain effective from the date of issuance

48 1 until the date the order becomes final by operation of law,
 48 2 or is modified or overturned by a presiding officer or court
 48 3 following a request for hearing.
 48 4 (c) An adjuster violating a summary order issued under this
 48 5 subsection shall be deemed in contempt of the summary order.
 48 6 The commissioner may petition the district court to enforce the
 48 7 order as certified by the commissioner. The district court
 48 8 shall find the adjuster in contempt of the order if the court
 48 9 finds, after conducting a hearing, that the adjuster is not
 48 10 in compliance with the order. The court may assess a civil
 48 11 penalty against the adjuster and may issue further orders as
 48 12 the court deems appropriate.
 48 13 c. In addition to any other penalty under this section,
 48 14 if the commissioner finds that a violation of this chapter
 48 15 was directed, encouraged, condoned, ignored, or ratified by
 48 16 the employer of the adjuster, the commissioner shall assess a
 48 17 penalty to the employer. Penalties under this paragraph may be
 48 18 retained by the commissioner under section 505.7, subsection 9.

48 19 2. a. A person acting as an adjuster without proper
 48 20 licensure, or an adjuster who willfully violates any provision
 48 21 of this chapter or an order issued under this chapter, is
 48 22 guilty of a class “D” felony. If the violation results in a
 48 23 loss of more than ten thousand dollars, the person or adjuster
 48 24 is guilty of a class “C” felony.
 48 25 b. An adjuster who steals, converts, or misappropriates
 48 26 funds that should be held in trust under section 522C.11, is
 48 27 guilty of a class “D” felony. If the violation results in a
 48 28 loss of more than ten thousand dollars, the adjuster is guilty
 48 29 of a class “C” felony.
 48 30 c. The commissioner may refer such evidence as is available
 48 31 concerning a violation of this chapter, or of any rule adopted
 48 32 or order issued under this chapter, or of the failure of a
 48 33 person to comply with the licensing requirements of this
 48 34 chapter, to the attorney general or the proper county attorney
 48 35 who may institute the appropriate criminal proceedings under
 49 1 this chapter.
 49 2 d. This chapter does not limit the power of the state to
 49 3 punish any person for conduct that constitutes a crime under
 49 4 any other statute.

CODE: Provides that a person acting as an adjuster without proper licensure, or an adjuster who willfully violates Iowa Code chapter [522C](#), is guilty of a Class D felony. If the violation results in a loss of more than \$10,000, the individual is guilty of a Class C felony. An adjuster who steals, converts, or misappropriates funds that should be held in trust under new Iowa Code section 522C.11 is guilty of a Class D felony. If the violation results in a loss of more than \$10,000, the adjuster is guilty of a Class C felony. Permits the Commissioner to refer evidence concerning a violation of Iowa Code chapter 522C to the Attorney General or the proper county attorney, who may institute the appropriate criminal proceedings. Iowa Code chapter 522C does not limit the power of the State to punish a person under any other statute.

CORRECTIONAL IMPACT: This Act creates new criminal offenses; however, according to the Department of Corrections (DOC), crimes involving professionals are rare. As a result, the correctional impact cannot be estimated due to a lack of existing conviction data. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 13, 2025, for information related to the correctional system.

49 5 3. Any contract regulated by this chapter that is entered
 49 6 into by an insured with a person who is not a licensed public
 49 7 adjuster in this state shall be void. If a contract is void,
 49 8 the insured is not liable for the payment for any past services
 49 9 rendered, or future services to be rendered, by that person.

49 10 Sec. 49. NEW SECTION 522C.15 REINSTATEMENT OR REISSUANCE
 49 11 OF A LICENSE AFTER DISCIPLINARY MATTERS — FORFEITURE IN LIEU OF
 49 12 COMPLIANCE.

49 13 1. a. A person licensed as an adjuster under this chapter
 49 14 whose license has been revoked or suspended by order, or who
 49 15 forfeited a license in connection with a disciplinary matter,
 49 16 may apply to the commissioner for reinstatement or reissuance
 49 17 in accordance with the terms of the order of revocation or
 49 18 suspension, or the order accepting the forfeiture, and submit
 49 19 to a criminal history check under section 522B.5A.
 49 20 b. Proceedings for reinstatement or reissuance shall be
 49 21 initiated by the applicant who shall file with the commissioner
 49 22 an application for reinstatement or reissuance after
 49 23 disciplinary action. An applicant shall not be eligible for
 49 24 reinstatement or reissuance until the applicant satisfies the
 49 25 requirements under section 522C.5, 522C.5A, 522C.5B, 522C.5C,
 49 26 or 522C.5D, as applicable, and the examination requirements
 49 27 under section 522C.8. An applicant may also be required to
 49 28 submit a new or renewal adjuster application under section
 49 29 522C.5A, 522C.5B, 522C.5C, or 522C.5D, as applicable.
 49 30 c. An application for reinstatement or reissuance shall
 49 31 allege facts which, if established, are sufficient to enable
 49 32 the commissioner to determine that the basis of revocation,
 49 33 suspension, or forfeiture of the applicant's license no longer
 49 34 exists, and must disclose if the applicant has engaged in
 49 35 any conduct listed as a cause for licensing action that was
 50 1 not included in the order for suspension, revocation, or

MINORITY IMPACT: This Act creates new criminal offenses. As a result, the Department of Management (DOM) Criminal Justice Planning cannot use existing data to estimate the minority impact of this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 13, 2025, for information related to minorities in the criminal justice system.

CODE: Voids any contract regulated by Iowa Code chapter [522C](#) entered into by an insured with a person who is not a licensed public adjuster in this State.

CODE: Permits an adjuster whose license has been revoked, suspended, or forfeited in connection with a disciplinary matter to apply to the Commissioner for reinstatement or reissuance and submit to a criminal history check. The applicant must satisfy requirements of Iowa Code chapter 522C. The applicant must receive a favorable determination from the Commissioner to be reinstated or reissued. Provides additional requirements for reinstatement, reissuance, and voluntary forfeitures. Provides that new Iowa Code section 522C.15 only applies to licenses in connection with a disciplinary matter.

50 2 forfeiture.

50 3 d. An application for reinstatement or reissuance shall

50 4 allege facts which, if established, are sufficient to enable

50 5 the commissioner to determine that it is in the public

50 6 interest for the application to be granted. The commissioner

50 7 may determine that it is not in the public interest if the

50 8 applicant has engaged in any conduct listed as a cause for

50 9 licensing action that was not included in the order for

50 10 suspension, revocation, or forfeiture, or if the applicant does

50 11 not have the character and fitness to be a licensed adjuster

50 12 in this state.

50 13 e. The burden of proof to establish facts identified in

50 14 paragraphs "c" and "d" shall be on the applicant.

50 15 f. An adjuster may request reinstatement of a suspended

50 16 license prior to the end of the suspension term.

50 17 g. Unless otherwise provided by law, if an order of

50 18 revocation or suspension did not establish terms on which

50 19 reinstatement or reissuance may occur, or if the license

50 20 was forfeited, an initial application for reinstatement or

50 21 reissuance shall not be made until at least one year from the

50 22 date of the order of the suspension, revocation, or acceptance

50 23 of the forfeiture of a license.

50 24 2. All proceedings on an application for reinstatement or

50 25 reissuance, including preliminary and ancillary matters, shall

50 26 be held in accordance with chapter 17A. The application shall

50 27 be docketed in the original case in which the original license

50 28 was suspended, revoked, or forfeited, if the case exists.

50 29 3. An order of reinstatement or reissuance shall be based

50 30 on a written decision which incorporates findings of fact

50 31 and conclusions of law. An order granting an application

50 32 for reinstatement or reissuance may impose such terms and

50 33 conditions as the commissioner or the commissioner's designee

50 34 deems appropriate, and may include one or more penalties

50 35 provided under section 522C.14. The order shall be a public

51 1 record and may be disseminated in compliance with chapter 22.

CODE: Requires applications for reinstatement or reissuance of a license after disciplinary matters to be held in accordance with Iowa Code chapter [17A](#) (Iowa Administrative Procedure Act).

CODE: Requires orders of reinstatement and reissuance to be based on written decisions of findings of fact and conclusions of law. Permits such orders to impose terms and conditions as the Commissioner or the Commissioner's designee deems appropriate, including penalties as provided in Iowa Code section 522C.14. Orders are to be public record and may be distributed as allowed in Iowa Code chapter [22](#) (Open Records).

DETAIL: Requires the application to be docketed in the original case where the original license was suspended, revoked, or forfeited.

51 51 51 51 51 51 51	2 4. If an adjuster's ordered suspension period ends prior to 3 the adjuster's license expiration date and the adjuster applies 4 for reinstatement prior to the license expiration date and 5 meets all applicable requirements, the division shall reinstate 6 the license as soon as practicable but no earlier than the end 7 of the suspension period if the division, after a complete 8 review, determines the license should be reinstated.	CODE: Requires that the IID reinstate the license of an adjuster after the adjuster's suspension period ends if the adjuster applied for reinstatement and met the requirements of reinstatement.
51 51 51 51	9 5. If an adjuster's license is suspended beyond the 10 adjuster's license expiration date, whether due to an ordered 11 suspension time period or failure to apply for reinstatement 12 prior to expiration, the adjuster must apply for reissuance.	CODE: Requires an adjuster whose license is suspended beyond the adjuster's license expiration date to apply for reissuance.
51 51 51 51 51 51 51 51 51 51 51	13 6. A submission of voluntary forfeiture of a license 14 shall be made in writing to the commissioner. Forfeiture of 15 a license is effective on the date of submission unless a 16 contested case proceeding is pending on the date of submission. 17 If a contested case proceeding is pending, the forfeiture 18 shall become effective upon conditions as ordered by the 19 commissioner. A forfeiture made during the pendency of a 20 contested case proceeding shall be considered a disciplinary 21 action and shall be published in the same manner as is 22 applicable to any other form of disciplinary order.	CODE: Requires license forfeitures to be made in writing to the Commissioner and to be effective upon submission unless a contested case proceeding is pending, in which case the forfeiture becomes effective upon conditions as ordered by the Commissioner. Provides that forfeitures made during a pending contested case proceeding are considered disciplinary actions and must be published as such.
51 51 51 51 51	23 7. The commissioner shall not be prohibited from denying an 24 application for reinstatement or reissuance, or from bringing 25 an additional immediate action, if an adjuster has engaged in 26 an additional violation of chapter 507B or 522C, or otherwise 27 failed to meet all applicable requirements.	CODE: Prevents the Commissioner from being prohibited from denying an application for reinstatement or reissuance, or from bringing additional immediate action, if an adjuster has violated Iowa Code chapter 507B or 522C or otherwise failed to meet all applicable requirements.
51 51 51	28 8. This section shall not apply to reinstatement of an 29 expired license or issuance of a new license that is not in 30 connection with a disciplinary matter.	CODE: Provides that new Iowa Code section 522C.15 does not apply to reinstatement of an expired license or issuance of a new license that is not in connection with a disciplinary matter.
51 51 51 51 51 52	31 Sec. 50. NEW SECTION 522C.16 SUSPENSION FOR FAILURE TO 32 PAY CHILD SUPPORT OR STATE DEBT. 33 1. The commissioner shall deny an adjuster's application 34 for license issuance, renewal, reinstatement, or reissuance; 35 suspend a current license; or revoke a currently suspended 1 license, upon receipt of a certificate of noncompliance from	CODE: Requires the Commissioner to take enumerated disciplinary actions against an adjuster if the adjuster is not in compliance with the Child Support Recovery Unit pursuant to Iowa Code chapter 252J or the Centralized Collection Unit of the Department of Revenue pursuant to Iowa Code chapter 272D .

52 2 the child support recovery unit pursuant to chapter 252J,
 52 3 or upon receipt of a certificate of noncompliance from the
 52 4 centralized collection unit of the department of revenue
 52 5 pursuant to chapter 272D.

52 6 2. Upon receipt of a certificate of noncompliance under
 52 7 subsection 1, the commissioner shall issue a notice to the
 52 8 adjuster that the division will, unless the certificate of
 52 9 noncompliance is withdrawn, deny the adjuster's application
 52 10 for license issuance, renewal, reinstatement, or reissuance,
 52 11 suspend the adjuster's current license, or revoke the
 52 12 adjuster's currently suspended license, thirty calendar days
 52 13 after the date the notice is mailed. Notice shall be sent
 52 14 to the adjuster's last known address by restricted certified
 52 15 mail, return receipt requested, or in accordance with the
 52 16 division's rules for service. The notice shall contain all of
 52 17 the following:

52 18 a. A statement that the commissioner intends to deny
 52 19 the adjuster's application for license issuance, renewal,
 52 20 reinstatement, or reissuance; suspend the adjuster's current
 52 21 license; or revoke the adjuster's currently suspended license
 52 22 in thirty calendar days unless the certificate of noncompliance
 52 23 is withdrawn.

52 24 b. A statement that the adjuster must contact the agency
 52 25 that issued the certificate of noncompliance to request a
 52 26 withdrawal.

52 27 c. A statement that the adjuster does not have a right to
 52 28 a hearing before the division, but that the adjuster may file
 52 29 an application for a hearing in district court pursuant to
 52 30 section 252J.9 or 272D.9, as applicable, and that the filing
 52 31 of an application by the adjuster will stay the proceedings of
 52 32 the division.

52 33 d. A copy of the certificate of noncompliance.

52 34 3. An adjuster shall keep the commissioner informed of all
 52 35 actions taken by the district court or the issuing agency in
 53 1 connection with a certificate of noncompliance. Within seven
 53 2 calendar days of filing or issuance, an adjuster shall provide
 53 3 to the commissioner a copy of all applications filed with the
 53 4 district court pursuant to an application or hearing, all
 53 5 court orders entered in such action, and all withdrawals of a
 53 6 certificate of noncompliance.

CODE: Requires that the Commissioner provide notice of the intent to deny licensure or take disciplinary action. Includes listed information that must be provided by the notice.

CODE: Requires that the adjuster keep the Commissioner informed of all actions in connection with the noncompliance, including providing the Commissioner copies of all applications filed with the district court pursuant to an application or hearing, all court orders entered, and all withdrawals of a certificate of noncompliance.

53 7 4. If an applicant or licensed adjuster timely files an
 53 8 application for hearing in district court and the division
 53 9 is notified of the filing, the commissioner's denial,
 53 10 suspension, or revocation proceedings shall be stayed until
 53 11 the division is notified by the district court, the issuing
 53 12 agency, the licensee, or the applicant of the resolution of
 53 13 the application. Upon receipt of a court order lifting the
 53 14 stay or otherwise directing the commissioner to proceed, the
 53 15 commissioner shall continue with the intended action described
 53 16 in the notice.

CODE: Provides that the Commissioner's denial, suspension, or revocation proceeding must be temporarily halted if an applicant or licensed adjuster timely files an application for hearing.

53 17 5. If the commissioner does not receive a withdrawal of
 53 18 the certificate of noncompliance from the issuing agency, or a
 53 19 notice from a clerk of court, the issuing agency, the licensee,
 53 20 or the applicant that an application for hearing has been filed
 53 21 within thirty calendar days after the notice is issued, the
 53 22 commissioner shall deny the adjuster's application for license
 53 23 issuance, renewal, reinstatement, or reissuance; suspend a
 53 24 current license; or revoke a currently suspended license.

CODE: Requires the Commissioner to take disciplinary action if the Commissioner does not receive a withdrawal of the certificate of noncompliance or a notice that an application for hearing has been filed within 30 days after the notice is issued.

53 25 6. Upon receipt of a withdrawal of a certificate of
 53 26 noncompliance from the issuing agency, suspension or revocation
 53 27 proceedings shall halt and the named adjuster shall be notified
 53 28 that the proceedings have halted. If the adjuster's license
 53 29 has already been suspended, the adjuster must apply for
 53 30 reinstatement in accordance with section 522C.15, and the
 53 31 license shall be reinstated if the adjuster is otherwise in
 53 32 compliance with this chapter. If the adjuster's application
 53 33 for licensure was stayed, application processing shall resume.
 53 34 All fees required for license renewal, reinstatement, or
 53 35 reissuance must be paid by the adjuster, and all continuing
 54 1 education requirements shall be satisfied, before the
 54 2 adjuster's license is renewed or reinstated after a license
 54 3 suspension or revocation under this chapter.

CODE: Requires suspension or revocation proceedings to halt and for the named adjuster to be notified that the proceedings have halted upon receipt of a withdrawal of a certificate of noncompliance. Provides additional requirements if action has already been taken. Requires the adjuster to satisfy all requirements for licensure under Iowa Code chapter [522C](#).

54 4 7. The commissioner shall notify an adjuster in writing
 54 5 through regular first class mail, or such other means as the
 54 6 commissioner deems appropriate under the circumstances, within
 54 7 ten calendar days of the effective date of the suspension or
 54 8 revocation of the adjuster's license, and shall also notify the
 54 9 adjuster when the adjuster's license is reinstated following

CODE: Requires the Commissioner to notify an adjuster in writing of changes to the adjuster's license status.

54 10 the commissioner's receipt of a withdrawal of the certificate
54 11 of noncompliance.

54 12 8. Notwithstanding any provision of law to the contrary, the
54 13 division may share information with the child support recovery
54 14 unit or the centralized collection unit of the department of
54 15 revenue for the sole purpose of identifying adjusters subject
54 16 to enforcement under chapter 252J or 272D.

CODE: Permits the Commissioner to share information with the Child Support Recovery Unit or the Centralized Collection Unit of the Department of Revenue for the sole purpose of identifying adjusters subject to enforcement under Iowa Code chapters [252J](#) or [272D](#), notwithstanding any law to the contrary.

54 17 Sec. 51. NEW SECTION 522C.17 SEVERABILITY.
54 18 If any provision of this chapter or the application thereof
54 19 to any person or circumstance is held invalid, the invalidity
54 20 does not affect other provisions or applications of this
54 21 chapter which can be given effect without the invalid provision
54 22 or application, and to this end the provisions of this chapter
54 23 are severable.

CODE: Provides that if any provision of Iowa Code chapter [522C](#) or the application thereof is determined to be invalid, the invalidity does not affect other provisions or applications of Iowa Code chapter 522C that can go into effect without the invalid provision or application.

54 24 Sec. 52. APPLICABILITY. The licensure and examination
54 25 requirements of chapter 522C in this division of this Act apply
54 26 three months after the enactment date of this division of this
54 27 Act to a person currently doing business in this state as an
54 28 independent adjuster or a staff adjuster as of January 1, 2025.

Provides that the licensure and examination requirements of Iowa Code chapter 522C in Division V of this Act apply three months after the enactment date of Division V of this Act to a person currently doing business in Iowa as an independent adjuster or a staff adjuster as of January 1, 2025.

54 29 DIVISION VI
54 30 LICENSING AND REGULATION OF APPRAISERS AND UMPIRES

54 31 Sec. 53. Section 507B.2, subsection 1, Code 2025, is amended
54 32 to read as follows:

54 33 1. "Person" shall mean any individual, corporation,
54 34 association, partnership, reciprocal exchange, interinsurer,
54 35 fraternal beneficiary association, and any other legal entity
55 1 engaged in the business of insurance, including insurance
55 2 producers, appraisers, umpires, and adjusters. "Person" shall
55 3 also mean any corporation operating under the provisions of
55 4 chapter 514 and any benevolent association as defined and
55 5 operated under chapter 512A. For purposes of this chapter,
55 6 corporations operating under the provisions of chapter 514 and
55 7 chapter 512A shall be deemed to be engaged in the business of
55 8 insurance.

CODE: Makes conforming changes to Iowa Code section [507B.2\(1\)](#).

55 9 Sec. 54. Section 522B.5A, subsection 2, paragraph c, Code

CODE: Makes conforming changes to Iowa Code section

55 10 2025, is amended to read as follows:
 55 11 c. A renewal, reinstatement, or reissuance of a license
 55 12 if the license of a producer has been revoked or suspended
 55 13 pursuant to section 522B.11, the license of a public adjuster
 55 14 has been revoked or suspended pursuant to section ~~522C.6~~
 55 15 522C.13, or the license of a viatical settlement provider
 55 16 or viatical settlement broker has been revoked or suspended
 55 17 pursuant to section 508E.4, or the license of an appraiser or
 55 18 an umpire has been revoked or suspended pursuant to section
 55 19 522F.20.

[522B.5A\(2\)\(c\)](#).

55 20 Sec. 55. Section 522B.5A, subsection 2, Code 2025, is
 55 21 amended by adding the following new paragraphs:
 55 22 NEW PARAGRAPH f. An initial license as an appraiser in
 55 23 this state.
 55 24 NEW PARAGRAPH g. An initial license as an umpire in this
 55 25 state.

CODE: Permits the Commissioner to require a State and national criminal history check on applicants for initial licenses as appraisers and umpires in the State.

55 26 Sec. 56. NEW SECTION 522F.1 DEFINITIONS.
 55 27 As used in this chapter, unless the context otherwise
 55 28 requires:
 55 29 1. "Adjuster" means a person licensed pursuant to chapter
 55 30 522C.
 55 31 2. "Amount of loss" means the monetary amount determined
 55 32 to be necessary to properly repair or replace damage related
 55 33 to the scope of a loss for a covered peril, and is limited to
 55 34 all applicable coverages for covered items associated with the
 55 35 claim.
 56 1 3. "Appraiser" means a person licensed as an appraiser
 56 2 pursuant to section 522F.4.
 56 3 4. "Appraiser list" means a list, maintained by the
 56 4 division, of all appraisers licensed by the division.
 56 5 5. "Claimant" means a person who makes a first-party claim
 56 6 under a policy of property and casualty insurance.
 56 7 6. "Commissioner" means the commissioner of insurance.
 56 8 7. "Disciplinary matter" means an individual is the subject
 56 9 of an investigation, complaint, pending administrative action,
 56 10 or other such action in any state.
 56 11 8. "First-party claim" means a claim filed by a named
 56 12 insured under an insurance policy against which a claim is
 56 13 made.
 56 14 9. "Good cause" means a legally sufficient reason including

CODE: Establishes definitions for the licensing and regulation of appraisers and umpires.

56 15 but not limited to any of the following:

56 16 a. A conflict of interest.

56 17 b. A lack of independence or an inability to competently or

56 18 promptly carry out the duties required under this chapter.

56 19 c. Any other reason that would reasonably be expected to

56 20 impair an appraisal.

56 21 10. "Immediate family" means an individual's parent,

56 22 sibling, child, grandchild, spouse, spouses of the individual's

56 23 children, or parents of the individual's spouse.

56 24 11. "Insured" means a person covered under an insurance

56 25 policy against which a claim is made.

56 26 12. "Insurer" means a person engaged in the business of

56 27 insurance and regulated under chapter 507A, 508, 512B, 515,

56 28 518, 518A, or 520.

56 29 13. "NIPR gateway" means the communication network developed

56 30 and operated by the national insurance producer registry that

56 31 links state insurance regulators with regulated entities to

56 32 facilitate the electronic exchange of adjuster information,

56 33 including but not limited to license applications, license

56 34 renewals, appointments, and terminations.

56 35 14. "Party" means an insurer or a claimant, including an

57 1 employee, contractor, and other representative of an insurer

57 2 or claimant.

57 3 15. "Person" means an individual or a business entity.

57 4 16. "Reinstatement" means the reinstatement of a suspended

57 5 license which was suspended in connection with a disciplinary

57 6 matter, and that has not expired or been terminated during the

57 7 suspension period.

57 8 17. "Reissuance" means the issuance of a new license

57 9 following the revocation of a license, the suspension and

57 10 subsequent termination of a license, or the forfeiture of a

57 11 license in connection with a disciplinary matter.

57 12 18. "Umpire" means a person licensed as an umpire pursuant

57 13 to section 522F.9.

57 14 19. "Umpire list" means a list, maintained by the division,

57 15 of all umpires licensed by the division.

57 16 Sec. 57. NEW SECTION 522F.2 RULES.

57 17 The commissioner may adopt rules pursuant to chapter 17A to

57 18 administer this chapter.

CODE: Permits the Commissioner to adopt administrative rules to administer new Iowa Code chapter 522F regarding licensing and regulation of appraisers and umpires.

57 19 Sec. 58. NEW SECTION 522F.3 APPRAISER'S LICENSE —
57 20 ELIGIBILITY.

57 21 1. A person shall not act as, or represent that the person
57 22 is, an appraiser in this state unless the person is licensed
57 23 under this chapter. A person that acts as an appraiser in this
57 24 state solely for a crop hail or multiperil crop insurance claim
57 25 shall not be subject to this chapter.

CODE: Prohibits a person from acting as an appraiser unless the person is licensed under new Iowa Code chapter 522F. A person acting as an appraiser in this State solely for a crop hail or multiperil crop insurance claim is not subject to new Iowa Code chapter 522F.

57 26 2. A person applying for an appraiser license shall submit
57 27 an application on a uniform individual application or a uniform
57 28 business entity application in the form and manner prescribed
57 29 by the commissioner.

CODE: Requires a person applying for an appraiser license to complete a uniform application as prescribed by the Commissioner.

57 30 3. To be eligible for licensure under this chapter, a person
57 31 shall meet all of the following criteria:
57 32 a. Have experience or training in building construction,
57 33 repair, or estimating property damage.
57 34 b. Unless waived by the commissioner based on the person's
57 35 other professional qualifications, have a minimum of three
58 1 years' experience as any of the following:
58 2 (1) A professional engineer licensed under chapter 542B or
58 3 similarly licensed in another state.
58 4 (2) An architect licensed under chapter 544A or similarly
58 5 licensed in another state.
58 6 (3) An adjuster licensed under chapter 522C or similarly
58 7 licensed in another state.
58 8 (4) A residential contractor as defined in section 103A.71.
58 9 (5) A contractor registered under chapter 91C or similarly
58 10 registered in another state.
58 11 c. (1) Pass a written examination as prescribed by
58 12 the division. The examination shall test the knowledge of
58 13 a person concerning the appraisal process, the duties and
58 14 responsibilities of an appraiser, and the insurance laws and
58 15 rules of this state. Examination results shall be valid for
58 16 ninety calendar days from the date of examination.
58 17 (2) An individual who concurrently applies for an appraiser
58 18 license, and a license as an adjuster under chapter 522C, may
58 19 choose to take a joint examination conducted as prescribed by
58 20 the division. The joint examination shall test the knowledge
58 21 of the individual concerning the duties and responsibilities
58 22 of an adjuster and of an appraiser, and the insurance laws

CODE: Requires a person applying for an appraiser license to meet enumerated requirements, including possessing specified experience or training, passing a written examination prescribed by the IID, and possessing the requisite character and competence, as determined by the IID. An individual who concurrently applies for an adjuster license and an appraiser license may take a joint examination and receive both licenses.

58 23 and administrative rules of this state. An individual who
 58 24 successfully passes a joint examination, and who meets all
 58 25 other requirements for licensure as an appraiser, and as an
 58 26 adjuster under chapter 522C, shall be licensed as both an
 58 27 adjuster and as an appraiser.
 58 28 d. Have the requisite character and competence, as
 58 29 determined by the division.

58 30 4. To determine an applicant's eligibility for licensure,
 58 31 the commissioner may require a criminal history check pursuant
 58 32 to section 522B.5A.

58 33 Sec. 59. NEW SECTION 522F.4 APPRAISERS — LICENSURE,
 58 34 LICENSE RENEWAL, AND FEES.

58 35 1. A person who meets the requirements under section 522F.3,
 59 1 unless otherwise denied licensure pursuant to section 522F.20,
 59 2 shall be issued an appraiser license that is valid for two
 59 3 years from the date of issue.

59 4 2. Any applicable fee for a criminal history check pursuant
 59 5 to section 522B.5A.

59 6 3. The fee for an initial appraiser license, or renewal of
 59 7 an appraiser license, shall be fifty dollars for a two-year
 59 8 license. An applicant who concurrently applies for both an
 59 9 appraiser license, and a license as an adjuster under chapter
 59 10 522C, shall only be required to pay the fee required under this
 59 11 chapter or the fee required under chapter 522C.

59 12 4. The fee for reinstatement of an expired appraiser license
 59 13 shall be one hundred dollars.

59 14 5. The fee for a reinstatement or reissuance of an appraiser
 59 15 license suspended or revoked due to a disciplinary action shall
 59 16 be one hundred dollars.

59 17 6. An appraiser's license shall contain the licensee's
 59 18 name, business address, appraisal license number, the date of
 59 19 issuance, the expiration date, and any other information the
 59 20 division deems necessary.

59 21 7. An appraiser licensed under this chapter shall be
 59 22 required to complete continuing education requirements, as
 59 23 prescribed by the division, to be eligible for license renewal
 59 24 or reinstatement.

59 25 8. An appraiser licensed under this chapter shall inform
 59 26 the division, in the manner and form specified by the division,
 59 27 of a change of legal name or business address within thirty

CODE: Permits the Commissioner to require a criminal history check pursuant to Iowa Code section [522B.5A](#).

CODE: Provides that a person who meets the requirements under new Iowa Code section 522F.3, unless otherwise denied licensure, is to be issued an appraiser license that is valid for two years. Sets the following fees for a license as an appraiser:

- Any applicable fee for a criminal history check pursuant to Iowa Code section 522B.5A.
- \$50 for an initial or a renewal of an appraiser license for two years.
- \$100 for the reinstatement of an expired appraiser license.
- \$100 for the reinstatement or reissuance of an appraiser license suspended or revoked due to a disciplinary action.
- An applicant who concurrently applies for both an appraiser license and an adjuster license will only pay one fee of \$50.

Requires an appraiser's license to include specific information. Requires appraisers licensed under new Iowa Code chapter 522F to complete continuing education requirements, as prescribed by the IID. Requires appraisers licensed under new Iowa Code chapter 522F to inform the IID of a change of legal name or business address, failure of which may result in penalties pursuant to new Iowa Code section 522F.20. Requires the IID to publish on the IID's website an appraiser's list with specific information available. Requires a business entity to designate a licensed individual as responsible for the business to receive approval for licensure from the Commissioner.

59 28 calendar days of the change. Failure to timely inform the
 59 29 division may result in a penalty as specified in section
 59 30 522F.20.
 59 31 9. The division shall publish an appraiser list on the
 59 32 division's internet site in a manner readily available to the
 59 33 public. The appraiser list shall include all of the following
 59 34 information for each licensed appraiser:
 59 35 a. The business telephone number, business mailing address,
 60 1 business email address, and the county and state of residence
 60 2 of the appraiser as provided to the division by the appraiser
 60 3 for licensure.
 60 4 b. The appraiser's area of training or expertise.
 60 5 c. The date of the appraiser's initial licensure and the
 60 6 date the license expires.
 60 7 10. Prior to approving a business entity's application for
 60 8 a license as an appraiser, the commissioner shall find that the
 60 9 business entity has designated an individual appraiser licensed
 60 10 in this state to be responsible for the business entity's
 60 11 compliance with the insurance laws and rules of this state.

60 12 Sec. 60. NEW SECTION 522F.5 APPRAISER LICENSE
 60 13 REINSTATEMENT — NOT RELATED TO DISCIPLINARY ACTION.

60 14 1. An appraiser may apply for reinstatement of an expired
 60 15 license up to one year after the license expiration date
 60 16 by submitting a request through the NIPR gateway, paying a
 60 17 reinstatement fee and a license renewal fee, and submitting
 60 18 evidence to the division that the appraiser met the continuing
 60 19 education requirements under section 522F.4. An appraiser who
 60 20 fails to apply for license reinstatement within one year of the
 60 21 date of expiration of the appraiser's license must apply for
 60 22 a new license.
 60 23 2. An appraiser who surrendered a license, not in connection
 60 24 with a disciplinary matter, and stated an intent to exit the
 60 25 appraiser business may file a request with the division to
 60 26 reactivate the appraiser license. The request must be received
 60 27 by the division within ninety calendar days of the date the
 60 28 appraiser's license was placed on inactive status. The request
 60 29 shall be granted if the former appraiser is otherwise eligible
 60 30 to receive an appraiser license. If the appraiser's request to
 60 31 reactivate the license is not received within ninety calendar
 60 32 days of the date the appraiser's license was placed on inactive
 60 33 status, the appraiser must apply for a new license.

CODE: Provides guidelines for appraisers not in connection with a disciplinary matter to apply for reinstatement, new licenses, and reactivation.

60 34 3. An appraiser whose license is suspended, revoked,
 60 35 or forfeited in connection with a disciplinary matter, or
 61 1 forfeited in lieu of compliance, shall not be eligible for
 61 2 reinstatement under this section and must follow the procedures
 61 3 in section 522F.22.

61 4 Sec. 61. NEW SECTION 522F.6 APPRAISERS — PAYMENT.

61 5 1. Each party to an appraisal shall be responsible for the
 61 6 following:
 61 7 a. The party's own appraiser's fees and expenses.
 61 8 b. An equal share of all reasonable and necessary fees and
 61 9 expenses incurred by an umpire, if necessary.
 61 10 c. An equal share of all reasonable and necessary costs
 61 11 incurred in the course of conducting the appraisal.
 61 12 2. An appraiser shall not charge any party on a basis
 61 13 dependent on the outcome of the written itemized award, or
 61 14 charge in a manner that relies on a barter arrangement, gift,
 61 15 favor, or in-kind exchange.
 61 16 3. An appraiser shall not charge, and is not entitled to,
 61 17 a fee, compensation, deposit, or other type of consideration
 61 18 if the appraiser abandons the appraisal prior to the umpire
 61 19 issuing a written itemized award.

CODE: Sets responsibilities for payment by parties to an appraisal, including the distribution of appraiser fees and expenses, umpire fees and expenses, and appraisal costs incurred in the course of conducting the appraisal. Prohibits certain appraiser charges.

61 20 Sec. 62. NEW SECTION 522F.7 APPRAISERS — STANDARDS OF
 61 21 CONDUCT.

61 22 1. An appraiser shall act with due diligence, including but
 61 23 not limited to demonstrating accuracy, fairness, and timeliness
 61 24 throughout an appraisal process.
 61 25 2. a. (1) No later than five business days after being
 61 26 hired by a party to an appraisal and before beginning work as
 61 27 an appraiser, an appraiser shall disclose to all parties to the
 61 28 appraisal any potential conflict of interest.
 61 29 (2) An appraiser shall not engage in any act or practice
 61 30 that is a conflict of interest during the appraisal.
 61 31 (3) If a conflict of interest arises after the start of the
 61 32 appraisal process, an appraiser shall disclose the conflict of
 61 33 interest to the parties and shall withdraw from the appraisal
 61 34 process no more than five business days after the conflict of
 61 35 interest arose.
 62 1 b. A conflict of interest shall include but is not limited
 62 2 to all of the following:
 62 3 (1) An appraiser is a party to a lawsuit against any party

CODE: Establishes standards of conduct for appraisers. Includes requirements for accuracy, disclosure, timeliness, determinations of cash value, communication, and withdrawal. Includes prohibitions of conflicts of interest.

62 4 to an appraisal.

62 5 (2) An appraiser is a party to, or a member or employee
62 6 of a law firm that represents a party to, a current lawsuit
62 7 involving an insurer that is a party to the appraisal.

62 8 (3) An appraiser has personally investigated, prosecuted,
62 9 or advocated in connection with the appraisal.

62 10 (4) An appraiser has acted as counsel to any party to
62 11 an appraisal within the two years immediately preceding the
62 12 appraisal.

62 13 (5) An appraiser has a personal financial interest in the
62 14 outcome of the appraisal or any other significant interest
62 15 that could be substantially affected by the outcome of the
62 16 appraisal.

62 17 (6) A member of an appraiser's immediate family is any of
62 18 the following:

62 19 (a) A party to the appraisal, or an officer, director, or
62 20 trustee of a party.

62 21 (b) A current employee of an appraiser or an adjuster to the
62 22 appraisal.

62 23 (c) A business entity licensed as an adjuster that adjusted
62 24 the loss at issue in the appraisal.

62 25 (d) Known to have an interest that could be substantially
62 26 affected by the outcome of the appraisal.

62 27 (e) An immediate family member that has a legally sufficient
62 28 reason that requires the appraiser to withdraw from the
62 29 appraisal.

62 30 3. An appraiser shall postpone an appraisal for a reasonable
62 31 amount of time if any party demonstrates reasonable cause for
62 32 a postponement. The appraiser shall notify all parties if
62 33 the appraisal process is postponed. An appraiser's failure
62 34 to timely notify all parties may result in a penalty under
62 35 sections 522F.20 and 522F.21.

63 1 4. In the course of an appraisal, an appraiser shall
63 2 consider all information provided by the parties and any
63 3 other reasonably available evidence that is material to the
63 4 appraisal.

63 5 5. In the course of an appraisal, an appraiser shall
63 6 carefully decide all issues submitted for determination of the
63 7 amount of loss and actual cash value.

63 8 6. In the course of an appraisal, an appraiser shall provide
63 9 all parties a fair and reasonable itemized written appraisal
63 10 detailing the amount of loss and actual cash value.

63 11 7. In the course of an appraisal, an appraiser shall ensure
 63 12 the appraiser's party is reasonably informed of all updates
 63 13 throughout the appraisal process.

63 14 8. An appraiser shall not permit outside influence to affect
 63 15 an appraisal.

63 16 9. An appraiser shall not allow a person other than the
 63 17 umpire for the appraisal to determine differences between the
 63 18 actual cash value and the amount of loss of each item on the
 63 19 appraisal.

63 20 10. a. An appraiser shall not communicate directly or
 63 21 indirectly with any of the following:

63 22 (1) An opposing party or representative of the opposing
 63 23 party other than the opposing party's appraiser.

63 24 (2) The umpire, unless reasonable notice and opportunity
 63 25 to participate in the communication is provided to an opposing
 63 26 appraiser.

63 27 b. Notwithstanding paragraph "a", an appraiser may
 63 28 communicate with an opposing party or an umpire in order to do
 63 29 any of the following:

63 30 (1) Identify the party's counsel or experts.

63 31 (2) Discuss logistical matters, including the time and
 63 32 place of a meeting or to make arrangements for the conduct
 63 33 of the appraisal. The appraiser initiating contact with the
 63 34 umpire shall promptly inform an opposing appraiser.

63 35 (3) If an opposing appraiser fails to participate in a
 64 1 meeting or conference call after receiving reasonable notice
 64 2 and opportunity to participate, or if all parties agree
 64 3 in writing in advance of a meeting or conference call, an
 64 4 appraiser may discuss a claim with the umpire.

64 5 11. An appraiser shall not act as, or have ever acted as, an
 64 6 adjuster or umpire on the same claim.

64 7 12. An appraiser shall not withdraw or abandon an appraisal
 64 8 unless compelled by unforeseen circumstances that would render
 64 9 it impossible or impracticable for the appraiser to continue.

64 10 13. During the appraisal process, an appraiser may hire
 64 11 an outside expert to provide subject matter expertise as
 64 12 necessary.

64 13 Sec. 63. NEW SECTION 522F.8 UMPIRE LICENSE — ELIGIBILITY.

64 14 1. An individual shall not act as, or represent that the
 64 15 individual is, an umpire in this state unless the individual
 64 16 is licensed under this chapter. An individual that acts as an

CODE: Prohibits a person from acting as an umpire unless the person is licensed under new Iowa Code chapter 522F. A person acting as an umpire in this State solely for a crop hail or

64 17	umpire in this state solely for a crop hail or multiperil crop	multiperil crop insurance claim is not subject to new Iowa Code chapter 522F.
64 18	insurance claim shall not be subject to this chapter.	
64 19	2. An individual applying for an umpire license shall submit	CODE: Requires a person applying for an umpire license to complete a uniform application as prescribed by the Commissioner.
64 20	an application on a uniform individual application in the form	
64 21	and manner prescribed by the commissioner.	
64 22	3. To be eligible for licensure under this chapter, an	CODE: Requires a person applying for an umpire license to meet enumerated requirements, including possessing specified experience, passing a written examination prescribed by the IID, and possessing the requisite character and competence, as determined by the IID.
64 23	individual shall meet all of the following criteria:	
64 24	a. Unless waived by the commissioner based on the	
64 25	individual's other professional qualifications, have a minimum	
64 26	of three years' experience as any of the following:	
64 27	(1) A professional engineer licensed under chapter 542B or	
64 28	similarly licensed in another state.	
64 29	(2) An architect licensed under chapter 544A or similarly	
64 30	licensed in another state.	
64 31	(3) An adjuster licensed under chapter 522C or similarly	
64 32	licensed in another state.	
64 33	(4) An appraiser licensed under this chapter or similarly	
64 34	licensed in another state.	
64 35	(5) An attorney licensed in this state, or another state,	
65 1	with experience in first-party property damage litigation.	
65 2	(6) An insurance regulator.	
65 3	b. Pass a written examination as prescribed by the	
65 4	division. The examination shall test the knowledge of the	
65 5	individual concerning the appraisal process, the duties and	
65 6	responsibilities of an umpire, and the insurance laws and rules	
65 7	of this state. Examination results shall be valid for ninety	
65 8	calendar days from the date of examination.	
65 9	c. Have the requisite character and competence, as	
65 10	determined by the division.	
65 11	4. To determine an applicant's eligibility for licensure,	CODE: Permits the Commissioner to require a criminal history check pursuant to Iowa Code section 522B.5A .
65 12	the commissioner may require a criminal history check pursuant	
65 13	to section 522B.5A.	
65 14	Sec. 64. NEW SECTION 522F.9 UMPIRES — LICENSURE, LICENSE	CODE: Provides that a person who meets the requirements under new Iowa Code section 522F.8, unless otherwise denied licensure, is to be issued an umpire license that is valid for two years. Sets the following fees for a license as an umpire:
65 15	RENEWAL, AND FEES.	
65 16	1. An individual who meets the requirements of section	
65 17	522F.8, unless otherwise denied licensure pursuant to section	
65 18	522F.20, shall be issued an umpire license that is valid for	

65 19 two years from the date of issue.

65 20 2. Any applicable fee for a criminal history check pursuant

65 21 to section 522B.5A.

65 22 3. The fee for an initial umpire license, or renewal of an

65 23 umpire license, shall be fifty dollars for a two-year license.

65 24 4. The fee for reinstatement of an expired umpire license

65 25 shall be one hundred dollars.

65 26 5. The fee for a reinstatement or reissuance of an umpire

65 27 license suspended or revoked due to a disciplinary action shall

65 28 be one hundred dollars.

65 29 6. An umpire's license shall contain the licensee's name,

65 30 business address, umpire license number, the date of issuance,

65 31 the expiration date, and any other information the division

65 32 deems necessary.

65 33 7. An umpire licensed under this chapter shall be required

65 34 to complete continuing education requirements, as prescribed

65 35 by the division to be eligible for license renewal or

66 1 reinstatement.

66 2 8. An umpire licensed under this chapter shall inform the

66 3 division, in the manner and form specified by the division,

66 4 of a change of legal name or business address within thirty

66 5 calendar days of the change. Failure to timely inform the

66 6 division may result in a penalty as specified in sections

66 7 522F.20 and 522F.21.

66 8 9. The division shall publish an umpire list on the

66 9 division's internet site in a manner that is readily available

66 10 to the public. The umpire list shall include all of the

66 11 following information for each licensed umpire:

66 12 a. The business telephone number, business mailing address,

66 13 business email address, and the county and state of residence

66 14 of the umpire as provided to the division by the umpire for

66 15 licensure.

66 16 b. The umpire's area of training and expertise.

66 17 c. The date of the umpire's initial licensure and the date

66 18 the license expires.

66 19 Sec. 65. NEW SECTION 522F.10 UMPIRE LICENSE REINSTATEMENT

66 20 — NOT RELATED TO DISCIPLINARY ACTION.

66 21 1. An umpire may apply for reinstatement of an expired

66 22 license up to one year after the license expiration date

66 23 by submitting a request through the NIPR gateway, paying a

66 24 reinstatement fee, and submitting evidence to the division that

- Any applicable fee for a criminal history check pursuant to Iowa Code section 522B.5A.
- \$50 for an initial or a renewal of an umpire license for two years.
- \$100 for the reinstatement of an expired umpire license.
- \$100 for the reinstatement or reissuance of an umpire license suspended or revoked due to a disciplinary action.

Requires an umpire's license to include specific information.
 Requires umpires licensed under new Iowa Code chapter 522F to complete continuing education requirements, as prescribed by the IID. Requires umpires licensed under new Iowa Code chapter 522F to inform the IID of a change of legal name or business address, failure of which may result in penalties pursuant to new Iowa Code sections 522F.20 and 522F.21.
 Requires the IID to publish on the IID's website an umpire's list with specific information available.

CODE: Provides guidelines for umpires not in connection with a disciplinary matter to apply for reinstatement, new licenses, and reactivation.

66 25 the umpire met the continuing education requirements under
 66 26 section 522F.9. An umpire who fails to apply for license
 66 27 reinstatement within one year of the date of expiration of the
 66 28 umpire's license must apply for a new license.

66 29 2. An umpire who surrendered a license, not in connection
 66 30 with a disciplinary matter, and stated an intent to exit the
 66 31 umpire business, may file a request with the division to
 66 32 reactivate the umpire license. The request must be received
 66 33 by the division within ninety calendar days of the date the
 66 34 umpire's license was placed on inactive status. The request
 66 35 shall be granted if the former umpire is otherwise eligible
 67 1 to receive an umpire license. If the umpire's request to
 67 2 reactivate the umpire's license is not received within ninety
 67 3 calendar days of the date the license was placed on inactive
 67 4 status, the umpire must apply for a new license.

67 5 3. An umpire whose license is suspended, revoked, or
 67 6 forfeited in connection with a disciplinary matter, or
 67 7 forfeited in lieu of compliance, shall not be eligible for
 67 8 reinstatement under this section and must follow the procedures
 67 9 in section 522F.22.

67 10 Sec. 66. NEW SECTION 522F.11 UMPIRES — PAYMENT.

67 11 1. In addition to the costs each party is responsible
 67 12 for under section 522F.6, each party to an appraisal that
 67 13 requires an umpire shall be responsible for an equal share of
 67 14 all reasonable and necessary fees and expenses incurred by the
 67 15 umpire.

67 16 2. If the parties settle before the appraisers direct the
 67 17 umpire to begin work, the umpire shall not charge a fee.

67 18 3. An umpire shall not charge any party on a basis dependent
 67 19 on the outcome of the written itemized award, or charge in a
 67 20 manner that relies on a barter arrangement, gift, favor, or
 67 21 in-kind exchange.

67 22 4. Prior to the conclusion of an appraisal process via
 67 23 final settlement, or issuance of a written itemized award by
 67 24 an umpire, an umpire shall not require, demand, or accept
 67 25 any fee, retainer, compensation, deposit, or other type of
 67 26 consideration, unless the loss is being handled by the umpire
 67 27 on a time-plus-expense basis.

67 28 5. An umpire shall not charge, and is not entitled to, a
 67 29 fee, compensation, deposit, or other type of consideration if
 67 30 the umpire abandons the appraisal prior to the umpire issuing a

CODE: Sets responsibilities for payment by parties to an appraisal that requires an umpire, including the distribution of an equal share of umpire fees and expenses. Prohibits certain umpire fees and charges. Permits umpires to handle loss on a time-plus-expense basis.

67 31 written itemized award.

67 32 Sec. 67. NEW SECTION 522F.12 UMPIRES — OBJECTIONS.

67 33 A party or appraiser that objects for good cause to a
 67 34 selected umpire within the time limit specified in section
 67 35 522F.14, subsection 3, paragraph “b”, shall send the objection
 68 1 to all parties involved in the appraisal and, if applicable, to
 68 2 the judge who appointed the umpire from the umpire list under
 68 3 section 522F.14, subsection 3, paragraph “d”. A copy of the
 68 4 objection shall be sent to the division electronically in the
 68 5 form and manner prescribed by the commissioner. The objection
 68 6 shall include all of the following information:
 68 7 1. The names of all parties involved in the dispute.
 68 8 2. The name of the person submitting the objection.
 68 9 3. The insurer’s claim number.
 68 10 4. The name of the umpire that the party or appraiser
 68 11 objects to.
 68 12 5. An explanation of the good cause basis for the objection.

CODE: Establishes requirements for objections to umpires, including sending the objection to all parties involved in the appraisal and, if applicable, to the judge who appointed the umpire. Requires that a copy of the objection be sent to the IID in the manner prescribed by the Commissioner and include certain information, including names, the insurer's claim number, and an explanation of the basis for the objection.

68 13 Sec. 68. NEW SECTION 522F.13 UMPIRES — STANDARDS OF
 68 14 CONDUCT.

68 15 1. An umpire shall act with due diligence, including but
 68 16 not limited to demonstrating accuracy, fairness, and timeliness
 68 17 throughout an appraisal process.
 68 18 2. a. (1) No later than three business days after being
 68 19 hired by the parties to an appraisal and before beginning work
 68 20 as an umpire to the appraisal, an umpire shall disclose to all
 68 21 parties to the appraisal any potential conflict of interest.
 68 22 If a conflict of interest exists, the umpire shall withdraw
 68 23 from the appraisal.
 68 24 (2) An umpire shall not engage in any act or practice that
 68 25 is a conflict of interest during the appraisal.
 68 26 (3) If a conflict of interest arises after the start of an
 68 27 appraisal process, an umpire shall disclose the conflict of
 68 28 interest to the parties and shall withdraw from the appraisal
 68 29 process.
 68 30 b. A conflict of interest shall include but is not limited
 68 31 to the following:
 68 32 (1) An umpire is a party to a lawsuit against any party to
 68 33 an appraisal.
 68 34 (2) An umpire is a party to, or a member or employee of
 68 35 a law firm that represents a party to, a current lawsuit

CODE: Establishes standards of conduct for umpires. Includes requirements for due diligence, accuracy, disclosure, timeliness, withdrawal, written contract, payment of costs, fairness, and communication. Includes prohibitions of conflicts of interest.

- 69 1 involving an insurer that is party to the appraisal.
- 69 2 (3) An umpire has a personal open claim involving an insurer
- 69 3 that is a party to the appraisal.
- 69 4 (4) An umpire has a personal bias or prejudice against a
- 69 5 party.
- 69 6 (5) An umpire has personally investigated, prosecuted, or
- 69 7 advocated in connection with the appraisal.
- 69 8 (6) An umpire has acted as counsel to any party to an
- 69 9 appraisal within the two years immediately preceding the
- 69 10 appraisal.
- 69 11 (7) An umpire has a personal financial interest in the
- 69 12 outcome of the appraisal or any other significant interest
- 69 13 that could be substantially affected by the outcome of the
- 69 14 appraisal.
- 69 15 (8) A member of an umpire's immediate family is any of the
- 69 16 following:
- 69 17 (a) A party to the appraisal, or an officer, director, or
- 69 18 trustee of a party.
- 69 19 (b) A current employee of an appraiser or an adjuster to the
- 69 20 appraisal.
- 69 21 (c) A business entity licensed as an adjuster that adjusted
- 69 22 the loss at issue in the appraisal.
- 69 23 (d) Known to have an interest that could be substantially
- 69 24 affected by the outcome of the appraisal.
- 69 25 (e) An immediate family member that has a legally sufficient
- 69 26 reason that requires the umpire to withdraw from the appraisal.
- 69 27 3. Prior to beginning work as an umpire, an umpire shall
- 69 28 enter into a written contract with all parties to the appraisal
- 69 29 that requires the parties and the umpire to comply with this
- 69 30 section, and provides that each party shall pay costs as
- 69 31 required under section 522F.11.
- 69 32 4. An umpire shall not begin work on a claim until the
- 69 33 umpire receives each appraiser's differences in actual cash
- 69 34 value and amount of loss of each item of the claim, and written
- 69 35 approval from the parties for the umpire to begin work.
- 70 1 5. No later than three business days after receiving notice
- 70 2 of selection for an appraisal, an umpire shall send notice
- 70 3 to the parties and the appraisers that includes all of the
- 70 4 following:
- 70 5 a. A statement informing each party if the umpire is insured
- 70 6 by an insurer.
- 70 7 b. A statement informing each party of the party's

70 8 respective right to object to the umpire under section 522F.12.
70 9 6. An umpire shall address only issues in an appraisal that
70 10 the appraisers disagree on.
70 11 7. An umpire shall review all information submitted by the
70 12 appraisers and parties related to the dispute, including but
70 13 not limited to the itemized appraisals or estimates, supporting
70 14 documents, photographs, and diagrams. The umpire shall review
70 15 the differences between what each appraiser submitted and seek
70 16 agreement by the appraisers regarding the disputed issues.
70 17 8. An umpire shall allow each appraiser to a claim a fair
70 18 opportunity to present evidence and arguments regarding the
70 19 appraisal.
70 20 9. An umpire shall ask questions, or request documents or
70 21 other evidence, as the umpire deems necessary in the course of
70 22 an appraisal.
70 23 10. An umpire may accept either appraiser's scope,
70 24 quantity, value, or cost regarding an item in dispute, or
70 25 develop an independent decision on each item in dispute.
70 26 11. An umpire shall decide all matters in an appraisal
70 27 fairly, and shall exercise independent judgment and integrity.
70 28 12. An umpire shall prepare and distribute a written
70 29 itemized award pursuant to section 522F.16.
70 30 13. An umpire shall not visit the claimant's damaged
70 31 property without consent from all appraisers.
70 32 14. An umpire shall not withdraw or abandon an appraisal
70 33 unless compelled by unforeseen circumstances that would render
70 34 it impossible or impracticable for the umpire to continue on a
70 35 claim.
71 1 15. An umpire shall not attend or participate in settlement
71 2 discussions unless requested to do so by all parties.
71 3 16. An umpire shall not permit outside influences to affect
71 4 an appraisal.
71 5 17. An umpire shall not delegate the umpire's duty to decide
71 6 a claim to any other person.
71 7 18. Unless reasonable notice and opportunity to participate
71 8 in a communication is provided to an opposing party and the
71 9 opposing party's appraiser, an umpire shall not communicate,
71 10 directly or indirectly, with any party or appraiser regarding a
71 11 pending appraisal.
71 12 19. Unless reasonable notice and opportunity to participate
71 13 in a communication is provided to all parties, an umpire shall
71 14 not communicate, directly or indirectly, with any party, a

71 15 representative of any party, or any other person with a direct
 71 16 or indirect interest in the claim, regarding an issue of fact
 71 17 or law in the appraisal.
 71 18 20. An umpire shall not act as, or have ever acted as, an
 71 19 adjuster or appraiser on the same claim.

71 20 Sec. 69. NEW SECTION 522F.14 APPRAISAL PROCESS.

71 21 1. This section provides for the appraisal process if all
 71 22 of the following apply:

71 23 a. The claimant's insurance policy is delivered, issued for
 71 24 delivery, or renewed in this state.

71 25 b. The property that is the subject of the claimant's
 71 26 claim is located in this state, or the dispute is subject to
 71 27 jurisdiction in this state.

71 28 c. A claimant gave proper notice to the claimant's insurer
 71 29 of a loss claim, and the claimant and insurer dispute the
 71 30 actual cash value of the scope of loss, or the amount of loss
 71 31 the insurer will pay, for the claimant's claim under the
 71 32 claimant's policy. The claimant and the insurer must both
 71 33 provide the other party with a scope of loss of a covered
 71 34 peril, including a list stating separately the actual cash
 71 35 value and the amount of claimed loss for each item.

72 1 d. The claimant or insurer demands in writing an appraisal.

72 2 2. Within twenty calendar days following either the
 72 3 claimant's or insurer's receipt of the other party's written
 72 4 demand for an appraisal, the claimant and the insurer
 72 5 shall each select an appraiser from the appraiser list.
 72 6 Upon selection, the appraiser shall attest in writing to
 72 7 the selecting party that the appraiser is competent and
 72 8 disinterested with regards to the appraisal in question.

72 9 3. a. Within fifteen calendar days of the selection of
 72 10 appraisers pursuant to subsection 2, both appraisers shall
 72 11 agree on an umpire from the umpire list.

72 12 b. A party or an appraiser may object to the agreed-upon
 72 13 umpire for good cause pursuant to section 522F.12 no later
 72 14 than five business days after the umpire has been selected. A
 72 15 replacement umpire from the umpire list shall then be agreed
 72 16 upon by both appraisers.

72 17 c. If both appraisers fail to agree on an umpire, either the
 72 18 claimant or insurer shall immediately provide written notice
 72 19 to the division, in the form and manner prescribed by the
 72 20 division, and the division shall randomly select an umpire from

CODE: Establishes the appraisal process, provided several conditions apply: the claimant's insurance policy be delivered, issued for delivery, or renewed in the State; the property of the claim be subject to jurisdiction in this State; the claimant gave proper notice to the claimant's insurer, there is a dispute, and the claimant and the insurer both provide the other party with a scope of loss of a covered peril; and a party demands an appraisal. Requires the claimant and insurer to each select an appraiser, who then agree on an umpire. Provides that each appraiser then appraise the loss, submit the amount of loss and supporting information to the umpire, and authorize the umpire to begin the umpire's work. Afterwards, the umpire must issue to the parties and each appraiser an itemized award of the loss including enumerated information related to the claim. Prior to this issuance, the parties may choose to settle.

72 21 the umpire list and notify the parties.
72 22 d. If either appraiser requests that an umpire be selected
72 23 by a judge in the state in which the property that is the
72 24 subject of the claim is located, a judge shall give deference
72 25 to the randomly selected umpire from the umpire list by the
72 26 division unless either the claimant or the insurer provides
72 27 good cause for the judge to make an alternative selection from
72 28 the umpire list.

72 29 4. Within forty-five calendar days from the date the
72 30 umpire is selected, both appraisers shall appraise the loss,
72 31 stating separately the actual cash value and the amount of
72 32 loss for each item. Each appraiser shall submit separately
72 33 the appraiser's actual cash value and amount of loss of each
72 34 item, along with any supporting information, to the umpire.
72 35 Each appraiser shall also submit written authorization for the
73 1 umpire to commence the umpire's work.

73 2 5. No later than forty-five calendar days after receipt of
73 3 the actual cash value and amount of loss under subsection 4,
73 4 the umpire shall prepare and provide to the parties and each
73 5 appraiser a written itemized award showing the actual cash
73 6 value and amount of loss. The written itemized award shall
73 7 include but is not limited to all of the following:

73 8 a. Contact information for each appraiser and the umpire.
73 9 b. The insured's policy number and the insured's claim
73 10 number.
73 11 c. The date of the insured's loss.
73 12 d. The type of covered peril that caused the loss.
73 13 e. The date the umpire commenced work.
73 14 f. The legal name of the insurer.
73 15 g. The physical address of the property on which the insured
73 16 made a claim.
73 17 h. The date of the umpire's written itemized award.
73 18 i. (1) A description and itemization of the final written
73 19 itemized award by coverage type, including but not limited to:
73 20 (a) Coverage A — dwelling.
73 21 (b) Coverage B — other structures.
73 22 (c) Coverage C — personal property.
73 23 (2) The description and itemization by coverage type shall
73 24 include contested items that have been resolved, sublimits,
73 25 and other disputed items. Items, including but not limited
73 26 to items with sublimits, shall be separately noted to avoid
73 27 ambiguity in the final written itemized award.

73 28 j. The signature of the umpire and at least one appraiser.
 73 29 6. Prior to the umpire issuing the written itemized award,
 73 30 the parties may agree to conclude the appraisal process when
 73 31 the parties reach a final settlement.

73 32 Sec. 70. NEW SECTION 522F.15 APPRAISAL CLAUSE.
 73 33 All property insurance policies delivered, issued for
 73 34 delivery, continued, or renewed in this state on or after
 73 35 January 1, 2026, shall contain an appraisal clause that
 74 1 complies with this chapter.

CODE: Requires all property insurance policies in this State on or after January 1, 2026, to contain an appraisal clause in compliance with new Iowa Code chapter 522F.

74 2 Sec. 71. NEW SECTION 522F.16 APPRAISAL AWARD.
 74 3 1. An appraiser and umpire shall act with due diligence in
 74 4 achieving an appraisal award.
 74 5 2. An insurer's payment of an appraisal award to an insured
 74 6 shall be subject to the limits of coverage, and other terms and
 74 7 conditions of the insured's policy, including reductions for
 74 8 deductibles and prior payments. The insurer shall provide the
 74 9 insured with an itemized and detailed written explanation of
 74 10 the payment of the settlement, including an explanation of any
 74 11 item that is specifically denied under the terms of the policy.
 74 12 Unless otherwise agreed upon by the parties in writing, an
 74 13 appraisal award shall be binding and paid by the insurer
 74 14 within sixty calendar days of the written itemized award being
 74 15 submitted to the insurer.
 74 16 3. An insurer's motion to vacate an appraisal award for good
 74 17 cause shall be filed within thirty calendar days from the date
 74 18 the insurer receives the written itemized award in the court
 74 19 of record.

CODE: Requires appraisers and umpires to act with due diligence to achieve an appraisal award. An insurer's payment of an appraisal award to an insured must be subject to the limits of coverage and other terms of the insured's policy. Unless otherwise agreed, an appraisal award will be binding and paid by the insurer within 60 days of the itemized award being submitted to the insurer. Requires an insurer's motion to vacate an appraisal award for good cause within 30 days of receiving the itemized award.

74 20 Sec. 72. NEW SECTION 522F.17 REPORTING OF ACTIONS.
 74 21 1. An appraiser or umpire shall report to the commissioner
 74 22 any administrative action taken against the appraiser or umpire
 74 23 in another jurisdiction or by another administrative agency in
 74 24 this state within thirty calendar days of the final disposition
 74 25 of the matter. This report shall include a copy of the order,
 74 26 consent to the order, and other relevant legal documents.
 74 27 2. Within thirty calendar days of the initial pretrial
 74 28 hearing date, an appraiser or umpire shall report to the
 74 29 commissioner any criminal prosecution of the appraiser or
 74 30 umpire taken in any jurisdiction. The report shall include a
 74 31 copy of the initial complaint filed, the order resulting from

CODE: Requires an appraiser or umpire to report to the Commissioner any administrative action or criminal prosecution taken against the appraiser or umpire in any jurisdiction or by another agency in this State within 30 days. Requires the report to include a copy of the order among other relevant legal documents. An appraiser or umpire who willfully fails to comply with new Iowa Code section 522F.17 is subject to penalty pursuant to new Iowa Code section 522F.20.

74 32 the hearing, and any other relevant legal documents.
 74 33 3. An appraiser or umpire who willfully fails to comply with
 74 34 this section is subject to penalty under section 522F.20.

74 35 Sec. 73. NEW SECTION 522F.18 RECORDS — APPRAISERS AND
 75 1 UMPIRES.

75 2 1. An appraiser or umpire shall have a continuing duty and
 75 3 obligation to keep, at the appraiser's or umpire's place of
 75 4 business, usual and customary records pertaining to appraisals
 75 5 undertaken by the appraiser or umpire. All such records
 75 6 shall be kept available for inspection by the commissioner or
 75 7 the commissioner's agent during regular business hours. The
 75 8 commissioner or the commissioner's agent shall not be entitled
 75 9 to inspect any records prepared in anticipation of litigation
 75 10 or that are subject to any privilege recognized in chapter 622.
 75 11 Such records shall be maintained for a minimum of three years
 75 12 following the date of final claim resolution.

75 13 2. An appraiser or umpire who willfully fails to comply with
 75 14 this section is subject to penalty under section 522F.20.

75 15 Sec. 74. NEW SECTION 522F.19 HEARINGS — SERVICE OF
 75 16 PROCESS, ATTENDANCE OF WITNESSES, AND PRODUCTION OF DOCUMENTS.

75 17 1. Whenever the commissioner believes that a person has
 75 18 been engaged, or is engaging, in a violation of this chapter
 75 19 or a rule adopted or an order issued under this chapter, and
 75 20 that a proceeding by the commissioner would be in the public
 75 21 interest, the commissioner shall issue and serve upon the
 75 22 person a statement of the charges and a notice of a hearing on
 75 23 the charges to be held at the time and place set in the notice,
 75 24 which shall not be less than ten business days after the date
 75 25 of service of such notice.

75 26 2. At the time and place of such hearing, the person shall
 75 27 have an opportunity to be heard and to show cause why an order
 75 28 should not be made by the commissioner requiring the person to
 75 29 cease and desist from the violation of the chapter, rule, or
 75 30 order. Upon a showing of good cause, the commissioner shall
 75 31 permit any person, by counsel or in person, to intervene,
 75 32 appear, and be heard at such hearing.

75 33 3. A hearing under this section shall not be required to
 75 34 observe formal rules of pleading or evidence.

75 35 4. The commissioner, at a hearing under this section, may
 76 1 administer oaths, examine and cross-examine witnesses, receive

CODE: Provides that an appraiser or umpire has a duty and obligation to maintain appraisal records for three years and that the records must be kept available for inspection by the Commissioner or the Commissioner's agent during regular business hours. The Commissioner or the Commissioner's agent is not entitled to inspect records prepared in anticipation of litigation or that are subject to any privilege recognized in Iowa Code chapter 622 (Evidence). Failure to comply with new Iowa Code section 522F.18 may result in penalties.

CODE: Provides that whenever the Commissioner believes a violation of new Iowa Code chapter 522F has occurred and a proceeding would be in the public interest, the Commissioner is to issue and serve a statement of the charges and a notice of a hearing to the person believed to be committing any violations. Provides standards for the operation of the hearing, including standards regarding who may be heard, rules for the hearing, stenographic records production, judicial review, orders to comply, applicable punishment, and proof of service.

76 2 oral and documentary evidence, and may subpoena witnesses,
 76 3 compel their attendance, and require the production of books,
 76 4 papers, records, correspondence, or other documents which the
 76 5 commissioner deems relevant. The commissioner may, and upon
 76 6 the request of any party shall, cause to be made a stenographic
 76 7 record of the evidence and proceedings of a hearing under this
 76 8 section. If no stenographic record is made and if a judicial
 76 9 review is sought, the commissioner shall prepare a statement
 76 10 of the evidence and proceeding for use on review. If a person
 76 11 refuses to comply with a subpoena issued under this section,
 76 12 or to testify to a matter for which the person may lawfully be
 76 13 interrogated, the district court of Polk county or the district
 76 14 court of the county where the person resides, on application of
 76 15 the commissioner, may issue an order requiring such person to
 76 16 comply with such subpoena or to testify. Failure of a person
 76 17 to obey such order of the court may be punished by the court as
 76 18 contempt.

76 19 5. Statements of charges, notices, orders, subpoenas, and
 76 20 other processes of the commissioner under this chapter may be
 76 21 served by anyone authorized by the commissioner, either in the
 76 22 manner provided by law for service of process in civil actions,
 76 23 or by mailing a copy by restricted certified mail to the person
 76 24 affected by the statement, notice, order, subpoena, or other
 76 25 process at the person's residence or principal office or place
 76 26 of business. The verified return by the person serving the
 76 27 statement, notice, order, subpoena, or other process, setting
 76 28 forth the manner of such service, shall be proof of service,
 76 29 and the return receipt for the statement, notice, order,
 76 30 subpoena, or other process, mailed by restricted certified
 76 31 mail, shall be proof of the service.

76 32 Sec. 75. NEW SECTION 522F.20 LICENSE DENIAL, NONRENEWAL,
 76 33 OR REVOCATION — PENALTIES.

76 34 1. The division may place on probation, suspend, revoke, or
 76 35 refuse to issue or renew an appraiser's license or an umpire's
 77 1 license, and may levy a civil penalty against an appraiser or
 77 2 umpire as provided in section 522F.21, for one or more of the
 77 3 following causes:

77 4 a. The appraiser or umpire provided incorrect, misleading,
 77 5 incomplete, or materially untrue information in a license
 77 6 application.

77 7 b. The appraiser or umpire violated an insurance law,

CODE: Permits the IID to take disciplinary actions, including the levy of a civil penalty, against an appraiser or umpire for one or more of the listed causes.

77 8 regulation, subpoena, or order of the commissioner or of a
77 9 commissioner of another state.

77 10 c. The appraiser or umpire obtained or attempted to obtain a
77 11 license through misrepresentation or fraud.

77 12 d. The appraiser or umpire improperly withheld,
77 13 misappropriated, or converted money or property received from
77 14 an insured in the course of doing business.

77 15 e. The appraiser or umpire was convicted of a felony.

77 16 f. The appraiser or umpire committed, or was found to have
77 17 committed, any unfair trade practice or fraud.

77 18 g. The appraiser or umpire used fraudulent, coercive,
77 19 or dishonest practices, or demonstrated incompetence,
77 20 untrustworthiness, or financial irresponsibility in the conduct
77 21 of business.

77 22 h. The appraiser or umpire had any professional license, or
77 23 its equivalent, denied, suspended, or revoked in this state or
77 24 any other state, province, district, or territory.

77 25 i. The appraiser or umpire forged another's name to any
77 26 document related to an appraisal.

77 27 j. The appraiser or umpire improperly used notes or any
77 28 other reference material to complete an examination for an
77 29 appraisal license or umpire license.

77 30 k. The appraiser knowingly negotiated as an appraiser with
77 31 an individual who is not, but is required to be, licensed as an
77 32 appraiser during an appraisal.

77 33 l. The umpire knowingly acted as an umpire during the
77 34 conduct of an appraisal with an individual who is not, but is
77 35 required to be, licensed as an appraiser during an appraisal.

78 1 m. The appraiser or umpire failed to comply with an
78 2 administrative or court order related to repayment of loans to
78 3 the college student aid commission.

78 4 n. The appraiser or umpire failed to pay state income tax or
78 5 comply with any administrative or court order directing payment
78 6 of state income tax.

78 7 o. The appraiser or umpire failed to comply with an
78 8 administrative or court order imposing a child support
78 9 obligation.

78 10 p. The appraiser or umpire failed or refused to cooperate
78 11 in an investigation conducted by the commissioner or the
78 12 commissioner's designee.

78 13 q. The appraiser or umpire used an appraiser license
78 14 or umpire license for the principal purpose of procuring,

78 15 receiving, or forwarding appraisals, or placing or affecting
 78 16 such appraisals, directly or indirectly, on or in connection
 78 17 with the property of the licensee or the property of a
 78 18 relative, employer, or employee of the licensee, or upon or in
 78 19 connection with property for which the licensee or a relative,
 78 20 employer, or employee of the licensee is an agent, custodian,
 78 21 vendor, bailee, trustee, or payee.

78 22 2. If the commissioner does not renew a license or denies an
 78 23 application for a license, the commissioner shall notify the
 78 24 applicant, appraiser, or umpire in writing of the reason for
 78 25 the nonrenewal of the license or denial of the application for
 78 26 a license. The applicant, appraiser, or umpire may request a
 78 27 hearing on the nonrenewal or denial. The applicant, appraiser,
 78 28 or umpire shall have thirty calendar days from the date of
 78 29 receipt of the notice to file a written request for a hearing.
 78 30 A hearing shall be conducted according to section 522F.19.

78 31 3. The license of an umpire, an appraiser, or an appraiser
 78 32 business entity may be suspended, revoked, placed on probation,
 78 33 or refused if the commissioner finds, after hearing, that an
 78 34 umpire's, appraiser's, or appraiser business entity's violation
 78 35 was known or should have been known by a partner, officer,
 79 1 or manager of the business entity and the violation was not
 79 2 reported to the commissioner and corrective action was not
 79 3 taken.

79 4 4. In addition to, or in lieu of, denial, probation,
 79 5 suspension, or revocation of a license under this section, an
 79 6 appraiser or umpire, after hearing, may be subject to a civil
 79 7 penalty as provided in section 522F.21.

79 8 5. The commissioner may enforce this chapter, may conduct
 79 9 an investigation of any suspected violation of this chapter,
 79 10 and may impose any penalty or remedy authorized by this chapter
 79 11 against any person who is under investigation for, or charged
 79 12 with, a violation of this chapter even if the person's license
 79 13 has been surrendered or has lapsed by operation of law.

79 14 6. a. All complaint files, investigation files,
 79 15 investigation reports, and other investigative information
 79 16 in the possession of the commissioner or the commissioner's
 79 17 agents that relates to appraiser or umpire discipline shall

CODE: Provides that if the Commissioner denies or does not renew an appraiser's or an umpire's license, the Commissioner is to notify the individual of the reason for the denial. Permits the applicant, appraiser, or umpire to request a hearing within 30 days of the notice. The hearing must be conducted according to new Iowa Code section 522F.19.

CODE: Permits the Commissioner to take disciplinary action with respect to the license of a business entity for a violation that was known or should have been known by a licensed partner, officer, or manager of the business entity if the violation was not reported to the Commissioner and corrective action was not taken.

CODE: Provides that an appraiser or umpire may also be subject to a civil penalty pursuant new Iowa Code section 522F.21.

CODE: Provides that the Commissioner may enforce, conduct an investigation of suspected violation of, and impose any penalty or remedy authorized by new Iowa Code chapter 522F against any person under investigation for, or charged with, a violation of new Iowa Code chapter 522F.

CODE: Provides that investigative information in the possession of the Commissioner or the Commissioner's agents that relates to appraiser or umpire discipline is privileged and confidential but may be disclosed at the Commissioner's discretion if the

79 18 be privileged and confidential, and shall not be subject
 79 19 to discovery, subpoena, or other means of legal compulsion
 79 20 for release to a person other than the appraiser or umpire,
 79 21 and shall not be admissible in evidence in a judicial or
 79 22 administrative proceeding other than the proceeding involving
 79 23 the appraiser or umpire discipline. A final written decision
 79 24 of the commissioner in a disciplinary proceeding shall be a
 79 25 public record.

79 26 b. Investigative information in the possession of the
 79 27 commissioner or the commissioner's agent that relates to
 79 28 appraiser or umpire discipline may be disclosed at the
 79 29 discretion of the commissioner. The commissioner may
 79 30 share documents, materials, or other information, including
 79 31 confidential and privileged documents, materials, or
 79 32 information under this subsection with other state, federal,
 79 33 and international regulatory agencies, with NAIC and its
 79 34 affiliates or subsidiaries, and with state, federal, and
 79 35 international law enforcement authorities, provided that the
 80 1 recipient agrees to maintain the confidentiality and privileged
 80 2 status of the document, material, or other information.
 80 3 c. If the investigative information in the possession of the
 80 4 commissioner or the commissioner's agents indicates a crime has
 80 5 been committed, the information shall be reported to the proper
 80 6 law enforcement agency.

80 7 7. a. Pursuant to section 17A.19, subsection 6, upon an
 80 8 appeal by the appraiser or umpire, the commissioner shall
 80 9 transmit the entire record of the contested case to the
 80 10 reviewing court.

80 11 b. Notwithstanding section 17A.19, subsection 6, if a
 80 12 waiver of privilege has been involuntary and evidence has been
 80 13 received at a disciplinary hearing, the court shall issue
 80 14 an order to withhold the identity of the individual whose
 80 15 privilege was waived.

80 16 Sec. 76. NEW SECTION 522F.21 CIVIL AND CRIMINAL PENALTIES.

80 17 1. a. Upon a determination by the commissioner, after
 80 18 a hearing conducted pursuant to chapter 17A, that a person
 80 19 violated this chapter, the commissioner shall reduce the
 80 20 findings of the hearing to writing and deliver a copy of the
 80 21 findings to the person.

80 22 b. Upon a determination by the commissioner that a person

recipient maintains the privileged status and confidentiality of the information. If the investigative information indicates a crime has been committed, the information must be reported to the proper law enforcement agency. A final written decision of the Commissioner is public record.

CODE: Pursuant to the IAPA, upon appeal by the appraiser or umpire, requires the Commissioner to transmit the entire record of the contested case to the reviewing court. Notwithstanding the IAPA, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, requires the court to issue an order to withhold the identity of the individual.

CODE: Requires the Commissioner to provide a written copy of a hearing of a violation of new Iowa Code chapter 522F to the violating person. Permits the Commissioner to take any listed action towards a person who is violating, or is about to violate, new Iowa Code chapter 522F.

80 23 has engaged, is engaging, or is about to engage in any act or
80 24 practice constituting a violation of this chapter or a rule
80 25 adopted or order issued under this chapter, the commissioner
80 26 may take the following actions:

80 27 (1) Issue an order requiring the person to cease and desist
80 28 from engaging in the conduct resulting in the violation.

80 29 (2) Assess a civil penalty against the person of not more
80 30 than one thousand dollars for each violation not to exceed an
80 31 aggregate of ten thousand dollars.

80 32 (3) If the person knew or reasonably should have known the
80 33 person was in violation of this chapter, assess a civil penalty
80 34 of not more than five thousand dollars for each violation
80 35 of this chapter not to exceed an aggregate penalty of fifty
81 1 thousand dollars in any one six-month period.

81 2 (4) (a) Issue a summary order, including a brief statement
81 3 of findings of fact, conclusions of law, and policy reasons for
81 4 the decision, and directing the person to cease and desist from
81 5 engaging in the act or practice or to take affirmative action
81 6 as is necessary in the judgment of the commissioner to comply
81 7 with the requirements of this chapter.

81 8 (b) A person may contest a summary order by filing,
81 9 within thirty calendar days from the date of the issuance of
81 10 the summary order, a written request for a contested case
81 11 proceeding and hearing as provided in chapter 17A and in
81 12 accordance with rules adopted by the commissioner. Section
81 13 17A.18A shall be inapplicable to a summary order issued under
81 14 this subsection. If a hearing is not requested within thirty
81 15 calendar days from the date of issuance of the summary order,
81 16 the summary order shall become final by operation of law. A
81 17 summary order shall remain effective from the date of issuance
81 18 until the date the order becomes final by operation of law,
81 19 or is modified or overturned by a presiding officer or court
81 20 following a request for hearing.

81 21 (c) A person violating a summary order issued under this
81 22 subsection shall be deemed in contempt of the summary order.
81 23 The commissioner may petition the district court to enforce the
81 24 order as certified by the commissioner. The district court
81 25 shall find the person in contempt of the order if the court
81 26 finds, after conducting a hearing, that the person is not
81 27 in compliance with the order. The court may assess a civil
81 28 penalty against the person and may issue further orders as the
81 29 court deems appropriate.

81 30 c. In addition to any other penalty under this section,
 81 31 if the commissioner finds that a violation of this chapter
 81 32 was directed, encouraged, condoned, ignored, or ratified by
 81 33 the employer of the appraiser or umpire, the commissioner
 81 34 shall assess a penalty to the employer. Penalties under this
 81 35 paragraph may be retained by the commissioner under the fund
 82 1 described in section 505.7, subsection 9.

82 2 2. a. A person acting as an appraiser or an umpire without
 82 3 proper licensure, or an appraiser or an umpire who willfully
 82 4 violates any provision of this chapter or an order issued
 82 5 under this chapter, is guilty of a class "D" felony. If the
 82 6 violation results in a loss of more than ten thousand dollars,
 82 7 the appraiser or an umpire is guilty of a class "C" felony.
 82 8 b. The commissioner may refer such evidence as is available
 82 9 concerning a violation of this chapter, or of any rule adopted
 82 10 or order issued under this chapter, or of the failure of a
 82 11 person to comply with the licensing requirements of this
 82 12 chapter, to the attorney general or the proper district
 82 13 attorney who may institute the appropriate criminal proceedings
 82 14 under this chapter.
 82 15 c. This chapter shall not limit the power of the state to
 82 16 punish any person for any conduct that constitutes a crime
 82 17 under any other statute.

CODE: Provides that a person acting as an appraiser or an umpire without proper licensure, or an appraiser or an umpire who willfully violates new Iowa Code chapter 522F, is guilty of a Class D felony. If the violation results in a loss of more than \$10,000, the individual is guilty of a Class C felony. Permits the Commissioner to refer evidence concerning a violation of new Iowa Code chapter 522F to the Attorney General or the proper county attorney, who may institute the appropriate criminal proceedings. Iowa Code chapter 522F does not limit the power of the State to punish a person under any other statute.

CORRECTIONAL IMPACT: This Act creates new criminal offenses; however, according to the DOC, crimes involving professionals are rare. As a result, the correctional impact cannot be estimated due to a lack of existing conviction data. Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 13, 2025, for information related to the correctional system.

MINORITY IMPACT: This Act creates new criminal offenses. As a result, DOM Criminal Justice Planning cannot use existing data to estimate the minority impact of this Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statements](#), dated January 13, 2025, for information related to minorities in the criminal justice system.

82 18 Sec. 77. NEW SECTION 522F.22 REINSTATEMENT OR REISSUANCE
 82 19 OF A LICENSE AFTER DISCIPLINARY MATTERS — FORFEITURE IN LIEU OF
 82 20 COMPLIANCE.

82 21 1. a. A person licensed under this chapter as an appraiser
 82 22 or umpire whose license has been revoked or suspended by order,
 82 23 or who forfeited a license in connection with a disciplinary
 82 24 matter, may apply to the commissioner for reinstatement

CODE: Permits an appraiser or umpire whose license has been revoked, suspended, or forfeited in connection with a disciplinary matter to apply to the Commissioner for reinstatement or reissuance and submit to a criminal history check. Requires that the applicant receive a favorable determination from the Commissioner to be reinstated or reissued. Provides additional requirements, including the imposition of terms, conditions, and

82 25 or reissuance in accordance with the terms of the order
82 26 of revocation or suspension, or the order accepting the
82 27 forfeiture, and submit to a criminal history check under
82 28 section 522B.5A.

82 29 b. (1) Proceedings for reinstatement or reissuance
82 30 shall be initiated by the applicant who shall file with the
82 31 commissioner an application for reinstatement or reissuance
82 32 after disciplinary action.

82 33 (2) An appraiser shall not be eligible for reinstatement or
82 34 reissuance until the appraiser satisfies the requirements under
82 35 section 522F.3 and pays any required fees. An appraiser may be
83 1 required to submit a new or renewal appraiser application under
83 2 section 522F.5.

83 3 (3) An umpire shall not be eligible for reinstatement or
83 4 reissuance until the umpire satisfies the requirements under
83 5 section 522F.8 and pays any required fees. An umpire may be
83 6 required to submit a new or renewal umpire application under
83 7 section 522F.10.

83 8 c. An application for reinstatement or reissuance shall
83 9 allege facts which, if established, are sufficient to enable
83 10 the commissioner to determine that the basis of revocation,
83 11 suspension, or forfeiture of the applicant's license no longer
83 12 exists, and must disclose if the applicant has engaged in
83 13 any conduct listed as a cause for licensing action that was
83 14 not included in the order for suspension, revocation, or
83 15 forfeiture.

83 16 d. An application for reinstatement or reissuance shall
83 17 allege facts which, if established, are sufficient to enable
83 18 the commissioner to determine that it is in the public
83 19 interest for the application to be granted. The commissioner
83 20 may determine that it is not in the public interest if the
83 21 applicant has engaged in any conduct listed as a cause for
83 22 licensing action that was not included in the order for
83 23 suspension, revocation, or forfeiture, or if the applicant does
83 24 not have the character and fitness to be a licensed appraiser
83 25 or umpire in this state.

83 26 e. The burden of proof to establish facts identified in
83 27 paragraphs "c" and "d" shall be on the applicant.

83 28 f. A person licensed as an appraiser or an umpire may
83 29 request reinstatement of a suspended license prior to the end
83 30 of the suspension term.

83 31 g. Unless otherwise provided by law, if an order of

penalties, for reinstatement, reissuance, and voluntary
forfeitures. Provides that new Iowa Code section 522F.22 only
applies to licenses in connection with a disciplinary action.

83 32 revocation or suspension did not establish terms upon which
 83 33 reinstatement or reissuance may occur, or if the license
 83 34 was forfeited, an initial application for reinstatement or
 83 35 reissuance shall not be made until at least one year from the
 84 1 date of the order of the suspension, revocation, or acceptance
 84 2 of the forfeiture of a license.

84 3 2. All proceedings upon the application for reinstatement
 84 4 or reissuance, including preliminary and ancillary matters,
 84 5 shall be held in accordance with chapter 17A. The application
 84 6 shall be docketed in the original case in which the original
 84 7 license was suspended, revoked, or forfeited, if the case
 84 8 exists.

84 9 3. An order of reinstatement or reissuance shall be based
 84 10 on a written decision which incorporates findings of fact
 84 11 and conclusions of law. An order granting an application
 84 12 for reinstatement or reissuance may impose such terms and
 84 13 conditions as the commissioner or the commissioner's designee
 84 14 deems appropriate, which may include one or more penalties
 84 15 provided under this chapter. The order shall be a public
 84 16 record and may be disseminated in compliance with chapter 22.

84 17 4. If an appraiser's or umpire's ordered suspension period
 84 18 ends prior to the appraiser's or umpire's license expiration
 84 19 date and the appraiser or umpire applies for reinstatement
 84 20 prior to the license expiration date and meets all applicable
 84 21 requirements, the division shall reinstate the license as soon
 84 22 as practicable but no earlier than the end of the suspension
 84 23 period if the division, after a complete review, determines the
 84 24 license should be reinstated.

84 25 5. If an appraiser's or umpire's license is suspended beyond
 84 26 the appraiser's or umpire's license expiration date, whether
 84 27 due to an ordered suspension time period or failure to apply
 84 28 for reinstatement prior to expiration, the appraiser or umpire
 84 29 must apply for reissuance.

84 30 6. A submission of voluntary forfeiture of a license
 84 31 shall be made in writing to the commissioner. Forfeiture of
 84 32 a license is effective upon the date of submission unless a
 84 33 contested case proceeding is pending on the date of submission.
 84 34 If a contested case proceeding is pending, the forfeiture shall

CODE: Requires application proceedings to be held in accordance with Iowa Code chapter [17A](#) (Iowa Administrative Procedure Act).

CODE: Requires orders of reinstatement and reissuance to be based on written decisions of findings of fact and conclusions of law. Permits such orders to impose terms and conditions as the Commissioner or the Commissioner's designee deems appropriate, including penalties as provided in new Iowa Code chapter 522F. Orders are public record and may be distributed as allowed in Iowa Code chapter [22](#) (Open Records).

CODE: Requires that the IID reinstate the license of an appraiser or an umpire after the individual's suspension period ends if the individual applied for reinstatement and met the requirements of reinstatement.

CODE: Requires an appraiser or umpire whose license is suspended beyond the individual's license expiration date to apply for reissuance.

CODE: Requires license forfeitures to be made in writing to the Commissioner and to be effective upon submission unless a contested case proceeding is pending, in which case the forfeiture becomes effective upon conditions as ordered by the Commissioner. Provides that forfeitures made during a pending

84 35 become effective upon conditions as required by order of the
 85 1 commissioner. A forfeiture made during the pendency of a
 85 2 contested case proceeding shall be considered a disciplinary
 85 3 action and shall be published in the same manner as is
 85 4 applicable to any other form of disciplinary order.

contested case proceeding are considered disciplinary actions and must be published as such.

85 5 7. The commissioner shall not be prohibited from denying
 85 6 an application for reinstatement or reissuance, or bringing
 85 7 an additional immediate action, if an appraiser or umpire
 85 8 has engaged in an additional violation of chapter 507B or
 85 9 this chapter or otherwise failed to meet all applicable
 85 10 requirements.

CODE: Prevents the Commissioner from being prohibited from denying an application for reinstatement or reissuance, or from bringing additional immediate action, if an adjuster has violated Iowa Code chapter [507B](#) or 522F or otherwise failed to meet all applicable requirements.

85 11 8. This section shall not apply to reinstatement of an
 85 12 expired license or issuance of a new license that is not in
 85 13 connection with a disciplinary matter.

CODE: Provides that new Iowa Code section 522F.22 does not apply to reinstatement of an expired license or issuance of a new license that is not in connection with a disciplinary matter.

85 14 Sec. 78. NEW SECTION 522F.23 SUSPENSION FOR FAILURE TO
 85 15 PAY CHILD SUPPORT OR STATE DEBT.

85 16 1. The commissioner shall deny an appraiser's or umpire's
 85 17 application for license issuance, renewal, reinstatement,
 85 18 or reissuance; suspend a current license; or revoke a
 85 19 currently suspended license upon receipt of a certificate of
 85 20 noncompliance from the child support recovery unit pursuant to
 85 21 chapter 252J, or upon receipt of a certificate of noncompliance
 85 22 from the centralized collection unit of the department of
 85 23 revenue pursuant to chapter 272D.

CODE: Requires the Commissioner to take enumerated disciplinary actions against an appraiser or umpire if the appraiser or umpire is not in compliance with the Child Support Recovery Unit pursuant to Iowa Code chapter [252J](#) or the Centralized Collection Unit of the Department of Revenue pursuant to Iowa Code chapter [272D](#).

85 24 2. Upon receipt of a certificate of noncompliance
 85 25 under subsection 1, the commissioner shall issue a notice
 85 26 to the appraiser or umpire that the division will, unless
 85 27 the certificate of noncompliance is withdrawn, deny the
 85 28 appraiser's or umpire's application for license issuance,
 85 29 renewal, reinstatement, or reissuance, suspend the appraiser's
 85 30 or umpire's current license, or revoke the appraiser's or
 85 31 umpire's currently suspended license, thirty calendar days
 85 32 after the date the notice is mailed. Notice shall be sent to
 85 33 the appraiser's or umpire's last known address by restricted
 85 34 certified mail, return receipt requested, or in accordance with
 85 35 the division's rules for service. The notice shall contain all
 86 1 of the following:

CODE: Requires that the Commissioner provide notice of the intent to deny licensure or take disciplinary action. Includes listed information that must be provided by the notice.

86 2 a. A statement that the commissioner intends to deny the

86 3 appraiser's or umpire's application for license issuance,
 86 4 renewal, reinstatement, or reissuance; suspend the appraiser's
 86 5 or umpire's current license; or revoke the appraiser's or
 86 6 umpire's currently suspended license in thirty calendar days
 86 7 unless the certificate of noncompliance is withdrawn.

86 8 b. A statement that the appraiser or umpire must contact the
 86 9 agency that issued the certificate of noncompliance to request
 86 10 a withdrawal.

86 11 c. A statement that the appraiser or umpire does not have a
 86 12 right to a hearing before the division, but that the appraiser
 86 13 or umpire may file an application for a hearing in district
 86 14 court pursuant to section 252J.9 or 272D.9, as applicable, and
 86 15 that the filing of an application by the appraiser or umpire
 86 16 will stay the proceedings of the division.

86 17 d. A copy of the certificate of noncompliance.

86 18 3. An appraiser or umpire shall keep the commissioner
 86 19 informed of all actions taken by the district court or
 86 20 the issuing agency in connection with a certificate of
 86 21 noncompliance. An appraiser or umpire shall provide to
 86 22 the commissioner, within seven calendar days of filing or
 86 23 issuance, a copy of all applications filed with the district
 86 24 court pursuant to an application or hearing, all court orders
 86 25 entered in such action, and all withdrawals of a certificate
 86 26 of noncompliance.

CODE: Requires that an appraiser or umpire keep the Commissioner informed of all actions in connection with the noncompliance, including providing the Commissioner copies of all applications filed with the district court pursuant to an application or hearing, all court orders entered, and all withdrawals of a certificate of noncompliance.

86 27 4. If an applicant, appraiser, or umpire timely files an
 86 28 application for hearing in district court and the division
 86 29 is notified of the filing, the commissioner's denial,
 86 30 suspension, or revocation proceedings shall be stayed until
 86 31 the division is notified by the district court, the issuing
 86 32 agency, the licensee, or the applicant of the resolution of
 86 33 the application. Upon receipt of a court order lifting the
 86 34 stay or otherwise directing the commissioner to proceed, the
 86 35 commissioner shall continue with the intended action described
 87 1 in the notice.

CODE: Provides that the Commissioner's denial, suspension, or revocation proceeding must be temporarily halted if an applicant or licensed adjuster timely files an application for hearing.

87 2 5. If the commissioner does not receive a withdrawal of
 87 3 the certificate of noncompliance from the issuing agency,
 87 4 or a notice from a clerk of court, the issuing agency, the
 87 5 appraiser, the umpire, or the applicant that an application for
 87 6 hearing has been filed within thirty calendar days after the

CODE: Requires the Commissioner to take disciplinary action if the Commissioner does not receive a withdrawal of the certificate of noncompliance or a notice that an application for hearing has been filed within 30 days after the notice is issued.

87 7 notice is issued, the commissioner shall deny the applicant's,
 87 8 appraiser's, or umpire's application for license issuance,
 87 9 renewal, reinstatement, or reissuance; suspend a current
 87 10 license; or revoke a currently suspended license.

87 11 6. Upon receipt of a withdrawal of a certificate of
 87 12 noncompliance from the issuing agency, suspension or revocation
 87 13 proceedings shall halt and the named appraiser or umpire
 87 14 shall be notified that the proceedings have halted. If the
 87 15 appraiser's or umpire's license has already been suspended, the
 87 16 appraiser or umpire must apply for reinstatement in accordance
 87 17 with section 522F.22, and the license shall be reinstated
 87 18 if the appraiser or umpire is otherwise in compliance with
 87 19 this chapter. If the appraiser's or umpire's application for
 87 20 licensure was stayed, application processing shall resume.
 87 21 All fees required for license renewal, reinstatement, or
 87 22 reissuance must be paid by an appraiser or umpire, and all
 87 23 continuing education requirements shall be satisfied, before
 87 24 the appraiser's or umpire's license is renewed or reinstated
 87 25 after a license suspension or revocation under this chapter.

CODE: Requires suspension or revocation proceedings to halt and for the named appraiser or umpire to be notified that the proceedings have halted upon receipt of a withdrawal of a certificate of noncompliance. Provides additional requirements if action has already been taken. Requires the appraiser or umpire to satisfy all requirements for licensure under new Iowa Code chapter 522F.

87 26 7. The commissioner shall notify an appraiser or umpire
 87 27 in writing through regular first class mail, or such other
 87 28 means as the commissioner deems appropriate under the
 87 29 circumstances, within ten calendar days of the effective date
 87 30 of the suspension or revocation of the appraiser's or umpire's
 87 31 license, and shall also notify the appraiser or umpire when the
 87 32 appraiser's or umpire's license is reinstated following the
 87 33 commissioner's receipt of a withdrawal of the certificate of
 87 34 noncompliance.

CODE: Requires the Commissioner to notify an appraiser or umpire in writing of changes to the individual's license status.

87 35 8. Notwithstanding any provision of law to the contrary, the
 88 1 division may share information with the child support recovery
 88 2 unit or the centralized collection unit of the department of
 88 3 revenue for the sole purpose of identifying appraisers or
 88 4 umpires subject to enforcement under chapter 252J or 272D.

CODE: Permits the Commissioner to share information with the Child Support Recovery Unit or the Centralized Collection Unit of the Department of Revenue for the sole purpose of identifying appraisers or umpires subject to enforcement under Iowa Code chapters [252J](#) or [272D](#), notwithstanding any law to the contrary.

88 5 Sec. 79. NEW SECTION 522F.24 SEVERABILITY.
 88 6 If any provision of this chapter or the application thereof
 88 7 to any person or circumstance is held invalid, the invalidity
 88 8 does not affect other provisions or applications of this
 88 9 chapter which can be given effect without the invalid provision

CODE: Provides that if any provision of new Iowa Code chapter 522F or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of Iowa Code chapter 522F that may be given effect without the invalid provision or application.

88 10 or application, and to this end the provisions of this chapter
88 11 are severable.

88 12 Sec. 80. CODE EDITOR DIRECTIVE. The Code editor shall
88 13 divide chapter 522F into subchapters and shall designate
88 14 sections 522F.1 through 522F.2, as enacted in this division
88 15 of this Act, as subchapter I entitled "General Provisions",
88 16 sections 522F.3 through 522F.7, as enacted in this division
88 17 of this Act, as subchapter II entitled "Appraisers", sections
88 18 522F.8 through 522F.13, as enacted in this division of this
88 19 Act, as subchapter III entitled "Umpires", sections 522F.14
88 20 through 522F.16, as enacted in this division of this Act, as
88 21 subchapter IV entitled "Appraisals", sections 522F.17 through
88 22 522F.18, as enacted in this division of this Act, as subchapter
88 23 V entitled "Duties of Licensees", and sections 522F.19 through
88 24 522F.23, as enacted in this division of this Act, as subchapter
88 25 VI entitled "Hearings and Penalties".

Directs the Iowa Code Editor to divide new Iowa Code chapter 522F into subchapters.

88 26 DIVISION VII
88 27 IOWA ECONOMIC EMERGENCY FUND — PROCLAMATION OF DISASTER
88 28 EMERGENCY

88 29 Sec. 81. Section 8.55, subsection 3, paragraph a, Code 2025,
88 30 is amended to read as follows:

88 31 a. Except as provided in paragraphs "b", "c", ~~and "d"~~,
88 32 ~~and "f"~~, the moneys in the Iowa economic emergency fund shall
88 33 only be used pursuant to an appropriation made by the general
88 34 assembly. An appropriation shall only be made for the fiscal
88 35 year in which the appropriation is made. The moneys shall
89 1 only be appropriated by the general assembly for emergency
89 2 expenditures.

CODE: Allows certain moneys in the Iowa Economic Emergency Fund (EEF) to be used for disaster response, disaster recovery activities, and disaster aid to citizens.

89 3 Sec. 82. Section 8.55, subsection 3, Code 2025, is amended
89 4 by adding the following new paragraph:

89 5 NEW PARAGRAPH f. (1) It is the intent of the general
89 6 assembly for this paragraph to enable the executive branch to
89 7 react to disasters impacting this state, including the ability
89 8 to protect citizens, safeguard property, ensure safety, and
89 9 provide for economic stability during disaster emergencies.

CODE: Specifies that it is the intent of the General Assembly to enable the Executive Branch to react to disasters impacting Iowa, including the ability to protect citizens, safeguard property, ensure safety, and provide for economic stability during disaster emergencies.

89 10 (2) For the fiscal year beginning July 1, 2025, and each
89 11 fiscal year thereafter, there is appropriated from the Iowa
89 12 economic emergency fund to the department of management ten

CODE: Appropriates 10.00% of the maximum balance of the EEF as calculated for the immediately preceding fiscal year to the DOM for disaster response, disaster recovery activities, and

89 13 percent of the maximum balance of the Iowa economic emergency
 89 14 fund as calculated for the immediately preceding fiscal
 89 15 year, to be used for disaster response, disaster recovery
 89 16 activities, or disaster aid to citizens. For purposes of this
 89 17 subparagraph, “disaster response, disaster recovery activities,
 89 18 or disaster aid to citizens” includes any of the following:
 89 19 (a) Disaster aid provided to businesses engaged in disaster
 89 20 recovery as described in chapter 15, subchapter II, part 13,
 89 21 and housing businesses engaged in disaster recovery housing
 89 22 projects as defined in section 15.354, subsection 6.
 89 23 (b) Disaster recovery housing assistance provided under
 89 24 chapter 16, subchapter VII, part 6.
 89 25 (c) Support for programs under chapter 29C, including
 89 26 support for the director of the department of homeland security
 89 27 and emergency management in executing the director’s powers and
 89 28 duties under section 29C.8.
 89 29 (d) Support for any other program through which disaster
 89 30 response, recovery activities, or aid is effected, provided the
 89 31 program is not inconsistent with the intent set forth in this
 89 32 paragraph.

89 33 (3) The department of management’s disbursements of
 89 34 moneys appropriated to the department under this paragraph are
 89 35 contingent upon all of the following:
 90 1 (a) The issuance of a proclamation of disaster emergency by
 90 2 the governor under section 29C.6, which proclamation covers the
 90 3 disaster for which the moneys will be used.
 90 4 (b) The disbursement occurs at the direction of the
 90 5 governor, with the approval of the executive council, pursuant
 90 6 to section 29C.6, subsection 18.

90 7 (4) Subject to the approval of the governor, the
 90 8 department of management may provide for an interdepartmental
 90 9 transfer of moneys appropriated in this paragraph to another
 90 10 department or establishment for the purposes specified in
 90 11 this paragraph, subject to the notification and reporting
 90 12 requirements set forth in section 8.39, subsections 4 and 5,
 90 13 but notwithstanding the other limitations and requirements of
 90 14 section 8.39. Disbursements by the department of management
 90 15 under this paragraph to another department or establishment
 90 16 shall not be counted in calculating the aggregate amount of
 90 17 intradepartmental and interdepartmental transfers under section

disaster aid to citizens each year beginning in FY 2026.
 Disaster response, disaster recovery activities, and disaster aid
 to citizens include any of the following:

- Disaster aid to businesses engaged in disaster recovery and housing businesses engaged in disaster recovery housing projects.
- Disaster recovery housing assistance.
- Support for programs under Iowa Code chapter [29C](#).
- Support for any other program through which disaster response, recovery activities, or aid is effected so long as the program is consistent with the intent set forth in this Section.

DETAIL: This is a new appropriation of \$23,250,000 for FY 2026.

NOTE: The maximum balance in the EEF for estimated net FY 2025 is \$232,500,000. The maximum balance in the EEF for FY 2026 is estimated to be \$212,300,000.

CODE: Provides that the appropriation from the EEF may be disbursed by the DOM if the Governor has issued a proclamation of disaster emergency that covers the disaster for which the moneys will be used and the disbursement has been directed by the Governor with the approval of the Executive Council.

CODE: Provides that the DOM may transfer appropriated moneys to another State agency for disaster response, disaster recovery activities, and disaster aid to citizens. Disbursements by the DOM are not counted in calculating the aggregate amount of intradepartmental and interdepartmental transfers under Iowa Code section [8.39\(3\)](#).

90 18 8.39, subsection 3.

90 19 (5) Moneys appropriated in this paragraph shall not
 90 20 supplant other appropriated moneys.

CODE: Provides that moneys appropriated from the EEF for disaster response, disaster recovery activities, and disaster aid to citizens must not be used to supplant other appropriated moneys.

90 21 (6) (a) Notwithstanding section 8.33, moneys disbursed by
 90 22 the department of management under this paragraph to another
 90 23 department or establishment shall not revert but shall remain
 90 24 available for expenditure for the purposes designated until the
 90 25 close of the succeeding fiscal year, at which time the moneys
 90 26 shall revert to the Iowa economic emergency fund.

CODE: Provides that moneys disbursed by the DOM to a department revert to the EEF at the close of the succeeding fiscal year.

90 27 (b) Moneys not disbursed as described in subparagraph
 90 28 division (a) shall revert to the Iowa economic emergency fund
 90 29 at the close of the fiscal year for which the moneys were
 90 30 appropriated, as required under section 8.33.

CODE: Provides that moneys not disbursed by the DOM revert to the EEF at the close of the fiscal year for which the moneys were appropriated.

90 31 Sec. 83. Section 29C.6, Code 2025, is amended by adding the
 90 32 following new subsection:
 90 33 NEW SUBSECTION 18. Direct the disbursement of moneys by
 90 34 the department of management under section 8.55, subsection 3,
 90 35 paragraph "f", with the approval of the executive council.

CODE: Provides that the Governor may direct the disbursement of funds from the EEF for disaster response, disaster recovery activities, and disaster aid to citizens with the approval of the Executive Council.

91 1 DIVISION VIII
 91 2 IOWA ECONOMIC EMERGENCY FUND — APPROPRIATIONS

91 3 Sec. 84. NUISANCE PROPERTY REMEDIATION ASSISTANCE FUND —
 91 4 FY 2024-2025. There is appropriated from the Iowa economic
 91 5 emergency fund created in section 8.55 to the economic
 91 6 development authority for the fiscal year beginning July 1,
 91 7 2024, and ending June 30, 2025, the following amount, or so
 91 8 much thereof as is necessary, to be used for the purposes
 91 9 designated:

Supplemental appropriation of \$2,000,000 in FY 2025 from the EEF to the IEDA for the Nuisance Property Remediation Assistance Fund. Any unencumbered or unobligated moneys will remain available for expenditure through FY 2026.

91 10 For deposit in the nuisance property remediation assistance
 91 11 fund established in section 15.338:
 91 12 \$ 2,000,000

91 13 Notwithstanding section 8.33, moneys appropriated in this
 91 14 section that remain unencumbered or unobligated at the close of
 91 15 the fiscal year shall not revert but shall remain available for
 91 16 expenditure for the purposes designated until the close of the

91 17 succeeding fiscal year.

91 18 Sec. 85. DISASTER RECOVERY HOUSING ASSISTANCE FUND —
 91 19 FY 2024-2025. There is appropriated from the Iowa economic
 91 20 emergency fund created in section 8.55 to the Iowa finance
 91 21 authority for the fiscal year beginning July 1, 2024, and
 91 22 ending June 30, 2025, the following amount, or so much thereof
 91 23 as is necessary, to be used for the purposes designated:
 91 24 For deposit in the disaster recovery housing assistance fund
 91 25 created in section 16.57B:
 91 26 \$ 11,600,000
 91 27 Notwithstanding section 8.33, moneys appropriated in this
 91 28 section that remain unencumbered or unobligated at the close of
 91 29 the fiscal year shall not revert but shall remain available for
 91 30 expenditure for the purposes designated until the close of the
 91 31 succeeding fiscal year.

Supplemental appropriation of \$11,600,000 in FY 2025 from the EEF to the IFA for the Disaster Recovery Housing Assistance Fund. Any unencumbered or unobligated moneys will remain available for expenditure through FY 2026.

91 32 Sec. 86. EFFECTIVE DATE. This division of this Act, being
 91 33 deemed of immediate importance, takes effect upon enactment.

Provides that Division VIII of this Act that provides FY 2025 supplemental appropriations to the IEDA and the IFA takes effect on April 22, 2025.

Unassigned Standings Other Funds

	Supp-Final Act. FY 2025 <u>(1)</u>	Final Action FY 2026 <u>(2)</u>	Page and Line # <u>(3)</u>
<u>Economic Development Authority</u>			
Economic Development Authority			
Nuisance Property Remediation - EEF	\$ 2,000,000	\$ 0	PG 91 LN 3
Total Economic Development Authority	<u>\$ 2,000,000</u>	<u>\$ 0</u>	
<u>Management, Department of</u>			
Management, Dept. of			
DOM Disaster Recovery - EEF	\$ 0	\$ 23,250,000	PG 89 LN 10
Total Management, Department of	<u>\$ 0</u>	<u>\$ 23,250,000</u>	
<u>Iowa Finance Authority</u>			
Iowa Finance Authority			
Disaster Recovery Housing - EEF	\$ 11,600,000	\$ 0	PG 91 LN 18
Total Iowa Finance Authority	<u>\$ 11,600,000</u>	<u>\$ 0</u>	
Total Unassigned Standings	<u><u>\$ 13,600,000</u></u>	<u><u>\$ 23,250,000</u></u>	

FUNDING SUMMARY

Senate File 626 authorizes the receipt and expenditures of federal block grant funds totaling \$443.3 million for federal fiscal year (FFY) 2026 and \$443.4 million for FFY 2027. This Act authorizes federal block grant funds on a federal fiscal year basis. The federal funding levels specified in this Act are based on projected spending authority yet to be authorized by Congress.

FUNDING FOR PROJECTS AND PROGRAMS

FFY 2026 and FFY 2027 Appropriations

Appropriates \$14.1 million for FFY 2026 and FFY 2027 to the Department of Health and Human Services (HHS) for the Substance Abuse Block Grant.	Page 1, Line 3
Appropriates \$7.8 million for FFY 2026 and FFY 2027 to the HHS for the Community Mental Health Services Block Grant.	Page 2, Line 27
Appropriates \$6.8 million for FFY 2026 and FFY 2027 to the HHS for the Maternal and Child Health Services Block Grant.	Page 4, Line 13
Appropriates \$2.0 million for FFY 2026 and FFY 2027 to the HHS for the Preventive Health and Health Services Block Grant.	Page 5, Line 33
Appropriates \$422,000 for FFY 2026 and \$307,000 for FFY 2027 to the Office of Drug Control Policy of the Department of Public Safety for the Residential Substance Abuse Treatment for State Prisoners Formula Grant Program.	Page 6, Line 34
Appropriates \$2.0 million for FFY 2026 and \$2.2 million for FFY 2027 to the Department of Public Safety for the Edward Byrne Memorial Justice Assistance Grant Program.	Page 7, Line 15
Appropriates \$8.3 million for FFY 2026 and FFY 2027 to the HHS for the Community Services Block Grant.	Page 7, Line 31
Appropriates \$26.5 million for FFY 2026 and FFY 2027 to the Iowa Economic Development Authority (IEDA) for the Community Development Block Grant (CDBG) Program.	Page 8, Line 33

EXECUTIVE SUMMARY

FEDERAL BLOCK GRANT APPROPRIATIONS ACT

Appropriates \$192.6 million for FFY 2026 and FFY 2027 to the Department of Transportation (DOT) for the Surface Transportation Block Grant Program.

Page 10, Line 10

Appropriates \$58.1 million for FFY 2026 and FFY 2027 to the HHS for the Low-Income Home Energy Assistance Program (LIHEAP).

Page 10, Line 25

Appropriates \$15.3 million for FFY 2026 and FFY 2027 to the HHS for the Social Services Block Grant.

Page 12, Line 4

Appropriates \$109.6 million for FFY 2026 and FFY 2027 to the HHS for the Child Care and Development Block Grant.

Page 14, Line 3

STUDIES AND INTENT

Procedures for Reduced Federal Funds

Page 14, Line 23

Specifies the procedure for prorating funds to various programs if the funding received is less than the amount appropriated. Permits the Governor to allocate funds to accomplish the purposes of the programs if the Governor determines the funds allocated through the prorated methodology are insufficient.

Procedures for Increases in Federal Funding

Page 15, Line 19

Specifies the procedures for prorating funds to various programs if funding is more than the amounts appropriated in this Act.

Procedures for Expenditure of Additional Federal Funds

Page 16, Line 2

Appropriates federal and non-State funds that become available after the Legislative Session and require expenditure by March 15, 2026, or March 15, 2027. Requires notice to be provided to the Fiscal Committee of the Legislative Council within 30 days of receipt of the funds to permit comment on planned expenditures.

Other Federal Grants, Receipts, and Funds

Page 16, Line 15

Appropriates federal and non-State funds available in FY 2026 and FY 2027 to various State agencies as designated by and for the purposes set forth in the grants, receipts, or conditions associated with the funds.

SIGNIFICANT CODE CHANGES

Amends 2025 Iowa Acts, [Senate File 603](#) (Workforce Development, Programs and Duties Act), to specify that cities must not make receipt of any incentives, or the eligibility of any incentives, contingent on

Page 17, Line 24

EXECUTIVE SUMMARY

FEDERAL BLOCK GRANT APPROPRIATIONS ACT

developers', contractors', or subcontractors' compliance with any restrictions, qualifications, or requirements related to employee compensation or training unless required under federal law.

EFFECTIVE DATE

Provides that Division II of this Act which amends [SF 603](#) (Workforce Development, Programs, and Duties Act) takes effect on June 11, 2025, and applies retroactively to March 28, 2025.

Page 17, Line 35

ENACTMENT DATE

This Act was approved by the General Assembly on May 13, 2025, and signed by the Governor on June 11, 2025.

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1 1 DIVISION I
 1 2 APPROPRIATIONS OF FEDERAL MONEYS

1 3 Section 1. SUBSTANCE ABUSE APPROPRIATIONS.
 1 4 1. a. There is appropriated from the fund created pursuant
 1 5 to section 8.41 to the department of health and human services
 1 6 for the following federal fiscal years beginning October 1, and
 1 7 ending September 30, the following amounts:

1 8	FFY 2025-2026:.....	\$	14,116,120
1 9	FFY 2026-2027:.....	\$	14,116,120

Federal Substance Abuse Block Grant appropriations to the Department of Health and Human Services (HHS) for federal fiscal year (FFY) 2026 and FFY 2027.

1 10 b. The appropriations made in this subsection are in the
 1 11 amounts anticipated to be received from the federal government
 1 12 for the designated federal fiscal years under 42 U.S.C.ch.
 1 13 6A, subch.XVII, part B, subpart ii, which provides for the
 1 14 prevention and treatment of substance abuse block grant. The
 1 15 department shall expend the moneys appropriated in this
 2 1 subsection as provided in the federal law making the moneys
 2 2 available and in conformance with chapter 17A.

Requires the HHS to expend the funds appropriated for the federal Substance Abuse Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

2 3 c. Of the moneys appropriated for each federal fiscal year
 2 4 in this subsection, an amount not exceeding 5 percent shall be
 2 5 used by the department for administrative expenses.

Permits the HHS to spend up to 5.00% of the federal Substance Abuse Block Grant appropriation on administrative costs.

DETAIL: The amount the HHS may expend each year for administrative expenses in FFY 2026 and FFY 2027 is estimated at \$705,806.

2 6 d. (1) For the state fiscal year beginning July 1, 2025,
 2 7 the department shall expend no less than an amount equal to
 2 8 the amount expended for treatment services in the state fiscal
 2 9 year beginning July 1, 2024, for pregnant women and women with
 2 10 dependent children.

Requires the HHS to spend no less than the amount expended in State fiscal year (SFY) 2025 on treatment services for pregnant women and women with dependent children for SFY 2026.

2 11 (2) For the state fiscal year beginning July 1, 2026, the
 2 12 department shall expend no less than an amount equal to the
 2 13 amount expended for treatment services in the state fiscal
 2 14 year beginning July 1, 2025, for pregnant women and women with
 2 15 dependent children.

Requires the HHS to spend no less than the amount expended in SFY 2026 on treatment services for pregnant women and women with dependent children for SFY 2027.

2 16 2. At least 20 percent of the moneys remaining from the
 2 17 appropriation made in subsection 1 for each federal fiscal year
 2 18 shall be allocated for prevention programs.

Requires a minimum of 20.00% of the remaining federal Substance Abuse Block Grant funds to be used for prevention programs in FFY 2026 and FFY 2027.

2 19 3. In implementing the federal prevention and treatment
 2 20 of substance abuse block grant under 42 U.S.C.ch.6A, subch.
 2 21 XVII, and any other applicable provisions of the federal Public
 2 22 Health Service Act under 42 U.S.C.ch.6A, the department shall
 2 23 apply the provisions of Pub.L. No.106-310, §3305, as codified
 2 24 in 42 U.S.C.§300x-65, relating to services under such federal
 2 25 law being provided by religious and other nongovernmental
 2 26 organizations.

Requires the HHS to implement federal provisions relating to prevention and treatment of substance abuse as detailed in federal law.

2 27 Sec. 2. COMMUNITY MENTAL HEALTH SERVICES APPROPRIATIONS.

Federal Community Mental Health Services Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

2 28 1. a. There is appropriated from the fund created pursuant
 2 29 to section 8.41 to the department of health and human services
 2 30 for the following federal fiscal years beginning October 1, and
 2 31 ending September 30, the following amounts:

2 32	FFY 2025-2026:.....	\$	7,754,083
2 33	FFY 2026-2027:.....	\$	7,754,083

2 34 b. The appropriations made in this subsection are in the
 2 35 amounts anticipated to be received from the federal government
 3 1 for the designated federal fiscal years under 42 U.S.C.ch.
 3 2 6A, subch.XVII, part B, subpart i, which provides for the
 3 3 community mental health services block grant. The department
 3 4 shall expend the moneys appropriated in this subsection as
 3 5 provided in the federal law making the moneys available and in
 3 6 conformance with chapter 17A.

Requires the HHS to expend the funds appropriated for the federal Community Mental Health Services Block Grant in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

3 7 c. The department shall allocate not less than 95 percent
 3 8 of the amount of the block grant each federal fiscal year for
 3 9 eligible community mental health services for carrying out
 3 10 the plan submitted to and approved by the federal substance
 3 11 abuse and mental health services administration or required
 3 12 by the federal substance abuse and mental health services
 3 13 administration for the fiscal year involved.

Requires the HHS to allocate a minimum of 95.00% of the federal Community Mental Health Services Block Grant funds to eligible community mental health service providers.

DETAIL: The minimum allocation is estimated at \$7,366,379 annually for FFY 2026 and FFY 2027.

3 14 d. For the federal fiscal year beginning October 1,
 3 15 2025, and ending September 30, 2026, of the moneys allocated
 3 16 to providers under paragraph “c”, 70 percent of the moneys

Requires 70.00% of the funds set aside for community mental health service providers in FFY 2026 to be distributed to State-accredited community mental health centers under Iowa Code

3 17 allocated shall be distributed by a behavioral health
 3 18 administrative services organization or the department of
 3 19 health and human services to the state's accredited community
 3 20 mental health centers designated by the department of health
 3 21 and human services under section 225A.3, as enacted by 2024
 3 22 Iowa Acts, chapter 1161, section 3. Community mental health
 3 23 centers that receive moneys distributed under this paragraph
 3 24 shall use the moneys for the purposes of training staff,
 3 25 providing services to adults with a serious mental illness,
 3 26 or providing services to children with a serious emotional
 3 27 disturbance, and shall bill treatment dollars related to such
 3 28 services to the department of health and human services through
 3 29 the department's claims system. The department of health and
 3 30 human services shall publish the amounts to be distributed to
 3 31 community mental health centers on the department's internet
 3 32 site on or before October 1, 2025, and distribute the moneys to
 3 33 the recipients on a quarterly basis. Recipients of the moneys
 3 34 shall submit quarterly reports to the department of health and
 3 35 human services containing data consistent with performance
 4 1 measures approved by the federal substance abuse and mental
 4 2 health services administration.

section [225A.3](#) as enacted by 2024 Iowa Acts, chapter [1161](#) (Behavioral Health, Disability, and Addictive Disorder Services and Systems Act), section 3, which established a Behavioral Health Service System under the control of the HHS.

Requires that the funds be used for staff training or services to adults with serious mental illnesses and children with serious emotional disturbances. Requires treatment expenses to be billed through the HHS claims system. Requires the funds to be distributed on a quarterly basis and requires the HHS to publish the amounts distributed to community mental health centers on its website by October 1, 2025. Requires recipients of funds to submit quarterly reports to the HHS with data and performance measures approved by the federal Substance Abuse and Mental Health Services Administration.

DETAIL: The amount to be allocated to community mental health centers or counties is estimated at \$5,156,465 for FFY 2026.

4 3 2. An amount not exceeding 5 percent of the moneys
 4 4 appropriated in subsection 1 for each federal fiscal year shall
 4 5 be used by the department of health and human services for
 4 6 administrative expenses. From the moneys set aside by this
 4 7 subsection for administrative expenses, the department shall
 4 8 pay to the auditor of state an amount sufficient to pay the
 4 9 cost of auditing the use and administration of the state's
 4 10 portion of the moneys appropriated in subsection 1. The
 4 11 auditor of state shall bill the department for the costs of the
 4 12 audits.

Permits the HHS to spend up to 5.00% of the federal Community Mental Health Services Block Grant appropriations on administrative costs.

DETAIL: The amount the HHS may expend each year for administrative expenses and audit costs in FFY 2026 and FFY 2027 is estimated at \$387,704.

4 13 Sec. 3. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

4 14 1. a. There is appropriated from the fund created pursuant
 4 15 to section 8.41 to the department of health and human services
 4 16 for the following federal fiscal years beginning October 1, and
 4 17 ending September 30, the following amounts:

4 18	FFY 2025-2026:.....	\$	6,775,530
4 19	FFY 2026-2027:.....	\$	6,775,530

Federal Maternal and Child Health Services Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

4 20 b. The appropriations made in this subsection are in the
 4 21 amounts anticipated to be received from the federal government
 4 22 for the designated federal fiscal years under 42 U.S.C.ch.
 4 23 7, subch.V, which provides for the maternal and child health
 4 24 services block grant. The department shall expend the moneys
 4 25 appropriated in this subsection as provided in the federal law
 4 26 making the moneys available and in conformance with chapter
 4 27 17A.

Requires the HHS to expend the funds appropriated for the federal Maternal and Child Health Services Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

4 28 c. Moneys appropriated in this subsection shall not be used
 4 29 by the university of Iowa hospitals and clinics for indirect
 4 30 costs.

Prohibits the use of the appropriated funds by the University of Iowa Hospitals and Clinics (UIHC) for indirect costs.

4 31 2. An amount not exceeding 10 percent of the moneys
 4 32 appropriated in subsection 1 for each federal fiscal year shall
 4 33 be used by the department of health and human services for
 4 34 administrative expenses.

Permits the HHS to spend up to 10.00% of the federal Maternal and Child Health Services Block Grant appropriations on administrative costs.

DETAIL: The amount the HHS may expend each year for administrative expenses in FFY 2026 and FFY 2027 is estimated at \$677,553.

4 35 3. The department of health and human services, department
 5 1 of education, and the university of Iowa's mobile and regional
 5 2 child health specialty clinics shall continue to pursue to the
 5 3 maximum extent feasible the coordination and integration of
 5 4 services to women and children.

Requires the HHS, the Department of Education, and the University of Iowa's Mobile and Regional Child Health Specialty Clinics to continue integration and coordination of services to women and children.

5 5 4. a. Sixty-three percent of the amount remaining after the
 5 6 allocation made in subsection 2 for each federal fiscal year
 5 7 shall be allocated to supplement appropriations for maternal
 5 8 and child health programs within the department of health and
 5 9 human services. Of these moneys, the following amounts shall
 5 10 be set aside for the statewide perinatal care program for the
 5 11 following federal fiscal years:

Requires 63.00% of the remaining federal Maternal and Child Health Services Block Grant funds after administrative expenses to be allocated to maternal and child health programs in FFY 2026 and FFY 2027 and requires that \$300,291 of that amount is allocated in each federal fiscal year to the statewide Perinatal Care Program.

5 12	FFY 2025-2026:.....	\$	300,291
5 13	FFY 2026-2027:.....	\$	300,291

DETAIL: The annual amount allocated to maternal and child health programs for FFY 2026 and FFY 2027 is estimated at \$3,841,726.

5 14 b. Thirty-seven percent of the amount remaining after
 5 15 the allocation made in subsection 2 for each federal fiscal

Requires 37.00% of the remaining federal Maternal and Child Health Services Block Grant funds after administrative

5 16 year shall be allocated to the university of Iowa hospitals
 5 17 and clinics under the control of the state board of regents
 5 18 for mobile and regional child health specialty clinics. The
 5 19 university of Iowa hospitals and clinics shall not receive an
 5 20 allocation for indirect costs from the moneys for this program.
 5 21 Priority shall be given to establishment and maintenance of a
 5 22 statewide system of mobile and regional child health specialty
 5 23 clinics.

expenses to be allocated to the UIHC for the Mobile and Regional Child Health Specialty Clinics. Prohibits the UIHC from receiving reimbursement for indirect costs from the block grant funds. Requires priority to be given to the establishment and maintenance of a statewide system of mobile and regional child health specialty clinics.

DETAIL: The amount allocated annually to the UIHC for the Mobile and Regional Child Health Specialty Clinics for FFY 2026 and FFY 2027 is estimated at \$2,256,251.

5 24 5. The department of health and human services shall
 5 25 administer the statewide maternal and child health program
 5 26 and the disabled children’s program by conducting mobile and
 5 27 regional child health specialty clinics and conducting other
 5 28 activities to improve the health of low-income women and
 5 29 children and to promote the welfare of children with actual
 5 30 or potential handicapping conditions and chronic illnesses
 5 31 in accordance with the requirements of Tit.V of the federal
 5 32 Social Security Act.

Requires the HHS to administer the statewide Maternal and Child Health Program and the Disabled Children's Program to improve the health of low-income women and children and to promote the welfare of children with disabilities or chronic illnesses.

5 33 Sec. 4. PREVENTIVE HEALTH AND HEALTH SERVICES
 5 34 APPROPRIATIONS.

Federal Preventive Health and Health Services Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

5 35 1. a. There is appropriated from the fund created pursuant
 6 1 to section 8.41 to the department of health and human services
 6 2 for the following federal fiscal years beginning October 1, and
 6 3 ending September 30, the following amounts:

6 4	FFY 2025-2026:.....	\$	1,955,591
6 5	FFY 2026-2027:.....	\$	1,955,591

6 6 b. The appropriations made in this subsection are in the
 6 7 amounts anticipated to be received from the federal government
 6 8 for the designated federal fiscal years under 42 U.S.C.ch.6A,
 6 9 subch.XVII, part A, which provides for the preventive health
 6 10 and health services block grant. The department shall expend
 6 11 the moneys appropriated in this subsection as provided in the
 6 12 federal law making the moneys available and in conformance with
 6 13 chapter 17A.

Requires the HHS to expend the funds appropriated for the federal Preventive Health and Health Services Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

6 14 2. Of the moneys appropriated in subsection 1 for each
 6 15 federal fiscal year, an amount not exceeding 10 percent shall
 6 16 be used by the department for administrative expenses.

Permits the HHS to spend up to 10.00% of the federal Preventive Health and Health Services Block Grant appropriations on administrative costs.

DETAIL: The annual amount the HHS may expend each year for administrative expenses in FFY 2026 and FFY 2027 is estimated at \$195,559.

6 17 3. Of the moneys appropriated in subsection 1 for each
6 18 federal fiscal year, the specific amount of moneys stipulated
6 19 by the notice of the block grant award shall be allocated
6 20 for services to victims of sex offenses and for sex offense
6 21 prevention.

Requires an amount of funds appropriated for the Preventive Health and Health Services Block Grant to be allocated for services to victims of sexual offenses and for sex offense prevention.

6 22 4. After deducting the moneys allocated in subsections 2 and
6 23 3, the remaining moneys appropriated in subsection 1 for each
6 24 federal fiscal year may be used by the department for healthy
6 25 people 2030 and Iowa's health improvement plan 2023-2027
6 26 program objectives, preventive health advisory committee, and
6 27 risk reduction services, including nutrition programs, health
6 28 incentive programs, chronic disease services, emergency medical
6 29 services, monitoring of the fluoridation program and start-up
6 30 fluoridation grants, and acquired immune deficiency syndrome
6 31 services. The moneys specified in this subsection shall not be
6 32 used by the university of Iowa hospitals and clinics or by the
6 33 state hygienic laboratory for the funding of indirect costs.

Permits the HHS to use the remaining appropriated federal Preventive Health and Health Services Block Grant funding for the following services:

- Healthy People 2030 and Iowa's Health Improvement Plan 2023-2027 program objectives.
- Preventive Health Advisory Committee.
- Risk reduction services.

Prohibits the use of federal Preventive Health and Health Services Block Grant funds by the UIHC and the State Hygienic Laboratory for indirect costs.

DETAIL: The annual amount that the HHS may expend for these services in FFY 2026 and FFY 2027 is estimated at up to \$1,760,032 subject to limitations stipulated by the notice of the block grant award referred to in subsection 3.

6 34 Sec. 5. RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE
6 35 PRISONERS FORMULA GRANT PROGRAM APPROPRIATIONS. There is
7 1 appropriated from the fund created pursuant to section 8.41 to
7 2 the office of drug control policy of the department of public
7 3 safety for the following federal fiscal years beginning October
7 4 1, and ending September 30, the following amounts:

7 5	FFY 2025-2026:.....	\$	422,329
7 6	FFY 2026-2027:.....	\$	307,388

Federal Residential Substance Abuse Treatment for State Prisoners Formula Grant appropriations to the Office of Drug Control Policy of the Department of Public Safety for FFY 2026 and FFY 2027.

7 7 The appropriations made in this section are the amounts
7 8 anticipated to be received from the federal government for the
7 9 designated federal fiscal years under 42 U.S.C.ch.46, subch.

Requires the Office of Drug Control Policy to expend appropriated funds in accordance with federal law and in

7 10 XII-G, which provides grants for substance abuse treatment
 7 11 programs in state and local correctional facilities. The
 7 12 drug policy director shall expend the moneys appropriated in
 7 13 this section as provided in the federal law making the moneys
 7 14 available and in conformance with chapter 17A.

conformance with administrative procedures defined in Iowa Code chapter [17A](#).

7 15 Sec. 6. EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT
 7 16 PROGRAM APPROPRIATIONS. There is appropriated from the fund
 7 17 created pursuant to section 8.41 to the office of drug control
 7 18 policy of the department of public safety for the following
 7 19 federal fiscal years beginning October 1, and ending September
 7 20 30, the following amounts:

Edward Byrne Memorial Justice Assistance Grant Program appropriations to the Department of Public Safety (DPS) for FFY 2026 and FFY 2027.

7 21	FFY 2025-2026:.....	\$	1,964,093
7 22	FFY 2026-2027:.....	\$	2,178,973

7 23 The appropriations made in this section are in the amounts
 7 24 anticipated to be received from the federal government for the
 7 25 designated fiscal years under 42 U.S.C.ch.46, subch.V, which
 7 26 provides for the Edward Byrne memorial justice assistance grant
 7 27 program. The drug policy director shall expend the moneys
 7 28 appropriated in this section as provided in the federal law
 7 29 making the moneys available and in conformance with chapter
 7 30 17A.

Requires the Office of Drug Control Policy to expend the funds appropriated for the Edward Byrne Memorial Justice Assistance Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

7 31 Sec. 7. COMMUNITY SERVICES APPROPRIATIONS.
 7 32 1. a. There is appropriated from the fund created pursuant
 7 33 to section 8.41 to the department of health and human services
 7 34 for the following federal fiscal years beginning October 1, and
 7 35 ending September 30, the following amounts:

Federal Community Services Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

8 1	FFY 2025-2026:.....	\$	8,300,123
8 2	FFY 2026-2027:.....	\$	8,300,123

8 3 b. The appropriations made in this subsection are in the
 8 4 amounts anticipated to be received from the federal government
 8 5 for the designated federal fiscal years under 42 U.S.C.ch.
 8 6 106, which provides for the community services block grant.
 8 7 The department of health and human services shall expend the
 8 8 moneys appropriated in this subsection as provided in the
 8 9 federal law making the moneys available and in conformance with
 8 10 chapter 17A.

Requires the HHS to expend the funds appropriated for the federal Community Services Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

8 11 c. Each federal fiscal year, the department of health and
 8 12 human services shall allocate not less than 96 percent of

Requires not less than 96.00% of the federal Community Services Block Grant funds to be allocated to eligible community

8 13 the amount of the block grants to eligible community action
 8 14 agencies for programs benefiting low-income persons. Each
 8 15 eligible agency shall receive a minimum allocation of not less
 8 16 than \$185,000. The minimum allocation shall be achieved by
 8 17 redistributing increased moneys from agencies experiencing
 8 18 a greater share of available moneys. The moneys shall be
 8 19 distributed on the basis of the poverty-level population in the
 8 20 area represented by the community action areas compared to the
 8 21 size of the poverty-level population in the state.

action agencies for programs benefiting low-income persons.

DETAIL: The annual amount allocated to community action agencies for FFY 2026 and FFY 2027 is estimated to be \$7,968,118. There are 16 community action agencies that must each receive at least \$185,000.

8 22 2. An amount not exceeding 4 percent of the moneys
 8 23 appropriated in subsection 1 for each federal fiscal year
 8 24 shall be used by the department of health and human services
 8 25 for administrative expenses. From the moneys set aside by
 8 26 this subsection for administrative expenses, the department
 8 27 of health and human services shall pay to the auditor of
 8 28 state an amount sufficient to pay the cost of auditing the
 8 29 use and administration of the state's portion of the moneys
 8 30 appropriated in subsection 1. The auditor of state shall bill
 8 31 the department of health and human services for the costs of
 8 32 the audits.

Permits up to 4.00% of the federal Community Services Block Grant appropriations to be used by the HHS for administration and audit costs.

DETAIL: The annual amount the HHS may expend each year for administrative expenses in FFY 2026 and FFY 2027 is estimated at \$332,005.

8 33 Sec. 8. COMMUNITY DEVELOPMENT APPROPRIATIONS.

8 34 1. a. There is appropriated from the fund created pursuant
 8 35 to section 8.41 to the economic development authority for the
 9 1 following federal fiscal years beginning October 1, and ending
 9 2 September 30, the following amounts:

Federal Community Development Block Grant (CDBG) appropriations to the Iowa Economic Development Authority (IEDA) for FFY 2026 and FFY 2027.

9 3	FFY 2025-2026:.....	\$	26,500,000
9 4	FFY 2026-2027:.....	\$	26,500,000

9 5 b. The appropriations made in this subsection are in the
 9 6 amounts anticipated to be received from the federal government
 9 7 for the designated federal fiscal years under 42 U.S.C.ch.
 9 8 69, which provides for community development block grants.
 9 9 The economic development authority shall expend the moneys
 9 10 appropriated in this subsection as provided in the federal law
 9 11 making the moneys available and in conformance with chapter
 9 12 17A.

Requires the IEDA to expend the funds appropriated for the federal CDBG Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

9 13 2. a. An amount not exceeding \$1,160,000 for the federal
 9 14 fiscal year beginning October 1, 2025, shall be used by the
 9 15 economic development authority for administrative expenses for

Requires the IEDA to expend up to \$1,160,000 to administer the CDBG Program in FFY 2026. This includes \$630,000 from the federal CDBG and a State match of \$530,000.

9 16 the community development block grant. The total amount used
 9 17 for administrative expenses includes \$630,000 for the federal
 9 18 fiscal year beginning October 1, 2025, of moneys appropriated
 9 19 in subsection 1 and a matching contribution from the state
 9 20 equal to \$530,000 from the appropriation of state moneys for
 9 21 the community development block grant and state appropriations
 9 22 for related activities of the economic development authority.
 9 23 From the moneys set aside for administrative expenses by this
 9 24 subsection, the economic development authority shall pay to
 9 25 the auditor of state an amount sufficient to pay the cost of
 9 26 auditing the use and administration of the state's portion of
 9 27 the moneys appropriated in subsection 1. The auditor of state
 9 28 shall bill the authority for the costs of the audit.

9 29 b. An amount not exceeding \$1,160,000 for the federal
 9 30 fiscal year beginning October 1, 2026, shall be used by the
 9 31 economic development authority for administrative expenses for
 9 32 the community development block grant. The total amount used
 9 33 for administrative expenses includes \$630,000 for the federal
 9 34 fiscal year beginning October 1, 2026, of moneys appropriated
 9 35 in subsection 1 and a matching contribution from the state
 10 1 equal to \$530,000 from the appropriation of state moneys for
 10 2 the community development block grant and state appropriations
 10 3 for related activities of the economic development authority.
 10 4 From the moneys set aside for administrative expenses by this
 10 5 subsection, the economic development authority shall pay to
 10 6 the auditor of state an amount sufficient to pay the cost of
 10 7 auditing the use and administration of the state's portion of
 10 8 the moneys appropriated in subsection 1. The auditor of state
 10 9 shall bill the authority for the costs of the audit.

Requires the IEDA to expend up to \$1,160,000 to administer the CDBG Program in FFY 2027. This includes \$630,000 from the federal CDBG and a State match of \$530,000.

10 10 Sec. 9. SURFACE TRANSPORTATION BLOCK GRANT PROGRAM
 10 11 APPROPRIATIONS. There is appropriated from the fund created
 10 12 pursuant to section 8.41 to the department of transportation
 10 13 for the following federal fiscal years beginning October 1, and
 10 14 ending September 30, the following amounts:
 10 15 FFY 2025-2026:..... \$ 192,600,000
 10 16 FFY 2026-2027:..... \$ 192,600,000

Federal Surface Transportation Block Grant appropriations to the Department of Transportation (DOT) for FFY 2026 and FFY 2027.

10 17 The appropriations made in this section are the amounts
 10 18 anticipated to be received from the federal government for
 10 19 the designated fiscal years under 23 U.S.C.ch.1, §133,

Requires the DOT to expend the funds appropriated for the federal Surface Transportation Block Grant Program in

10 20 which provides funding allocated by the state transportation
10 21 commission for state and local transportation projects. The
10 22 department shall expend the moneys appropriated in this section
10 23 as provided in the federal law making the moneys available and
10 24 in conformance with chapter 17A.

accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

10 25 Sec. 10. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

Federal Low-Income Home Energy Assistance Program (LIHEAP) Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

10 26 1. a. There is appropriated from the fund created pursuant
10 27 to section 8.41 to the department of health and human services
10 28 for the following federal fiscal years beginning October 1, and
10 29 ending September 30, the following amounts:

10 30	FFY 2025-2026:.....	\$	58,058,248
10 31	FFY 2026-2027:.....	\$	58,058,248

10 32 b. The appropriations made in this subsection are in the
10 33 amounts anticipated to be received from the federal government
10 34 for the designated federal fiscal years under 42 U.S.C.
10 35 ch.94, subch.II, which provides for the low-income home
11 1 energy assistance block grants. The department of health and
11 2 human services shall expend the moneys appropriated in this
11 3 subsection as provided in the federal law making the moneys
11 4 available and in conformance with chapter 17A.

Requires the HHS to expend the funds appropriated for the federal LIHEAP Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

11 5 2. Up to 15 percent, or up to 25 percent if a waiver is
11 6 approved by the United States department of health and human
11 7 services, of the amount appropriated in this section that is
11 8 actually received for each federal fiscal year shall be used
11 9 for residential weatherization or other related home repairs
11 10 for low-income households. Of this allocation amount, not more
11 11 than 10 percent may be used for administrative expenses.

Allocates up to 15.00% of the federal LIHEAP Block Grant funds for residential weatherization or other related home repairs for low-income households. Allocates up to 25.00% if a waiver is approved by the U.S. Department of Health and Human Services. Permits up to 10.00% of the allocated funds to be used for administrative expenses.

DETAIL: The amount allocated for residential weatherization and related home repairs is estimated at \$8,708,737 per year for FFY 2026 and FFY 2027 or up to \$14,514,562 if a waiver is approved. Of this amount, the HHS may use up to 10.00% or \$870,874 for administrative expenses or up to \$1,451,456 if a waiver is approved.

11 12 3. After subtracting the allocation in subsection 2, no
11 13 less than 8.4 percent of the remaining moneys for each federal
11 14 fiscal year are allocated for administrative expenses of the
11 15 low-income home energy assistance program contractors, and
11 16 up to 1.6 percent of the remaining moneys are allocated each

Specifies that no less than 8.40% of the remaining funds be used for administrative costs associated with the LIHEAP contractors. Specifies that up to 1.60% of the remaining funds may be used for administrative costs of the HHS for the LIHEAP.

11 17 federal fiscal year for the low-income home energy assistance
 11 18 program for administrative expenses of the department of
 11 19 health and human services. The costs of auditing the use and
 11 20 administration of the portion of the appropriation in this
 11 21 section that is retained by the state shall be paid from the
 11 22 amount allocated in this subsection each federal fiscal year to
 11 23 the department of health and human services. The auditor of
 11 24 state shall bill the department of health and human services
 11 25 for the audit costs.

DETAIL: The amount allocated for administrative expenses of the LIHEAP contractors is estimated between \$3,657,670 and \$4,145,359 for FFY 2026 and FFY 2027. The amount allocated for administrative expenses of the HHS for the LIHEAP is estimated between \$696,699 and \$789,592 for FFY 2026 and FFY 2027.

11 26 4. The remaining moneys of the appropriation made in this
 11 27 section for each federal fiscal year following the allocations
 11 28 made in subsections 2 and 3, shall be used to help eligible
 11 29 households as defined in 42 U.S.C.ch.94, subch.II, to meet
 11 30 home energy costs.

Requires that the LIHEAP funds remaining after the allocations for residential weatherization and administrative costs be used for costs associated with meeting home energy costs.

DETAIL: The annual amount allocated for home energy costs is estimated between \$39,189,317 and \$44,414,560 for FFY 2026 and FFY 2027.

11 31 5. Not more than 10 percent of the amount appropriated in
 11 32 this section each federal fiscal year that is actually received
 11 33 may be carried forward for use in the succeeding federal fiscal
 11 34 year.

Permits up to 10.00% of the funds appropriated in this Section for each federal fiscal year that are actually received to be carried forward to the next federal fiscal year.

DETAIL: The maximum annual amount allowed to be carried forward is estimated at \$5,805,825 for FFY 2026 and FFY 2027.

11 35 6. Expenditures for assessment and resolution of energy
 12 1 problems shall be limited to not more than 5 percent of the
 12 2 amount appropriated in this section for each federal fiscal
 12 3 year that is actually received.

Limits the expenditure of funds for assessment and resolution of energy problems to not more than 5.00% of the amount appropriated in this Section for each federal fiscal year that is actually received.

DETAIL: The annual amount allocated for assessment and resolution of energy problems is estimated at \$2,902,912 for FFY 2026 and FFY 2027.

12 4 Sec. 11. SOCIAL SERVICES APPROPRIATIONS.
 12 5 1. There is appropriated from the fund created pursuant to
 12 6 section 8.41 to the department of health and human services for
 12 7 the following federal fiscal years beginning October 1, and
 12 8 ending September 30, the following amounts:
 12 9 FFY 2025-2026:..... \$ 15,264,832

Federal Social Services Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

12 10 FFY 2026-2027:..... \$ 15,264,832

12 11 2. The appropriations made in this section are in the
 12 12 amounts anticipated to be received from the federal government
 12 13 for the designated federal fiscal years under 42 U.S.C.ch.7,
 12 14 subch.XX, which provides for the social services block grant.
 12 15 The department of health and human services shall expend the
 12 16 moneys appropriated in this section as provided in the federal
 12 17 law making the moneys available and in conformance with chapter
 12 18 17A.

Requires the HHS to expend the funds appropriated for the federal Social Services Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

12 19 Sec. 12. SOCIAL SERVICES BLOCK GRANT PLAN.

12 20 1. The department of health and human services during each
 12 21 state fiscal year shall develop a plan for the use of federal
 12 22 social services block grant moneys for the subsequent state
 12 23 fiscal year.

Requires the HHS to develop a plan for the use of federal Social Services Block Grant funds for the subsequent State fiscal year. Specifies the required contents of the plan and requires the plan to be submitted with the HHS budget request presented to the Governor and the General Assembly.

12 24 2. The proposed plan shall include all programs and services
 12 25 at the state level which the department proposes to fund with
 12 26 federal social services block grant moneys, and shall identify
 12 27 state and other moneys which the department proposes to use to
 12 28 fund the state programs and services.

12 29 3. The proposed plan shall also include all local programs
 12 30 and services which are eligible to be funded with federal
 12 31 social services block grant moneys, the total amount of federal
 12 32 social services block grant moneys available for the local
 12 33 programs and services, and the manner of distribution of the
 12 34 federal social services block grant moneys to the counties.

12 35 The proposed plan shall identify state and local moneys which
 13 1 will be used to fund the local programs and services.

13 2 4. The proposed plan shall be submitted with the
 13 3 department's budget requests to the governor and the general
 13 4 assembly.

13 5 Sec. 13. PROJECTS FOR ASSISTANCE IN TRANSITION FROM
 13 6 HOMELESSNESS.

13 7 1. Upon receipt of the minimum formula grant from the
 13 8 substance abuse and mental health services administration to
 13 9 provide mental health services for the homeless, for the state
 13 10 fiscal years beginning July 1, 2025, and July 1, 2026, the
 13 11 department of health and human services shall assure that a
 13 12 project which receives moneys under the formula grant shall do
 13 13 all of the following:

Requires the HHS to ensure that a project that receives moneys under the Substance Abuse and Mental Health Services Administration minimum formula grant meets requirements pertaining to various mental health, substance abuse, and housing support services for homeless persons living in residential settings that are not otherwise supported.

13 14 a. Provide outreach and engagement to homeless individuals
 13 15 and individuals at risk of homelessness and assesses those
 13 16 individuals for serious mental illness.
 13 17 b. Enroll those individuals with serious mental illness who
 13 18 are willing to accept services through the project.
 13 19 c. Provide case management to homeless persons.
 13 20 d. Provide appropriate training to persons who provide
 13 21 services to persons targeted by the grant.
 13 22 e. Assure a local match share of 25 percent.
 13 23 f. Refer homeless individuals and individuals at risk of
 13 24 homelessness to primary health care, job training, educational
 13 25 services, and relevant housing services.
 13 26 2. A project may expend moneys for community mental health
 13 27 services, diagnostic services, crisis intervention services,
 13 28 habilitation and rehabilitation services, substance-related
 13 29 disorder services, supportive and supervisory services to
 13 30 homeless persons living in residential settings that are
 13 31 not otherwise supported, and housing services including
 13 32 minor renovation, expansion, and repair of housing, security
 13 33 deposits, planning of housing, technical assistance in
 13 34 applying for housing, improving the coordination of housing
 13 35 services, the costs associated with matching eligible homeless
 14 1 individuals with appropriate housing, and one-time rental
 14 2 payments to prevent eviction.

14 3 Sec. 14. CHILD CARE AND DEVELOPMENT APPROPRIATIONS.

14 4 1. a. There is appropriated from the fund created pursuant
 14 5 to section 8.41 to the department of health and human services
 14 6 for the following federal fiscal years beginning October 1, and
 14 7 ending September 30, the following amounts:

14 8	FFY 2025-2026:.....	\$	109,630,285
14 9	FFY 2026-2027:.....	\$	109,630,285

14 10 b. The appropriations made in this section are in the
 14 11 amounts anticipated to be received from the federal government
 14 12 for the designated federal fiscal years under 42 U.S.C.
 14 13 ch.105, subch.II-B, which provides for the child care and
 14 14 development block grant. The department shall expend the
 14 15 moneys appropriated in this section as provided in the federal
 14 16 law making the moneys available and in conformance with chapter
 14 17 17A.

Federal Child Care and Development Block Grant appropriations to the HHS for FFY 2026 and FFY 2027.

Requires the HHS to expend the funds appropriated for the federal Child Care and Development Block Grant Program in accordance with federal law and in conformance with administrative procedures defined in Iowa Code chapter [17A](#).

<p>14 18 2. Moneys appropriated in this section that remain 14 19 unencumbered or unobligated at the close of the fiscal year 14 20 shall revert to be available for appropriation for purposes of 14 21 the child care and development block grant in the succeeding 14 22 fiscal year.</p>	<p>Requires any unencumbered or unobligated funds remaining at the close of a fiscal year to remain available for purposes set forth in the federal Child Care and Development Block Grant in succeeding fiscal years.</p>
<p>14 23 Sec. 15. PROCEDURE FOR REDUCED FEDERAL MONEYS. 14 24 1. Unless otherwise necessary to meet federal requirements, 14 25 if the moneys received from the federal government for 14 26 the block grants specified in this Act are less than the 14 27 amounts appropriated, the moneys actually received shall be 14 28 prorated by the governor for the various programs, other 14 29 than for the services to victims of sex offenses and for sex 14 30 offense prevention under section 4, subsection 3, of this 14 31 Act, for which each block grant is available according to 14 32 the percentages that each program is to receive as specified 14 33 in this Act. However, if the governor determines that the 14 34 moneys allocated by the percentages will not be sufficient to 14 35 accomplish the purposes of a particular program, or if the 15 1 appropriation is not allocated by percentage, the governor may 15 2 allocate the moneys in a manner which will accomplish to the 15 3 greatest extent possible the purposes of the various programs 15 4 for which the block grants are available.</p>	<p>Specifies the procedure for prorating funds to various programs if the funding received is less than the amount appropriated. Permits the Governor to allocate funds to accomplish the purposes of the programs if the Governor determines the funds allocated through the prorated methodology are not sufficient.</p>
<p>15 5 2. Before the governor implements the actions provided for 15 6 in subsection 1, the following procedures shall be taken: 15 7 a. The chairpersons and ranking members of the senate and 15 8 house standing committees on appropriations, the appropriate 15 9 chairpersons and ranking members of subcommittees of those 15 10 committees, and the director of the legislative services agency 15 11 shall be notified of the proposed action. 15 12 b. The notice shall include the proposed allocations, 15 13 and information on the reasons why particular percentages or 15 14 amounts of moneys are allocated to the individual programs, 15 15 the departments and programs affected, and other information 15 16 deemed useful. Chairpersons and ranking members notified shall 15 17 be allowed at least two weeks to review and comment on the 15 18 proposed action before the action is taken.</p>	<p>Requires the Governor to notify the chairpersons and ranking members of the Senate and House appropriations committees, the appropriate chairpersons and ranking members of the appropriations subcommittees, and the Director of the Legislative Services Agency of pending actions concerning reduced allocations for programs due to a reduction in federal funds.</p>
<p>15 19 Sec. 16. PROCEDURE FOR INCREASED FEDERAL MONEYS. 15 20 1. Unless otherwise necessary to meet federal requirements,</p>	<p>Requires additional funds received from specified block grants to be prorated for the specified programs, except for administrative</p>

15 21 if moneys received from the federal government in the form of
 15 22 block grants exceed the amounts appropriated in sections 1, 2,
 15 23 3, 4, and 8 of this Act, the excess shall be prorated to the
 15 24 appropriate programs according to the percentages specified in
 15 25 those sections, except additional moneys shall not be prorated
 15 26 for administrative expenses.

costs, based on the percentages in this Act. Federal block grant programs that are required to prorate additional funds include:

- Substance Abuse Block Grant
- Community Mental Health Services Block Grant
- Maternal and Child Health Services Block Grant
- Preventive Health and Health Services Block Grant
- Community Development Block Grant

15 27 2. If actual moneys received from the federal government
 15 28 from block grants exceed the amount appropriated in section 10
 15 29 of this Act for the low-income home energy assistance program,
 15 30 not more than 15 percent of the excess may be allocated to the
 15 31 low-income residential weatherization program and not more than
 15 32 10 percent of the excess may be used for administrative costs.

Permits funds received in excess of the appropriated amount for the LIHEAP to be allocated as follows:

- Up to 15.00% of the additional funds for the Low-Income Residential Weatherization Program.
- Up to 10.00% of the additional funds for administrative costs.

15 33 3. If moneys received from the federal government from
 15 34 community services block grants exceed the amount appropriated
 15 35 in section 7 of this Act, 100 percent of the excess is
 16 1 allocated to the community services block grant program.

Requires that if the federal funds received from the Community Services Block Grant exceed the appropriated amount, 100.00% of the excess is to be allocated to the Community Services Block Grant Program.

16 2 Sec. 17. PROCEDURE FOR EXPENDITURE OF ADDITIONAL FEDERAL
 16 3 MONEYS. If other federal grants, receipts, and moneys and
 16 4 other nonstate grants, receipts, and moneys become available
 16 5 or are awarded which are not available or awarded during the
 16 6 period in which the general assembly is in session, but which
 16 7 require expenditure by the applicable department or agency
 16 8 prior to March 15 of the fiscal years beginning July 1, 2025,
 16 9 and July 1, 2026, these grants, receipts, and moneys are
 16 10 appropriated to the extent necessary, provided that the fiscal
 16 11 committee of the legislative council is notified within 30 days
 16 12 of receipt of the grants, receipts, or moneys and the fiscal
 16 13 committee of the legislative council has an opportunity to
 16 14 comment on the expenditure of the grants, receipts, or moneys.

Appropriates federal and non-State funds that become available after the Legislative Session and require expenditure by March 15, 2026, or March 15, 2027. Requires notice to be provided to the Fiscal Committee of the Legislative Council within 30 days of receipt of the funds to permit comment on planned expenditures.

16 15 Sec. 18. OTHER GRANTS, RECEIPTS, AND MONEYS. Federal
 16 16 grants, receipts, and moneys and other nonstate grants,
 16 17 receipts, and moneys, available in whole or in part of the
 16 18 state fiscal years beginning July 1, 2025, and July 1, 2026,

Appropriates federal and non-State funds available in FY 2026 and FY 2027 to various State agencies as designated by and for the purposes set forth in the grants, receipts, or conditions associated with the funds.

16 19 are appropriated to the following departments and agencies that
 16 20 are designated by and for the purposes set forth in the grants,
 16 21 receipts, or conditions accompanying the receipt of the moneys,
 16 22 unless otherwise provided by law:

- 16 23 1. Department of administrative services.
- 16 24 2. Department of agriculture and land stewardship.
- 16 25 3. Office of auditor of state.
- 16 26 4. Department for the blind.
- 16 27 5. Department of corrections.
- 16 28 6. Economic development authority.
- 16 29 7. Department of education.
- 16 30 8. Iowa ethics and campaign disclosure board.
- 16 31 9. Iowa finance authority.
- 16 32 10. Offices of the governor and lieutenant governor.
- 16 33 11. Department of health and human services.
- 16 34 12. Department of homeland security and emergency
 16 35 management.
- 17 1 13. Department of inspections, appeals, and licensing.
- 17 2 14. Department of insurance and financial services.
- 17 3 15. Judicial branch.
- 17 4 16. Department of justice.
- 17 5 17. Iowa law enforcement academy.
- 17 6 18. Department of management.
- 17 7 19. Department of natural resources.
- 17 8 20. Board of parole.
- 17 9 21. Department of public defense.
- 17 10 22. Department of public safety.
- 17 11 23. State board of regents.
- 17 12 24. Department of revenue.
- 17 13 25. Office of secretary of state.
- 17 14 26. Iowa state fair authority.
- 17 15 27. Office for state-federal relations.
- 17 16 28. Iowa telecommunications and technology commission.
- 17 17 29. Office of treasurer of state.
- 17 18 30. Department of transportation.
- 17 19 31. Iowa utilities commission.
- 17 20 32. Department of veterans affairs.
- 17 21 33. Department of workforce development.

17 22 DIVISION II

17 23 CITY REGULATION OF DEVELOPERS, CONTRACTORS, AND SUBCONTRACTORS

17 24 Sec. 19. Section 364.3, subsection 20, as enacted by 2025
 17 25 Iowa Acts, Senate File 603, is amended to read as follows:
 17 26 20. A city shall not adopt or enforce an ordinance,
 17 27 motion, resolution, or amendment that imposes restrictions,
 17 28 qualifications, or requirements on developers, contractors,
 17 29 or subcontractors related to a developer's or contractor's
 17 30 employee compensation or training beyond what is expressly
 17 31 authorized by state law. A city shall not make receipt of any
 17 32 incentives, or the eligibility for such incentives, contingent
 17 33 upon compliance with any such restrictions, qualifications, or
 17 34 requirements, except as required under federal law.

CODE: Amends 2025 Iowa Acts, [Senate File 603](#) (Workforce Development, Programs and Duties Act), to specify that cities must not make receipt of any incentives, or the eligibility of any incentives, contingent on developers', contractors', or subcontractors' compliance with any restrictions, qualifications, or requirements related to employee compensation or training unless required under federal law.

DETAIL: This Act was approved by the General Assembly on March 19, 2025, and signed by the Governor on March 28, 2025.

17 35 Sec. 20. EFFECTIVE DATE. This division of this Act, being
 17 36 deemed of immediate importance, takes effect upon enactment.

Provides that Division II of this Act which amends [SF 603](#) (Workforce Development, Programs, and Duties Act) takes effect on June 11, 2025.

17 37 Sec. 21. RETROACTIVE APPLICABILITY. This division of this
 17 38 Act applies retroactively to March 28, 2025.

Provides that Division II of this Act which amends [SF 603](#) (Workforce Development, Programs, and Duties Act) applies retroactively to March 28, 2025.

Summary Data Federal Funds

	Final Action FY 2026 (1)	Final Act Yr2 FY 2027 (2)
Economic Development	\$ 26,500,000	\$ 26,500,000
Health and Human Services	221,854,812	221,854,812
Justice System	2,386,422	2,486,361
Transportation, Infrastructure, and Capitals	192,600,000	192,600,000
Grand Total	\$ 443,341,234	\$ 443,441,173

Economic Development Federal Funds

	Final Action FY 2026 <u>(1)</u>	Final Act Yr2 FY 2027 <u>(2)</u>	Page and Line # <u>(3)</u>
<u>Economic Development Authority</u>			
Economic Development Authority			
Comm. Development - Fed. Funds	\$ 26,500,000	\$ 26,500,000	PG 8 LN 33
Total Economic Development Authority	<u>\$ 26,500,000</u>	<u>\$ 26,500,000</u>	
Total Economic Development	<u>\$ 26,500,000</u>	<u>\$ 26,500,000</u>	

Health and Human Services Federal Funds

	Final Action FY 2026 <u>(1)</u>	Final Act Yr2 FY 2027 <u>(2)</u>	Page and Line # <u>(3)</u>
<u>Health and Human Services, Department of</u>			
Health and Human Services			
Substance Abuse Treatment - Fed. Funds	\$ 14,116,120	\$ 14,116,120	PG 1 LN 3
Comm. Mental Health - Fed. Funds	7,754,083	7,754,083	PG 2 LN 27
Maternal/Child Health - Fed. Funds	6,775,530	6,775,530	PG 4 LN 13
Preventive Health - Fed. Funds	1,955,591	1,955,591	PG 5 LN 33
Community Services - Fed. Funds	8,300,123	8,300,123	PG 7 LN 31
Low Income Energy Assistance - Fed. Funds	58,058,248	58,058,248	PG 10 LN 25
Social Services - Fed. Funds	15,264,832	15,264,832	PG 12 LN 4
Child Care and Development - Fed. Funds	109,630,285	109,630,285	PG 14 LN 3
Total Health and Human Services, Department of	\$ 221,854,812	\$ 221,854,812	
Total Health and Human Services	\$ 221,854,812	\$ 221,854,812	

Justice System Federal Funds

	Final Action FY 2026 (1)	Final Act Yr2 FY 2027 (2)	Page and Line # (3)
<u>Public Safety, Department of</u>			
Public Safety, Dept. of			
Substance Abuse Treatment - Fed. Funds	\$ 422,329	\$ 307,388	PG 6 LN 34
Bryne/JAG Grant - Fed. Funds	1,964,093	2,178,973	PG 7 LN 15
Total Public Safety, Department of	\$ 2,386,422	\$ 2,486,361	
Total Justice System	\$ 2,386,422	\$ 2,486,361	

Transportation, Infrastructure, and Capitals Federal Funds

	Final Action FY 2026 <u>(1)</u>	Final Act Yr2 FY 2027 <u>(2)</u>	Page and Line # <u>(3)</u>
<u>Transportation, Department of</u>			
Transportation, Dept. of			
Surface Trans. Block Grant - Fed Funds	\$ 192,600,000	\$ 192,600,000	PG 10 LN 10
Total Transportation, Department of	<u>\$ 192,600,000</u>	<u>\$ 192,600,000</u>	
Total Transportation, Infrastructure, and Capitals	<u>\$ 192,600,000</u>	<u>\$ 192,600,000</u>	

FUNDING SUMMARY

Creates a supplemental appropriation for FY 2025 from the Region Incentive Fund to the Department of Health and Human Services (HHS) of an amount necessary to ensure the continuity of care for persons transferring from the Mental Health and Disability Services (MHDS) System to the Behavioral Health Services System, and for distribution to administrative services organizations (ASOs) to be used for expenses related to the Behavioral Health Services System. Page 28, Line 30

Exempts moneys distributed from the Region Incentive Fund to the ASOs in this Act from being considered in the computation of any limit on the administrative costs of an ASO. Page 29, Line 6

Requires any unencumbered or unobligated moneys in the MHDS Regional Service Fund at the close of FY 2025 to be transferred to the Behavioral Health Fund. Page 29, Line 12

STUDIES AND INTENT

Requires the HHS to adopt administrative rules pursuant to Iowa Code chapter [17A](#) to administer Division II of this Act. The administrative rules must include rules for the approval of relatives or fictive kin or approved kinship caregivers to provide child foster care. Page 25, Line 25

Requires the HHS to adopt administrative rules pursuant to Iowa Code chapter 17A to administer Iowa Code section [135.118](#). (Child Protection Center Grant Program). Page 25, Line 31

SIGNIFICANT CODE CHANGES

Excludes employees of an ASO from the definition of an employee for the purposes of the Iowa Public Employees' Retirement System (IPERS). Page 1, Line 3

Replaces the language in Iowa Code section [229.19](#)(1)(a) regarding the appointment of individuals to represent the interest of patients involuntarily hospitalized by the court and adds an officer or employee of an ASO or disability access point in the list of persons prohibited from acting as an advocate representing the interests of patients involuntarily hospitalized. Page 1, Line 19

Amends the definition of "child foster care" under Iowa Code chapter [237](#) (Child Foster Care Facilities) to include approved kinship caregiver. Page 4, Line 27

EXECUTIVE SUMMARY

HEALTH AND HUMAN SERVICES, PROGRAMS AND DUTIES ACT

SENATE FILE 641

Expands the policy of the State relating to protection of children who are separated from the direct personal care of their parents, relatives, or guardians to include fictive kin.

Page 6, Line 29

Restricts a kinship caregiver from providing child foster care unless the kinship caregiver has been granted approval under new Iowa Code section 237.5B (Approved Kinship Caregiver).

Page 12, Line 27

Amends the definition of "case permanency plan" under Iowa Code section [237.15](#) to require case permanency plans to include efforts to place a child with a relative or fictive kin.

Page 23, Line 11

Allows any community-based entity to apply for and receive funds appropriated to the HHS for child abuse prevention.

Page 25, Line 35

Amends the definition of "exploitation of a dependent adult" under the definition of "dependent adult abuse" under Iowa Code chapter [235B](#) (Dependent Adult Abuse Services — Information Registry) to mean a fraudulent or otherwise illegal, unauthorized, or improper attempt, act, or process by a caretaker or fiduciary to use the physical or financial resources of a dependent adult for monetary or personal benefit, profit, or gain or to deprive the dependent adult of the use of the dependent adult's physical or financial resources, including any benefits, belongings, or assets.

Page 26, Line 12

Expands Iowa Code section [235B.6\(2\)\(e\)\(2\)](#) to include an instrumentality of the State in the list of entities that have authorized access to dependent adult abuse information, other than unfounded dependent adult abuse information, when necessary to carry out official duties.

Page 27, Line 12

Requires the Director of the HHS to require medical assistance providers to share information with the HHS as necessary to identify, prevent, or respond to child abuse and dependent adult abuse.

Page 27, Line 19

Specifies that information created or received by the HHS in the course of an internal audit or examination, including any allegations of misconduct or noncompliance and all audit or examination workpapers, is confidential. The confidential status of information will not limit the Auditor of State's authorized access to information under Iowa Code section [11.41](#) (Access to Information — Confidentiality). Confidential information provided to the Auditor by the HHS cannot be disclosed by the Auditor unless the Director of the HHS authorizes the disclosure in writing or the information is contained in the HHS's final report for the internal audit or examination.

Page 27, Line 28

Amends the reference to the percentage of the premiums received and taxable that a health maintenance organization contracting with the HHS to administer the medical assistance program must pay to the Director

Page 29, Line 27

EXECUTIVE SUMMARY

HEALTH AND HUMAN SERVICES, PROGRAMS AND DUTIES ACT

of the Department of Revenue for deposit in the Medicaid Managed Care Organizations Premiums Fund to be the applicable percentage established in Iowa Code section [432.1](#) rather than 2.5%.

EFFECTIVE DATE

Specifies that Division V of this Act related to the Region Incentive Fund takes effect on June 6, 2025, and applies retroactively to July 1, 2024.

Page 29, Line 16

Specifies that Division VI of this Act related to the applicable percentage of premiums takes effect on June 6, 2025, and applies retroactively to January 1, 2024.

Page 29, Line 39

ENACTMENT DATE

This Act was approved by the General Assembly on May 13, 2025, and signed by the Governor on June 6, 2025.

STAFF CONTACT: Lindsey Ingraham (515.281.6764) lindsey.ingraham@legis.iowa.gov

Senate File 641 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	3	1	Add	97B.1A.8.b.(10)
1	7	2	Add	229.1.2A,7A
1	19	3	Strike and Replace	229.19.1.a
2	4	4	Amend	232.69.1.b.(9)
2	8	5	Amend	232.78.8.a.(4)
2	18	6	Amend	232.95.2.c.(4)
2	28	7	Amend	232.102.1.a.(4)
3	3	8	Amend	234.1.1.a.(1),(2)
3	18	9	Amend	234.7.1
3	29	10	Amend	234.39.2.b
4	2	11	Amend	235A.15.2.c.(2)
4	8	12	Amend	237.1
6	29	13	Amend	237.2
7	8	14	Amend	237.3
11	16	15	Amend	237.4
11	23	16	Amend	237.4.8
11	28	17	Amend	237.5A
12	27	18	New	237.5B
13	4	19	Amend	237.6
13	18	20	Amend	237.8
18	4	21	Amend	237.9
18	22	22	Amend	237.10
21	33	23	Amend	237.13
22	19	24	Amend	237.14
22	35	25	Amend	237.14A
23	11	26	Amend	237.15.1.a
23	15	27	Strike	237.15.5
23	17	28	Amend	237A.1.2.1
23	23	29	Amend	237A.3A.1.d
23	29	30	Amend	237C.1.2.f
23	33	31	Amend	237C.3.2
24	12	32	Amend	282.19.2
24	28	33	Amend	335.25.2.c
25	4	34	Amend	414.22.2.c
25	15	35	Amend	423.3.18.b
25	21	36	Amend	709.16.2.b.(1)
25	31	38	Add	135.118.5
25	35	39	Amend	235A.1.1.b
26	5	40	Amend	235A.15.1
26	12	41	Amend	235B.2.5.a.(1).(c)

Senate File 641 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
26	28	42	Amend	235B.3.7
27	5	43	Amend	235B.6.1
27	12	44	Amend	235B.6.2.e.(2)
27	19	45	Add	249A.4.16
27	28	46	New	217.31A
29	23	50	Amend	432.1.2
29	27	51	Amend	432.1B.1

1	1	DIVISION I	
1	2	ADMINISTRATIVE SERVICES ORGANIZATIONS	
1	3	Section 1. Section 97B.1A, subsection 8, paragraph b, Code	CODE: Excludes employees of an Administrative Services Organization (ASO) from the definition of an employee for the purposes of the Iowa Public Employees' Retirement System (IPERS).
1	4	2025, is amended by adding the following new subparagraph:	
1	5	NEW SUBPARAGRAPH (10) Employees of an administrative	
1	6	services organization as defined in section 225A.1.	
1	7	Sec. 2. Section 229.1, Code 2025, is amended by adding the	CODE: Defines "behavioral health district" under Iowa Code chapter 229 (Hospitalization of Persons with Mental Illness) as a geographic, multicounty, sub-state area as designated by the HHS under new Iowa Code section 225A.4 (Behavioral Health Service System — Districts and Administrative Services Organizations).
1	8	following new subsections:	
1	9	NEW SUBSECTION 2A. "Behavioral health district" means the	
1	10	same as defined in section 225A.1.	
1	11	NEW SUBSECTION 7A. "Disability access point" means an	CODE: Defines "disability access point" under Iowa Code chapter 229 to mean an organization designated by the HHS for a Behavioral Health District to serve as the primary local access point for individuals with disabilities, and the individuals' caregivers, to provide person-centered assistance that facilitates the coordination of the individuals' services, simplifies service navigation, and improves overall accessibility to disability-related resources.
1	12	organization designated by the department for a behavioral	
1	13	health district to serve as the primary local access point for	
1	14	individuals with disabilities, and the individuals' caregivers,	
1	15	to provide person-centered assistance that facilitates	
1	16	the coordination of the individuals' services, simplifies	
1	17	service navigation, and improves overall accessibility to	
1	18	disability-related resources.	
1	19	Sec. 3. Section 229.19, subsection 1, paragraph a, Code	CODE: Replaces the language in Iowa Code section 229.19 (1) (a) (Advocates — Appointment — Duties — Employment and Compensation) regarding the appointment of individuals to represent the interest of patients involuntarily hospitalized by the court and adds an officer or employee of an ASO or disability access point in the list of persons prohibited from acting as an advocate representing the interests of patients involuntarily hospitalized.
1	20	2025, is amended by striking the paragraph and inserting in	
1	21	lieu thereof the following:	
1	22	a. (1) The board of supervisors of each county shall	
1	23	appoint an individual to act as an advocate representing the	
1	24	interests of patients involuntarily hospitalized by the court	
1	25	in matters relating to a patient's hospitalization or treatment	
1	26	under section 229.14 or 229.15. The individual shall have	
1	27	prior experience advocating for or promoting the welfare and	
1	28	rehabilitation of persons with mental illness.	
1	29	(2) A person appointed under this section shall not be any	
1	30	of the following:	
1	31	(a) An officer or employee of the department.	
1	32	(b) An officer or employee of an administrative services	
1	33	organization.	
1	34	(c) An officer or employee of an agency or facility	

1 35 providing care or treatment to persons with mental illness.
 2 1 (d) An officer or employee of a disability access point.

2 2 DIVISION II
 2 3 CHILD FOSTER CARE

2 4 Sec. 4. Section 232.69, subsection 1, paragraph b,
 2 5 subparagraph (9), Code 2025, is amended to read as follows:
 2 6 (9) An employee or operator of a child foster care facility
 2 7 ~~licensed or approved~~ under chapter 237.

CODE: Adopts conforming changes to Iowa Code section [232.69\(1\)\(b\)\(9\)](#) (Mandatory and Permissive Reporters — Training Required).

2 8 Sec. 5. Section 232.78, subsection 8, paragraph a,
 2 9 subparagraph (4), Code 2025, is amended to read as follows:
 2 10 (4) An individual ~~licensed to provide foster care pursuant~~
 2 11 ~~to licensee or an approved kinship caregiver under chapter 237.~~
 2 12 If the child is placed with a ~~licensed foster care provider~~
 2 13 an individual licensee or an approved kinship caregiver, the
 2 14 department shall assign decision-making authority to the ~~foster~~
 2 15 ~~care provider individual licensee or the approved kinship~~
 2 16 caregiver for the purpose of applying the reasonable and
 2 17 prudent parent standard during the child's placement.

CODE: Amends Iowa Code section [232.78\(8\)\(a\)\(4\)](#) (Temporary Custody of a Child Pursuant to Ex Parte Court Order) to add approved kinship caregiver to the people with decision making authority to apply the reasonable and prudent parent standard during a child's placement.

2 18 Sec. 6. Section 232.95, subsection 2, paragraph c,
 2 19 subparagraph (4), Code 2025, is amended to read as follows:
 2 20 (4) An individual ~~licensed to provide foster care pursuant~~
 2 21 ~~to licensee or an approved kinship caregiver under chapter 237.~~
 2 22 If the child is placed with a ~~licensed foster care provider~~
 2 23 an individual licensee or an approved kinship caregiver, the
 2 24 department shall assign decision-making authority to the ~~foster~~
 2 25 ~~care provider individual licensee or approved kinship caregiver~~
 2 26 for the purpose of applying the reasonable and prudent parent
 2 27 standard during the child's placement.

CODE: Amends Iowa Code section [232.95\(2\)\(c\)\(4\)](#) (Hearing Concerning Temporary Removal) to add approved kinship caregiver to the people with decision making authority to apply the reasonable and prudent parent standard during a child's placement.

2 28 Sec. 7. Section 232.102, subsection 1, paragraph a,
 2 29 subparagraph (4), Code 2025, is amended to read as follows:
 2 30 (4) An individual ~~licensed to provide foster care pursuant~~
 2 31 ~~to licensee or an approved kinship caregiver under chapter 237.~~
 2 32 If the child is placed with a ~~licensed foster care provider~~
 2 33 an individual licensee or an approved kinship caregiver, the
 2 34 department shall assign decision-making authority to the ~~foster~~
 2 35 ~~care provider individual licensee or approved kinship caregiver~~
 3 1 for the purpose of applying the reasonable and prudent parent

CODE: Amends Iowa Code section [232.102\(1\)\(a\)\(4\)](#) (Transfer of Legal Custody of Child and Placement) to add approved kinship caregiver to the people with decision making authority to apply the reasonable and prudent parent standard during a child's placement.

3 2 standard during the child's placement.

3 3 Sec. 8. Section 234.1, subsection 1, paragraph a,
3 4 subparagraphs (1) and (2), Code 2025, are amended to read as
3 5 follows:

3 6 (1) After reaching eighteen years of age, the person has
3 7 remained continuously and voluntarily under the care of an
3 8 individual, ~~as defined in section 237.1, licensed to provide~~
3 9 ~~foster care pursuant to licensee or approved kinship caregiver~~
3 10 under chapter 237, or in a supervised apartment living
3 11 arrangement, in this state.

3 12 (2) The person aged out of foster care after reaching
3 13 eighteen years of age and subsequently voluntarily applied
3 14 for placement with an individual, ~~as defined in section~~
3 15 ~~237.1, licensed to provide foster care pursuant to licensee or~~
3 16 approved kinship caregiver under chapter 237, or for placement
3 17 in a supervised apartment living arrangement, in this state.

3 18 Sec. 9. Section 234.7, subsection 1, Code 2025, is amended
3 19 to read as follows:

3 20 1. The department shall comply with the ~~provision~~
3 21 ~~associated with child foster care licensees provisions~~ under
3 22 chapter 237 that ~~requires that a child's foster parent require~~
3 23 an individual licensee or an approved kinship caregiver to be
3 24 included in, and be provided timely notice of, planning and
3 25 review activities associated with the child, including but not
3 26 limited to permanency planning and placement review meetings,
3 27 which shall include discussion of the child's rehabilitative
3 28 treatment needs.

3 29 Sec. 10. Section 234.39, subsection 2, paragraph b, Code
3 30 2025, is amended to read as follows:

3 31 ~~b.—This subsection~~ An assignment of support under paragraph
3 32 "a" shall not apply when a child is placed with a relative
3 33 or fictive kin as those terms are defined in section 232.2,
3 34 ~~who unless the relative or fictive kin is not licensed an~~
3 35 individual licensee or an approved kinship caregiver under
4 1 chapter 237 ~~to provide child foster care.~~

4 2 Sec. 11. Section 235A.15, subsection 2, paragraph c,
4 3 subparagraph (2), Code 2025, is amended to read as follows:

4 4 (2) To an administrator of a ~~child foster care~~ facility

CODE: Amends Iowa Code section [234.1](#)(1)(a) (Definitions) to add approved kinship caregiver to the people an 18 year old who has aged out of foster care can be placed with.

CODE: Amends Iowa Code section [234.7](#)(1) (Department Duties) to require an approved kinship caregiver to be included in the permanency planning and placement review meetings.

CODE: Amends Iowa Code section [234.39](#)(2)(b) (Responsibility for Costs of Service) to require assignment of support to be with a relative or fictive kin who is also an individual licensee or an approved kinship caregiver.

CODE: Adopts conforming changes to Iowa Code section [235A.15](#)(2)(c)(2) (Authorized Access — Procedures Involving Other States).

4 5 ~~licensed under chapter 237 as defined in section 237.1~~ if
 4 6 the data concerns a person employed or being considered for
 4 7 employment by the facility.

4 8 Sec. 12. Section 237.1, Code 2025, is amended to read as
 4 9 follows:
 4 10 237.1 DEFINITIONS.
 4 11 As used in this chapter:

4 12 1. “Agency” means a person ~~which provides child foster care~~
 4 13 ~~and which that~~ does not meet the definition of an individual as
 4 14 ~~defined under this section or a kinship caregiver.~~

CODE: Amends the definition of "agency" under Iowa Code chapter [237](#) (Child Foster Care Facilities) to exclude a kinship caregiver.

4 15 2. “Agency licensee” means an agency issued a license under
 4 16 this chapter.

CODE: Defines "agency licensee" under Iowa Code chapter [237](#) (Child Foster Care Facilities) as an agency issued a license under Iowa Code chapter [237](#).

4 17 3. “Approval” means the authorization granted to a kinship
 4 18 caregiver by the department through an expedited process under
 4 19 this chapter to provide child foster care, and allows the
 4 20 kinship caregiver to receive maximum financial support and to
 4 21 obtain the information and resources necessary to meet the
 4 22 needs of a child under a court-ordered placement with the
 4 23 kinship caregiver.

CODE: Defines "approval" under Iowa Code chapter [237](#) as the authorization granted to a kinship caregiver by the HHS through an expedited process under Iowa Code chapter [237](#) to provide child foster care, and allows the kinship caregiver to receive maximum financial support and to obtain the information and resources necessary to meet the needs of a child under a court-ordered placement with the kinship caregiver.

4 24 4. “Approved kinship caregiver” means a kinship caregiver
 4 25 granted approval under this chapter.

CODE: Defines "approved kinship caregiver" under Iowa Code chapter [237](#) as a kinship caregiver granted approval under Iowa Code chapter [237](#).

4 26 5. “Child” means child the same as defined in section 234.1.

CODE: Adopts conforming changes to the definition of "child" under Iowa Code chapter [237](#).

4 27 ~~—3.~~ 6. “Child foster care” means the provision of parental
 4 28 nurturing, including but not limited to the furnishing of food,
 4 29 lodging, training, education, supervision, treatment, or other
 4 30 care, to a child on a full-time basis by a person, including a
 4 31 relative or fictive kin of the child if the relative or fictive
 4 32 kin is licensed under this chapter an individual licensee or
 4 33 an approved kinship caregiver, but not including a guardian

CODE: Amends the definition of "child foster care" under Iowa Code chapter [237](#) to include approved kinship caregiver and makes conforming changes.

4 34 of the child. "Child foster care" does not include any of the
 4 35 following care situations:

5 1 a. Care furnished by an individual ~~person~~ who receives the
 5 2 child of a personal friend as an occasional and personal guest
 5 3 in the ~~individual person's~~ individual's home, free of charge
 5 4 and not as a business.

5 5 b. Care furnished by an individual ~~person~~ with whom a child
 5 6 has been placed for lawful adoption, unless that adoption is
 5 7 not completed within two years after placement.

5 8 c. Care furnished by a private boarding school subject to
 5 9 approval by the state board of education pursuant to section
 5 10 256.11.

5 11 d. Child care furnished by a child care center, a child
 5 12 development home, or a child care home as those terms are
 5 13 defined in section 237A.1.

5 14 e. Care furnished in a hospital licensed under chapter 135B
 5 15 or care furnished in a nursing facility licensed under chapter
 5 16 135C.

5 17 f. Care furnished by a relative or fictive kin of a child ~~or~~
 5 18 ~~an individual person with a meaningful relationship with the~~
 5 19 ~~child where when~~ the child is not under the placement, care, or
 5 20 supervision of the department.

5 21 ~~4.~~ 7. "Department" means the department of health and human
 5 22 services.

5 23 ~~5.~~ 8. "Director" means the director of health and human
 5 24 services.

5 25 ~~6.~~ 9. "Facility" means the personnel, program, physical
 5 26 plant, and equipment of a licensee or approved kinship
 5 27 caregiver. "Facility" includes a foster family home.

5 28 ~~7.~~ 10. "Fictive kin" means the same as defined in section
 5 29 232.2.

CODE: Updates language under the definition of "child foster care" in Iowa Code chapter [237](#) by replacing "an individual person with a meaningful relationship with the child" with "fictive kin."

CODE: Technical change.

CODE: Technical change.

CODE: Amends the definition of "facility" under Iowa Code chapter [237](#) to include personnel, program, physical plant, and equipment of an approved kinship caregiver and specifies that "facility" includes foster family homes.

CODE: Defines "fictive kin" in Iowa Code chapter [237](#) to mean an adult person who is not a relative of a child but who has an emotionally positive significant relationship with the child or the child's family.

<p>5 30 <u>11. "Foster family home" means a single-family home</u> 5 31 <u>environment in which child foster care is provided.</u></p>	<p>CODE: Defines "foster family home" in Iowa Code chapter 237 as a single-family home environment in which child foster care is provided.</p>
<p>5 32 <u>12. "Individual" means an individual a natural person</u> 5 33 <u>or a married couple who provides child foster care in a</u> 5 34 <u>single-family home environment and which does not meet the</u> 5 35 <u>definition of an agency under this section.</u></p>	<p>CODE: Amends the definition of "individual" under Iowa Code chapter 237 to mean a natural person or a married couple and removes the requirement that an "individual" must be a person or married couple who provides child foster care in a single family home environment and which does not meet the definition of an agency under Iowa Code section 237.1 (Definitions).</p>
<p>6 1 8. <u>13. "Individual licensee" means an individual, including</u> 6 2 <u>an individual who is a relative or fictive kin, issued a</u> 6 3 <u>license under this chapter.</u></p>	<p>CODE: Defines an "individual licensee" under Iowa Code chapter 237 as an individual, including an individual who is a relative or fictive kin, issued a license under Iowa Code chapter 237.</p>
<p>6 4 <u>14. "Kinship caregiver" means a relative or fictive kin of a</u> 6 5 <u>child.</u></p>	<p>CODE: Defines "kinship caregiver" under Iowa Code chapter 237 as a relative or fictive kin of a child.</p>
<p>6 6 <u>15. "License" means the authorization issued to an</u> 6 7 <u>individual or an agency by the department under this chapter</u> 6 8 <u>to provide child foster care.</u></p>	<p>CODE: Defines "license" under Iowa Code chapter 237 as the authorization issued to an individual or an agency by the HHS under Iowa Code chapter 237 to provide child foster care.</p>
<p>6 9 <u>16. "Licensee" means an individual or an agency licensed</u> 6 10 <u>under this chapter.</u></p>	<p>CODE: Technical change.</p>
<p>6 11 9. <u>17. "Reasonable and prudent parent standard" means</u> 6 12 <u>the standard characterized by careful and sensible parenting</u> 6 13 <u>decisions that maintain the health, safety, and best interests</u> 6 14 <u>of a child, while at the same time encouraging the emotional</u> 6 15 <u>and developmental growth of a child, that a caregiver caretaker</u> 6 16 <u>shall use when determining whether to allow a child in child</u> 6 17 <u>foster care under the placement, care, or supervision of the</u> 6 18 <u>department to participate in extracurricular, enrichment,</u> 6 19 <u>cultural, or social activities. For the purposes of this</u> 6 20 <u>subsection, "caregiver" "caretaker" means an individual or an</u> 6 21 <u>agency licensed under this chapter a licensee with which a</u></p>	<p>CODE: Adds approved kinship caregiver to someone with whom a child in foster care can be placed with and adopts conforming changes to the definition of "reasonable and prudent parent standard" under Iowa Code chapter 237.</p>

6 22 child in child foster care has been placed, an approved kinship
 6 23 caregiver with whom a child in child foster care has been
 6 24 placed, or a juvenile shelter care home approved under chapter
 6 25 232 in which a child in child foster care has been placed.

6 26 18. "Relative" means an individual related to a child within
 6 27 the fourth degree of consanguinity or affinity by marriage or
 6 28 through adoption.

CODE: Defines "relative" under Iowa Code chapter [237](#) as an individual related to a child within the fourth degree of consanguinity or affinity by marriage or through adoption.

6 29 Sec. 13. Section 237.2, Code 2025, is amended to read as
 6 30 follows:

6 31 237.2 PURPOSE.

6 32 It is the policy of this state to provide appropriate
 6 33 protection for children who are separated from the direct
 6 34 personal care of their parents, relatives, fictive kin, or
 6 35 guardians and, as a result, are subject to difficulty in
 7 1 achieving appropriate physical, mental, emotional, educational,
 7 2 or social development. This chapter shall be construed and
 7 3 administered to further that policy by assuring that child
 7 4 foster care is adequately provided by competently staffed and
 7 5 well-equipped child foster care facilities, including but not
 7 6 limited to residential treatment centers, group homes, and
 7 7 foster family homes.

CODE: Expands the policy of the State relating to protection of children who are separated from the direct personal care of their parents, relatives, or guardians to include fictive kin.

7 8 Sec. 14. Section 237.3, Code 2025, is amended to read as
 7 9 follows:

7 10 237.3 RULES.

7 11 1. Except as otherwise provided by subsections 3 and 4,
 7 12 the department shall adopt and enforce in accordance with
 7 13 chapter 17A, administrative rules necessary to implement this
 7 14 chapter. Formulation of the rules shall include consultation
 7 15 with representatives of child foster care providers and other
 7 16 persons affected by this chapter. The rules shall encourage
 7 17 the provision of child foster care in ~~a single-family, home~~
 7 18 ~~environment, exempting the single-family, home facility~~
 7 19 foster family homes, and shall exempt foster family homes from
 7 20 inappropriate rules.

CODE: Amends Iowa Code section [237.3](#) (Rules) to replace a single-family home environment with foster family homes for placements.

7 21 2. Rules ~~applicable~~ relating to individual licensees and
 7 22 agency licensees, as applicable, shall include but are not
 7 23 limited to all of the following:

7 24 a. Types of facilities which include but are not limited

CODE: Amends Iowa Code section [237.3](#) to add individual licensees and agency licensees to whom the following rules apply. Also adds approved kinship caregiver to the rules and makes conforming changes.

7 25 to group foster care facilities and foster family ~~foster care~~
7 26 homes.

7 27 b. The number, qualifications, character, and parenting
7 28 ability of personnel necessary to assure the health, safety and
7 29 welfare of children receiving child foster care.

7 30 c. Programs for education and in-service training of
7 31 personnel.

7 32 d. The physical environment of a facility.

7 33 e. Policies for intake, assessment, admission and discharge.

7 34 f. Housing, health, safety, and medical care policies
7 35 for children receiving child foster care. The medical care
8 1 policies shall include but are not limited to all of the
8 2 following:

8 3 (1) ~~Provision by the department to the foster care provider~~
8 4 ~~at or before the time of a child's placement of the a~~ child's
8 5 health records₁, and any other information possessed or known
8 6 about the health of the child or about a member of the child's
8 7 family that pertains to the child's health, from the department
8 8 to a licensee or an approved kinship caregiver at or before
8 9 the time of a child's placement with the licensee or approved
8 10 kinship caregiver.

8 11 (2) If the health records supplied to the licensee or
8 12 approved kinship caregiver in accordance with the child's case
8 13 permanency plan ~~to the foster care provider~~ are incomplete₁, or
8 14 the ~~provider licensee or approved kinship caregiver~~ requests
8 15 specific health information, ~~provision~~ procedures for obtaining
8 16 additional health information from the child's parent₁ or other
8 17 source₁, and supplying providing the additional information
8 18 ~~to the foster care provider licensee or approved kinship~~
8 19 caregiver.

8 20 (3) Provision for emergency health coverage of the child
8 21 while the child is engaged in temporary₁ out-of-state travel
8 22 with the ~~child's foster family~~ individual licensee or approved
8 23 kinship caregiver.

8 24 g. (1) The adequacy of programs available to children
8 25 receiving child foster care provided by agencies, including but
8 26 not limited to:

8 27 (a) Dietary services.
8 28 (b) Social services.
8 29 (c) Activity programs.
8 30 (d) Behavior management procedures.
8 31 (e) Educational programs, including, where appropriate,

8 32 special education as defined in section 256B.2, ~~subsection 1,~~
8 33 ~~paragraph "b", where appropriate,~~ which are approved by the
8 34 state board of education.

8 35 (2) The department shall not ~~promulgate~~ adopt rules
9 1 ~~which that~~ regulate individual licensees or approved kinship
9 2 caregivers in the subject areas enumerated in this paragraph
9 3 "g".

9 4 h. Policies for involvement of biological parents.

9 5 i. Records a licensee or approved kinship caregiver is
9 6 required to keep, and reports a licensee or approved kinship
9 7 caregiver is required to make to the department.

9 8 j. Prior to the licensing of an individual ~~as a foster~~
9 9 ~~family home,~~ completion of a required, written social
9 10 assessment of the quality of the living situation ~~in the home~~
9 11 ~~of the individual~~ an individual's prospective foster family
9 12 home, and completion of a required compilation of personal
9 13 references for the individual, other than ~~those~~ references
9 14 ~~given~~ provided by the individual.

9 15 k. Elements of a foster care placement agreement outlining
9 16 rights and responsibilities associated with an individual or
9 17 kinship caregiver providing family child foster care. The
9 18 rights and responsibilities shall include but are not limited
9 19 to all of the following:

9 20 (1) Receiving information prior to the child's placement
9 21 regarding risk factors concerning the child that are known to
9 22 the department, including but not limited to notice if the
9 23 child is required to register under chapter 692A.

9 24 (2) Having regularly scheduled meetings with each case
9 25 manager assigned to the child.

9 26 (3) Receiving access to any reports prepared by a service
9 27 provider who is working with the child unless the access is
9 28 prohibited by state or federal law.

9 29 3. Rules governing fire safety in ~~facilities with~~ a facility
9 30 in which child foster care is provided by ~~agencies~~ an agency
9 31 shall be ~~promulgated~~ adopted by the director of the department
9 32 of inspections, appeals, and licensing pursuant to section
9 33 10A.511, after consultation with the director.

9 34 4. Rules governing sanitation, water, and waste disposal
9 35 standards for facilities shall be ~~promulgated~~ adopted by the
10 1 department pursuant to section 135.11, ~~after consultation with~~
10 2 ~~the director.~~

10 3 5. In case of a conflict between rules ~~promulgated~~ adopted

10 4 pursuant to subsections 3 and 4 and local rules ordinances, the
 10 5 more stringent requirement ~~applies~~ shall apply.

10 6 6. Rules ~~of adopted by~~ the department shall not prohibit
 10 7 the licensing, ~~as foster family homes, of individuals who are~~
 10 8 a departmental employees ~~employee~~ not directly engaged in the
 10 9 administration of the child foster care program pursuant to
 10 10 this chapter, as an individual licensee.

10 11 7. If an agency is accredited by the joint commission ~~on~~
 10 12 ~~the accreditation of health care organizations~~ under the joint
 10 13 commission's consolidated standards for residential settings,
 10 14 or by the council on accreditation ~~of services for families and~~
 10 15 ~~children~~, the department shall modify the facility licensure
 10 16 standards applied to the agency ~~in order to avoid duplicating~~
 10 17 duplication of standards applied through accreditation.

10 18 8. The department, in consultation with the judicial
 10 19 branch, residential treatment providers, the foster care
 10 20 provider association, and other parties which may be affected,
 10 21 shall review the ~~licensing~~ rules pertaining to licensing of
 10 22 residential treatment facilities, and ~~examine whether~~ determine
 10 23 if the rules allow the residential treatment facilities to
 10 24 accept and provide effective treatment to juveniles with
 10 25 serious problems who might not otherwise be placed in ~~these~~
 10 26 residential treatment facilities.

10 27 9. The department shall adopt rules ~~specifying that specify~~
 10 28 the elements of a preadoptive care agreement outlining the
 10 29 rights and responsibilities associated with a person providing
 10 30 preadoptive care, as defined in section 232.2.

10 31 10. The department shall adopt rules to ~~administer the~~
 10 32 ~~exception to the definition of child care in section 237A.1,~~
 10 33 ~~subsection 2, paragraph "I", allowing~~ allow a child care
 10 34 facility, ~~for purposes of providing to provide~~ respite care
 10 35 ~~to in~~ a foster family home, ~~to provide care, supervision,~~
 11 1 ~~or guidance of a child~~ for a period of twenty-four hours or
 11 2 more to a child who is placed with the ~~licensed foster family~~
 11 3 ~~home~~ an individual licensee, as provided in section 237A.1,
 11 4 subsection 2, paragraph "I".

11 5 11. The department shall adopt rules to require the
 11 6 department or a representative of the department to visit a
 11 7 child placed with an individual licensee or approved kinship
 11 8 caregiver within two weeks of the child being placed with the
 11 9 individual licensee or approved kinship caregiver, and at least
 11 10 once each calendar month thereafter.

11 11 12. The department shall adopt rules that ~~would~~ allow
 11 12 ~~each~~ individual ~~licensees~~ licensee and each approved kinship
 11 13 caregiver to apply the reasonable and prudent parent standard
 11 14 to create opportunities for a child to participate in age or
 11 15 developmentally appropriate activities.

11 16 Sec. 15. Section 237.4, unnumbered paragraph 1, Code 2025,
 11 17 is amended to read as follows:

11 18 ~~An individual or an agency, as defined in section 237.1,~~
 11 19 shall not provide child foster care unless the individual
 11 20 or agency ~~obtains a license issued under this chapter~~ is
 11 21 a licensee. However, a license under this chapter is not
 11 22 required of the following:

11 23 Sec. 16. Section 237.4, subsection 8, Code 2025, is amended
 11 24 to read as follows:

11 25 8. An individual providing child care as a babysitter at the
 11 26 request of a parent, guardian, fictive kin, or relative having
 11 27 lawful custody of the child.

11 28 Sec. 17. Section 237.5A, Code 2025, is amended to read as
 11 29 follows:

11 30 237.5A FOSTER PARENT TRAINING.

11 31 1. As a condition for initial licensure, each individual
 11 32 licensee shall complete thirty hours of foster parent training
 11 33 offered or approved by the department. However, if the
 11 34 individual licensee has completed relevant training or has a
 11 35 combination of completed relevant training and experience,
 12 1 and the department deems such training or combination to be
 12 2 an acceptable equivalent to all or a portion of the initial
 12 3 licensure training requirement, or based upon the circumstances
 12 4 of the child and the individual licensee the department finds
 12 5 there is other good cause, the department may waive all or
 12 6 a portion of the training requirement. Prior to renewal
 12 7 of licensure, each individual licensee shall ~~also~~ annually
 12 8 complete six hours of foster parent training. The training
 12 9 shall include but is not limited to physical care, education,
 12 10 learning disabilities, referral to and receipt of necessary
 12 11 professional services, behavioral assessment and modification,
 12 12 self-assessment, self-living skills, and biological parent
 12 13 contact. An individual licensee may complete the training as
 12 14 part of an approved training program offered by a public or

CODE: Adopts conforming changes to Iowa Code section [237.4](#)
 (License Required — Exceptions).

CODE: Adds individuals providing child care as a babysitter at
 the request of fictive kin to the exemptions for licensure under
 Iowa Code chapter [237](#).

CODE: Adopts conforming changes to Iowa Code section
[237.5A](#) (Foster Parent Training).

12 15 private agency with expertise in the provision of child foster
 12 16 care or in related subject areas. The department shall adopt
 12 17 rules to implement and enforce this training requirement.
 12 18 2.—A An individual licensee who is unable to complete six
 12 19 hours of foster parent training annually prior to licensure
 12 20 renewal because the individual licensee is engaged in active
 12 21 duty in the military service shall be considered to be in
 12 22 compliance with the training requirement for licensure renewal.
 12 23 3. The department or the department's agent shall notify an
 12 24 individual licensee within a reasonable amount of time of any
 12 25 training the department believes would benefit the individual
 12 26 licensee in the provision of child foster care.

12 27 Sec. 18. NEW SECTION 237.5B APPROVED KINSHIP CAREGIVER.

12 28 1. A kinship caregiver shall not provide child foster care
 12 29 unless the kinship caregiver has been granted approval under
 12 30 this section.

12 31 2. A kinship caregiver shall apply for approval by
 12 32 submitting a completed application to the department on a form
 12 33 furnished by the department.

12 34 3. The department, after notice and opportunity for an
 12 35 evidentiary hearing, may deny an application for approval
 13 1 or continued approval if the applicant or approved kinship
 13 2 caregiver violates this chapter or rules adopted pursuant to
 13 3 this chapter.

13 4 Sec. 19. Section 237.6, Code 2025, is amended to read as
 13 5 follows:

13 6 237.6 RESTRICTED USE OF FACILITY.

13 7 1. A licensee or approved kinship caregiver shall not
 13 8 furnish child foster care in a building or on premises not
 13 9 designated in the licensee's license or the kinship caregiver's
 13 10 approval.

13 11 2. A licensee shall not furnish child foster care to a
 13 12 greater number of children than is designated in the licensee's
 13 13 license, unless authorized by the department. ~~Multiple~~

13 14 3. The department may issue multiple licenses authorizing
 13 15 separate and distinct parts of a an agency licensee's facility
 13 16 to provide different categories of child foster care ~~may be~~

CODE: Restricts a kinship caregiver from providing child foster care unless the kinship caregiver has been granted approval under new Iowa Code section 237.5B (Approved Kinship Caregiver).

CODE: Requires a kinship caregiver to apply for approval to provide child foster care by submitting a completed application to the HHS on a form furnished by the HHS.

CODE: Grants the HHS the authority, after notice and opportunity for an evidentiary hearing, to deny an application for approval or continued approval if the applicant or approved kinship caregiver violates Iowa Code chapter [237](#) or administrative rules adopted pursuant to the Iowa Code chapter.

CODE: Amends the restrictions on the usage of facilities under Iowa Code section [237.6](#) (Restricted Use of Facility) to specify that an approved kinship caregiver cannot furnish child foster care in a building or on premises not designated in the kinship caregiver's approval and makes conforming changes.

13 17 issued.

13 18 Sec. 20. Section 237.8, Code 2025, is amended to read as
13 19 follows:

13 20 237.8 PERSONNEL.

13 21 1. A person shall not be allowed to provide services in a ~~an~~
13 22 agency licensee's facility if the person has a disease which is
13 23 transmissible to other persons through required contact in the
13 24 workplace, which presents a significant risk of infecting other
13 25 persons, which presents a substantial possibility of harming
13 26 other persons, or for which no reasonable accommodation can
13 27 eliminate the risk of infecting other persons.

13 28 2. a. (1) If a person is being considered for licensure
13 29 or approval under this chapter, or if a person is being
13 30 considered for employment ~~involving by an agency licensee and~~
13 31 the employment involves direct responsibility for a child ~~or,~~
13 32 is in a facility where children reside, ~~by a licensee under~~
13 33 ~~this chapter,~~ or if a requires the person will to reside in a
13 34 facility utilized by a an agency licensee, and if the person
13 35 has been convicted of a crime or has a record of founded child
14 1 abuse, the record check evaluation system of the department,
14 2 and the agency licensee for ~~an a prospective~~ employee of the
14 3 agency licensee, shall perform an evaluation to determine
14 4 whether the crime or founded child abuse warrants prohibition
14 5 of licensure, approval, employment, or residence in the
14 6 facility. The record check evaluation system shall conduct
14 7 criminal and child abuse record checks in this state and may
14 8 conduct these checks in other states. The evaluation shall
14 9 be performed in accordance with procedures adopted for this
14 10 purpose by the department.

14 11 (2) If the criminal and child abuse record checks conducted
14 12 in this state under subparagraph (1) for ~~an individual a person~~
14 13 being considered for licensure as an agency licensee under this
14 14 chapter, or for employment ~~involving by an agency licensee and~~
14 15 the employment involves direct responsibility for a child ~~or,~~
14 16 is in a facility where children reside, ~~by a licensee under~~
14 17 ~~this chapter,~~ or ~~for an individual who will~~ requires the person
14 18 to reside in a facility utilized by a an agency licensee, have
14 19 been completed and the ~~individual person~~ either does not have
14 20 a record of crime or founded child abuse or the record check
14 21 evaluation system's evaluation of the record has determined
14 22 that prohibition of the ~~individual's~~ licensure or employment

CODE: Adds approved kinship caregiver to those requiring a background check and adopts conforming changes to Iowa Code section [237.8](#) (Personnel).

14 23 is not warranted, the ~~individual~~ person may be provisionally
 14 24 ~~approved for licensure or employment licensed or employed~~
 14 25 pending the outcome of the fingerprint-based criminal history
 14 26 check conducted pursuant to subparagraph (4).

14 27 ~~(3) An individual~~ A person being considered for licensure
 14 28 ~~as an agency licensee~~ under this chapter, or ~~a person being~~
 14 29 ~~considered for employment involving by an agency licensee if~~
 14 30 ~~the employment involves~~ direct responsibility for a child ~~or,~~
 14 31 ~~is in a facility where children reside, by a licensee under~~
 14 32 ~~this chapter, or for an individual who will~~ requires the person
 14 33 to reside in a facility utilized by a an agency licensee, shall
 14 34 not be granted a license or be employed and an evaluation shall
 14 35 not be performed under this subsection, if the ~~individual~~
 15 1 person has been convicted of any of the following felony
 15 2 offenses:

15 3 (a) Within the five-year period preceding the application
 15 4 date, a drug-related offense.

15 5 (b) Child endangerment or neglect or abandonment of a
 15 6 dependent person.

15 7 (c) Domestic abuse.

15 8 (d) A crime against a child, including but not limited to
 15 9 sexual exploitation of a minor.

15 10 (e) A forcible felony.

15 11 ~~(4) If an individual~~ a person is being considered for
 15 12 licensure ~~or approval~~ under this chapter, or ~~if a person is~~
 15 13 ~~being considered for employment involving by an agency licensee~~
 15 14 ~~and the employment involves~~ direct responsibility for a child
 15 15 ~~or, is in a facility where children reside, by a licensee under~~
 15 16 ~~this chapter, or if an individual will~~ requires the person to
 15 17 reside in a facility utilized by a an agency licensee, ~~or if~~
 15 18 ~~an individual is subject to licensure under this chapter as~~
 15 19 ~~a foster parent~~, in addition to the record checks conducted
 15 20 under subparagraph (1), the ~~individual's~~ person's fingerprints
 15 21 shall be provided to the department of public safety for
 15 22 submission through the state criminal history repository to
 15 23 the United States department of justice, federal bureau of
 15 24 investigation for a national criminal history check. The cost
 15 25 of the criminal history check conducted under this subparagraph
 15 26 ~~is~~ shall be the responsibility of the department.

15 27 (5) If the criminal and child abuse record checks conducted
 15 28 in this state under subparagraph (1) for ~~an individual~~ a person
 15 29 being considered for licensure ~~as a foster parent~~ an individual

15 30 licensee or for approval as an approved kinship caregiver
 15 31 have been completed and the individual person either does not
 15 32 have a record of crime or founded abuse, or the record check
 15 33 evaluation system's evaluation of the record has determined
 15 34 that prohibition of the individual's person's licensure
 15 35 or approval is not warranted, the individual person may be
 16 1 provisionally ~~approved for licensure~~ licensed or approved
 16 2 pending the outcome of the fingerprint-based criminal history
 16 3 check conducted pursuant to subparagraph (4).
 16 4 (6) An applicant for a license as an individual applying
 16 5 ~~to be a foster parent licensee or for approval as an approved~~
 16 6 kinship caregiver shall not be granted a license or approval,
 16 7 and an evaluation shall not be performed under this subsection,
 16 8 if the individual applicant has been convicted of any of the
 16 9 following felony offenses:
 16 10 (a) Within the five-year period preceding the application
 16 11 date, a drug-related offense.
 16 12 (b) Child endangerment or neglect or abandonment of a
 16 13 dependent person.
 16 14 (c) Domestic abuse.
 16 15 (d) A crime against a child, including but not limited to
 16 16 sexual exploitation of a minor.
 16 17 (e) A forcible felony.
 16 18 b. Except as otherwise provided in paragraph "a", if the
 16 19 record check evaluation system determines that a person has
 16 20 committed a crime or has a record of founded child abuse and
 16 21 is licensed, approved, employed by a an agency licensee, or
 16 22 resides in a licensed facility, the record check evaluation
 16 23 system shall notify the licensee or approved kinship caregiver
 16 24 that an evaluation will be conducted to determine whether
 16 25 prohibition of the person's licensure, approval, employment, or
 16 26 residence is warranted.
 16 27 c. In an evaluation, the record check evaluation system, and
 16 28 the agency licensee for an employee or prospective employee of
 16 29 the agency licensee shall consider the nature and seriousness
 16 30 of the crime or founded child abuse in relation to the position
 16 31 sought or held, the time elapsed since the commission of the
 16 32 crime or founded child abuse, the circumstances under which
 16 33 the crime or founded child abuse was committed, the degree of
 16 34 rehabilitation, the likelihood that the person will commit the
 16 35 crime or founded child abuse again, and the number of crimes
 17 1 or founded child abuses committed by the person involved. The

17 2 record check evaluation system may permit a person who is
 17 3 evaluated to be licensed, approved, employed, or to reside in a
 17 4 facility, or to continue to be licensed, approved, employed,
 17 5 or to reside in a ~~licensed~~ facility, if the person complies
 17 6 with the record check evaluation system's conditions relating
 17 7 to the person's licensure, approval, employment, or residence,
 17 8 which may include completion of additional training. For an
 17 9 employee or prospective employee of a an agency licensee,
 17 10 these conditional requirements shall be developed with the
 17 11 agency licensee. The record check evaluation system ~~has~~ shall
 17 12 have final authority in determining whether prohibition of
 17 13 the person's licensure, approval, employment, or residence is
 17 14 warranted and in developing any conditional requirements under
 17 15 this paragraph.

17 16 d. If the record check evaluation system determines that the
 17 17 person has committed a crime or has a record of founded child
 17 18 abuse ~~which that~~ warrants prohibition of licensure, approval,
 17 19 employment, or residence, the person shall not be licensed or
 17 20 approved under this chapter and shall not be employed by a an
 17 21 agency licensee or reside in a ~~licensed~~ facility.

17 22 3. In addition to the record checks required under
 17 23 subsection 2, the record check evaluation system may conduct
 17 24 dependent adult abuse record checks in this state and ~~may~~
 17 25 ~~conduct these checks~~ in other states, on a random basis. The
 17 26 provisions of subsection 2, relative to an evaluation following
 17 27 a determination that a person has been convicted of a crime
 17 28 or has a record of founded child abuse, shall also apply to a
 17 29 random check conducted under this subsection.

17 30 4.—A An agency licensee shall inform all new applicants
 17 31 for employment of the possibility of the performance of a
 17 32 record check and shall obtain, from the applicant, a signed
 17 33 acknowledgment of the receipt of the information.

17 34 5.—A An agency licensee shall include the following inquiry
 17 35 in an application for employment:

18 1 Do you have a record of founded child or dependent adult
 18 2 abuse, or have you ever been convicted of a crime, in this
 18 3 state or any other state?

18 4 Sec. 21. Section 237.9, Code 2025, is amended to read as
 18 5 follows:

18 6 237.9 CONFIDENTIAL INFORMATION.

18 7 A person who receives information from or through the

CODE: Requires a person who receives information from the HHS to keep it confidential if it concerns any of the following:

- A child who has received or is receiving child foster care.

18 8 department concerning a child who has received or is receiving
 18 9 child foster care, a relative or guardian of the child, a
 18 10 single family, home licensee, or an individual employee of
 18 11 a licensee, shall not disclose that information directly or
 18 12 indirectly, except as authorized by section 217.30, or as
 18 13 authorized or required by section 232.69- if the information
 18 14 concerns any of the following:
 18 15 1. A child who has received or is receiving child foster
 18 16 care.
 18 17 2. A relative, fictive kin, or guardian of a child who has
 18 18 received or is receiving child foster care.
 18 19 3. An individual licensee.
 18 20 4. An employee of a licensee.
 18 21 5. An approved kinship caregiver.

- A relative, fictive kin, or guardian of a child who has received or is receiving child foster care.
- An individual licensee.
- An employee of a licensee.
- An approved kinship caregiver.

18 22 Sec. 22. Section 237.10, Code 2025, is amended to read as
 18 23 follows:
 18 24 237.10—CHILD FOSTER CARE PROVIDERS INDIVIDUAL LICENSEES AND
 18 25 APPROVED KINSHIP CAREGIVERS .
 18 26 1. a. The department shall notify an individual licensee or
 18 27 approved kinship caregiver of any appropriate meetings relating
 18 28 to the case permanency plan of a child in the care of the
 18 29 individual licensee or approved kinship caregiver.
 18 30 b. The department shall notify an individual licensee
 18 31 or approved kinship caregiver of any meetings known to the
 18 32 department relating to the individualized education program
 18 33 of a child in the care of the individual licensee or approved
 18 34 kinship caregiver.
 18 35 c. The department shall notify an individual licensee or
 19 1 approved kinship caregiver of any medical appointments required
 19 2 or scheduled in consultation with the department relating to
 19 3 a child in the care of the individual licensee or approved
 19 4 kinship caregiver.
 19 5 2. The department or the department's agent may share
 19 6 otherwise confidential information about a child with an
 19 7 individual licensee or approved kinship caregiver being
 19 8 considered as a possible placement for the child to the extent
 19 9 such disclosure is relevant to the placement decision and the
 19 10 proper care of the child. The department or the department's
 19 11 agent may facilitate sharing the contact information of
 19 12 previous individual licensees and approved kinship caregivers
 19 13 for a child with the next individual licensee or approved

CODE: Amends Iowa Code section [237.10](#) (Child Foster Care Providers) to include approved kinship caregivers and amends the Iowa Code section title to be "Individual Licensees and Approved Kinship Caregivers."

19 14 kinship caregiver in an effort to support the continuity of
19 15 care for a child.

19 16 3. Upon placement of a child with an individual licensee
19 17 or approved kinship caregiver, the department shall provide
19 18 the individual licensee or approved kinship caregiver with
19 19 information that would allow the individual licensee or
19 20 approved kinship caregiver to contact the department or an
19 21 agent of the department for assistance relating to child foster
19 22 care.

19 23 4. Prior to disclosing an individual licensee's or approved
19 24 kinship caregiver's private address, work address, or contact
19 25 information, the department shall evaluate possible safety
19 26 concerns to determine whether such information may be released
19 27 without posing a risk to the safety of the individual licensee,
19 28 the approved kinship caregiver, the child, or any other person.

19 29 5. The department shall notify an individual licensee or
19 30 approved kinship caregiver within a reasonable amount of time
19 31 of any change in a law or ~~regulation~~ rule that would have a
19 32 substantive impact on the individual licensee's or approved
19 33 kinship caregiver's obligations and responsibilities relating
19 34 to child foster care.

19 35 6. a. The department shall provide written notice to
20 1 an individual licensee, or an approved kinship caregiver, a
20 2 minimum of ten days prior to the removal of a child from the
20 3 care of the individual licensee or approved kinship caregiver.
20 4 Such notice shall include the reasons for the child's removal.

20 5 b. This subsection shall not apply if the health or safety
20 6 of the child or another person is threatened by the child's
20 7 presence in the child's current placement ~~home~~, if the court
20 8 orders the removal of a child from the individual licensee or
20 9 the approved kinship caregiver, if the child is absent from the
20 10 ~~home placement~~ without authorization, if the child is being
20 11 moved to the home of a biological parent or legal guardian, or
20 12 if the individual licensee or approved kinship caregiver is
20 13 alleged to have committed child abuse or neglect.

20 14 7. a. An individual licensee or approved kinship caregiver
20 15 shall provide written notice to the department a minimum of ten
20 16 days prior to a request to remove a child from the individual
20 17 licensee's care or the approved kinship caregiver's care.

20 18 b. This subsection shall not apply to a situation where the
20 19 health or safety of the child or another person is threatened
20 20 by the child's presence in the child's current placement ~~home~~.

20 21 8. At the conclusion of an investigation conducted by
 20 22 the department that may affect an individual licensee's
 20 23 ability, or an approved kinship caregiver's ability, to
 20 24 provide child foster care in the future, the department shall
 20 25 provide the individual licensee or approved kinship caregiver
 20 26 with a written report that details the conclusions of the
 20 27 investigation.

20 28 9. a. The department shall require an individual licensee
 20 29 or approved kinship caregiver to attempt, to the extent
 20 30 reasonably possible, to maintain a child's culture and beliefs.

20 31 b. An individual licensee or an approved kinship caregiver
 20 32 shall be allowed to provide child foster care, according to
 20 33 the individual licensee's or the approved kinship caregiver's
 20 34 own culture and beliefs, if such child foster care does not
 20 35 actively discourage a child to disregard the child's own
 21 1 culture and beliefs and a biological parent whose parental
 21 2 rights have not been terminated or a legal guardian for the
 21 3 child does not object to the practice or activity that is
 21 4 consistent with the individual licensee's or the approved
 21 5 kinship caregiver's own culture and beliefs.

21 6 10. a. The department or the department's agent shall
 21 7 consider the needs and scheduling demands of a child, the
 21 8 child's parents, the child's siblings, and the individual
 21 9 licensee or approved kinship caregiver caring for the child
 21 10 when scheduling supervised or any other visitation between the
 21 11 child and the child's siblings, family members, or fictive kin.

21 12 b. The department shall not require an individual licensee
 21 13 or an approved kinship caregiver to conduct, or to be present
 21 14 during, supervised visits scheduled pursuant to paragraph "a".

21 15 11. The department shall accept information from an
 21 16 individual licensee or approved kinship caregiver relating to
 21 17 medical appointments, treatment needs, educational progress,
 21 18 and educational services for a child placed with the individual
 21 19 licensee or approved kinship caregiver. The department shall
 21 20 consider all such information when developing or modifying
 21 21 a child's case permanency plan, and in the coordination of
 21 22 care and decisions related to services and care necessary
 21 23 for the child. The information the department receives from
 21 24 ~~an individual licensee~~ licensee or an approved kinship
 21 25 caregiver shall be reviewed and considered as decisions about
 21 26 the child's progress and needs are made.

21 27 12. The department shall maintain a process to allow ~~an~~ each

21 28 individual licensee and each approved kinship caregiver to file
 21 29 ~~complaints a complaint~~ with the department electronically for
 21 30 ~~an alleged violations violation~~ relating to this section.
 21 31 13. The department shall adopt rules pursuant to chapter 17A
 21 32 to implement this section.

21 33 Sec. 23. Section 237.13, Code 2025, is amended to read as
 21 34 follows:
 21 35 237.13 FOSTER FAMILY HOME INSURANCE FUND.
 22 1 1.—~~For the purposes of this section, “foster home” means an~~
 22 2 ~~individual, as defined in section 237.1, subsection 7, who is~~
 22 3 ~~licensed to provide child foster care and shall also be known~~
 22 4 ~~as a “licensed foster home”.~~
 22 5 —2. The foster family home insurance fund shall be
 22 6 administered by the department. The fund shall consist of all
 22 7 moneys appropriated by the general assembly for deposit in the
 22 8 fund. The department shall use moneys in the fund to provide
 22 9 home and property coverage for foster parents to cover damages
 22 10 to property resulting from the actions of a foster child
 22 11 residing in a foster family home or to reimburse foster parents
 22 12 for the cost of purchasing foster care liability insurance and
 22 13 to perform the administrative functions necessary to carry out
 22 14 this section. The department may establish limitations of
 22 15 liability for individual claims as deemed reasonable by the
 22 16 department.
 22 17 —~~3.~~ 2. The department shall adopt rules, pursuant to chapter
 22 18 17A, to carry out the provisions of this section.

22 19 Sec. 24. Section 237.14, Code 2025, is amended to read as
 22 20 follows:
 22 21 237.14 ENHANCED CHILD FOSTER CARE SERVICES.
 22 22 The department shall provide for enhanced child foster
 22 23 care services by establishing supplemental per diem or
 22 24 performance-based contracts that include payment of costs
 22 25 relating to payments of principal and interest for bonds and
 22 26 notes issued pursuant to section 16.57 with facilities ~~licensed~~
 22 27 ~~under this chapter which that~~ provide special services to
 22 28 children who would otherwise be placed in a state juvenile
 22 29 institution or an out-of-state program. Before completion of
 22 30 the department's budget estimate as required by section 8.23,
 22 31 the department shall determine and include in the estimate the
 22 32 amount which should be appropriated for enhanced child foster

CODE: Removes the definitions of "foster home" and "licensed foster home" from Iowa Code section [237.13](#) (Foster Home Insurance Fund) and renames the "Foster Home Insurance Fund" the "Foster Family Home Insurance Fund."

CODE: Adopts conforming changes to Iowa Code section [237.14](#) (Enhanced Foster Care Services) amends the Iowa Code section title to be "Enhanced Child Foster Care Services."

22 33 care services for the forthcoming fiscal year in order to
22 34 provide sufficient services.

22 35 Sec. 25. Section 237.14A, Code 2025, is amended to read as
23 1 follows:
23 2 237.14A REASONABLE AND PRUDENT PARENT STANDARD — IMMUNITY
23 3 FROM LIABILITY.
23 4 The department, or any individual, kinship caregiver,
23 5 agency, or juvenile shelter care home that applies the
23 6 reasonable and prudent parent standard reasonably and in good
23 7 faith in regard to a child in child foster care shall have
23 8 immunity from civil or criminal liability which might otherwise
23 9 be incurred or imposed. This section shall not remove or limit
23 10 any existing liability protection afforded under any other law.

CODE: Expands the immunity from civil or criminal liability for specified entities that apply the reasonable and prudent parent standard reasonably and in good faith in regard to a child in child foster care established in Iowa Code section [237.14A](#) (Reasonable and Prudent Parent Standard — Immunity From Liability) to include kinship caregivers.

23 11 Sec. 26. Section 237.15, subsection 1, paragraph a, Code
23 12 2025, is amended to read as follows:
23 13 a. The efforts to place the child with a relative or fictive
23 14 kin.

CODE: Amends the definition of "case permanency plan" under Iowa Code section [237.15](#) (Definitions) to require case permanency plans to include efforts to place a child with a relative or fictive kin.

23 15 Sec. 27. Section 237.15, subsection 5, Code 2025, is amended
23 16 by striking the subsection.

CODE: Removes the definition of "fictive kin" from Iowa Code section [237.15](#).

23 17 Sec. 28. Section 237A.1, subsection 2, paragraph I, Code
23 18 2025, is amended to read as follows:
23 19 I. A child care facility providing respite care ~~to a~~
23 20 ~~licensed in a~~ foster family home for a period of twenty-four
23 21 hours or more to a child who is placed with ~~that licensed~~
23 22 ~~foster family home~~ an individual licensee under chapter 237.

CODE: Adopts conforming changes to Iowa Code section [237A.1\(2\)\(I\)](#) (Definitions)

23 23 Sec. 29. Section 237A.3A, subsection 1, paragraph d, Code
23 24 2025, is amended to read as follows:
23 25 d. A ~~person who holds a child foster care license licensee~~
23 26 or an approved kinship caregiver under chapter 237 shall
23 27 register as a child development home provider in order to
23 28 provide child care.

CODE: Adopts conforming changes to Iowa Code section [237A.3A\(1\)\(d\)](#) (Child Development Homes).

23 29 Sec. 30. Section 237C.1, subsection 2, paragraph f, Code
23 30 2025, is amended to read as follows:
23 31 f. Care furnished by a child foster care ~~facility licensed~~
23 32 licensee or approved kinship caregiver under chapter 237.

CODE: Amends Iowa Code section [237C.1\(2\)\(f\)](#) (Definitions) to add approved kinship caregiver.

23 33 Sec. 31. Section 237C.3, subsection 2, Code 2025, is amended
23 34 to read as follows:

23 35 2. Standards established by the department under this
24 1 chapter shall at a minimum address the basic health and
24 2 educational needs of children; protection of children from
24 3 mistreatment, abuse, and neglect; background and records checks
24 4 of persons providing care to children in facilities certified
24 5 under this chapter; the use of seclusion, restraint, or other
24 6 restrictive interventions; health; safety; emergency; and the
24 7 physical premises on which care is provided by a children's
24 8 residential facility. The background check requirements shall
24 9 be substantially equivalent to those applied under chapter
24 10 237 for a child foster care ~~facility provider~~ licensee or an
24 11 approved kinship caregiver.

CODE: Amends conforming changes to Iowa Code section [237C.3\(2\)](#) (Certification Standards — Consultation With Other Agencies) to add approved kinship caregiver to someone who is required to get background checks.

24 12 Sec. 32. Section 282.19, subsection 2, Code 2025, is amended
24 13 to read as follows:

24 14 2. A child who is living in a ~~licensed individual or~~
24 15 ~~agency child foster care facility, or with an approved kinship~~
24 16 ~~caregiver, as those terms are defined in section 237.1, or in~~
24 17 ~~an unlicensed relative foster care placement, shall remain~~
24 18 ~~enrolled in and attend an accredited school in the school~~
24 19 ~~district in which the child resided and is enrolled at the~~
24 20 ~~time of placement, unless it is determined by the juvenile~~
24 21 ~~court or the public or private agency of this state that has~~
24 22 ~~responsibility for the child's placement that remaining in such~~
24 23 ~~school is not in the best interests of the child. If such~~
24 24 ~~a determination is made, the child may attend an accredited~~
24 25 ~~school located in the school district in which the child is~~
24 26 ~~living and not in the school district in which the child~~
24 27 ~~resided prior to receiving foster care.~~

CODE: Amends Iowa Code section [282.19\(2\)](#) (Child Living In Substance Use Disorder or Foster Care Placement) to add approved kinship caregiver.

24 28 Sec. 33. Section 335.25, subsection 2, paragraph c, Code
24 29 2025, is amended to read as follows:

24 30 c. "Family home" means a community-based residential home
24 31 which is licensed as a residential care facility under chapter
24 32 135C or as a child foster care facility under chapter 237 to
24 33 provide room and board, personal care, habilitation services,
24 34 and supervision in a family environment exclusively for not
24 35 more than eight persons with a developmental disability or
25 1 brain injury and any necessary support personnel. However,

CODE: Adopts conforming changes to Iowa Code section [335.25\(2\)\(c\)](#) (Zoning for Family Homes).

25 2 family home does not mean ~~an individual a~~ foster family home
 25 3 ~~licensed~~ under chapter 237.

25 4 Sec. 34. Section 414.22, subsection 2, paragraph c, Code
 25 5 2025, is amended to read as follows:
 25 6 c. "Family home" means a community-based residential home
 25 7 which is licensed as a residential care facility under chapter
 25 8 135C or as a child foster care facility under chapter 237 to
 25 9 provide room and board, personal care, habilitation services,
 25 10 and supervision in a family environment exclusively for not
 25 11 more than eight persons with a developmental disability or
 25 12 brain injury and any necessary support personnel. However,
 25 13 family home does not mean ~~an individual a~~ foster care family
 25 14 home ~~licensed~~ under chapter 237.

CODE: Adopts conforming changes to Iowa Code section
[414.22\(2\)\(c\)](#) (Zoning for Family Homes).

25 15 Sec. 35. Section 423.3, subsection 18, paragraph b, Code
 25 16 2025, is amended to read as follows:
 25 17 b. Residential facilities in which an agency licensed by the
 25 18 department of health and human services provides child foster
 25 19 care pursuant to chapter 237, other than those maintained by
 25 20 individuals as defined in section 237.1, subsection 7.

CODE: Adopts conforming changes to Iowa Code section
[423.3\(18\)\(b\)](#) (Exemptions).

25 21 Sec. 36. Section 709.16, subsection 2, paragraph b,
 25 22 subparagraph (1), Code 2025, is amended to read as follows:
 25 23 (1) A child foster care facility ~~licensed under section~~
 25 24 ~~237.4~~ chapter 237.

CODE: Adopts conforming changes to Iowa Code section
[709.16\(2\)\(b\)\(1\)](#) (Sexual Misconduct With Offenders and
 Juveniles).

25 25 Sec. 37. RULES. The department of health and human services
 25 26 shall adopt rules pursuant to chapter 17A to administer this
 25 27 division of this Act, including rules for the approval of
 25 28 relatives or fictive kin to provide child foster care.

Requires the HHS to adopt administrative rules pursuant to
 Iowa Code chapter [17A](#) to administer Division II of this
 Act. The administrative rules must include rules for the
 approval of relatives or fictive kin to provide child foster care.

25 29 DIVISION III
 25 30 CHILD AND DEPENDENT ADULT ABUSE

25 31 Sec. 38. Section 135.118, Code 2025, is amended by adding
 25 32 the following new subsection:
 25 33 NEW SUBSECTION 5. The department shall adopt rules
 25 34 pursuant to chapter 17A to administer this section.

CODE: Requires the HHS to adopt administrative rules pursuant
 to Iowa Code chapter 17A to administer Iowa Code section
[135.118](#) (Child Protection Center Grant Program).

25 35 Sec. 39. Section 235A.1, subsection 1, paragraph b, Code
 26 1 2025, is amended to read as follows:
 26 2 b. Funds for the programs or projects shall be applied
 26 3 for and received by a community-based ~~volunteer coalition or~~
 26 4 ~~council~~ entity.

CODE: Allows any community-based entity to apply for and receive funds appropriated to the HHS for child abuse prevention.

26 5 Sec. 40. Section 235A.15, subsection 1, Code 2025, is
 26 6 amended to read as follows:
 26 7 1. ~~Notwithstanding chapter 22, the~~ Child abuse information
 26 8 shall be confidential and shall not be a public record under
 26 9 chapter 22. The confidentiality of all child abuse information
 26 10 shall be maintained, except as specifically provided by this
 26 11 section.

CODE: Amends Iowa Code section [235A.15](#)(1) (Authorized Access — Procedures Involving Other States) to require that child abuse information is confidential and not public record under Iowa Code chapter [22](#) (Examination of Public Records (Open Records.))

26 12 Sec. 41. Section 235B.2, subsection 5, paragraph a,
 26 13 subparagraph (1), subparagraph division (c), Code 2025, is
 26 14 amended to read as follows:
 26 15 (c) Exploitation of a dependent adult which means ~~the a~~
 26 16 ~~fraudulent or otherwise illegal, unauthorized, or improper~~
 26 17 ~~attempt, act, or process of taking unfair advantage by a~~
 26 18 ~~caretaker or fiduciary to use the physical or financial~~
 26 19 ~~resources of a dependent adult or the adult's physical~~
 26 20 ~~or financial resources, without the informed consent of~~
 26 21 ~~the dependent adult, including theft, by the use of undue~~
 26 22 ~~influence, harassment, duress, deception, false representation,~~
 26 23 ~~or false pretenses for any of the following purposes:~~
 26 24 (i) Monetary or personal benefit, profit, or gain.
 26 25 (ii) To deprive the dependent adult of the use of the
 26 26 dependent adult's physical or financial resources, including
 26 27 any benefits, belongings, or assets.

CODE: Amends the definition of "exploitation of a dependent adult" under the definition of "dependent adult abuse" under Iowa Code chapter [235B](#) (Dependent Adult Abuse Services — Information Registry) to mean a fraudulent or otherwise illegal, unauthorized, or improper attempt, act, or process by a caretaker or fiduciary to use the physical or financial resources of a dependent adult for monetary or personal benefit, profit, or gain or to deprive the dependent adult of the use of the dependent adult's physical or financial resources, including any benefits, belongings, or assets.

DETAIL: Under current law, "exploitation of a dependent adult" means the act or process of taking unfair advantage of a dependent adult or the adult's physical or financial resources, without the informed consent of the dependent adult, including theft, by the use of undue influence, harassment, duress, deception, false representation, or false pretenses.

26 28 Sec. 42. Section 235B.3, subsection 7, Code 2025, is amended
 26 29 to read as follows:
 26 30 7. a. Upon a showing of probable cause that a dependent
 26 31 adult has been abused, a court may authorize a person, also
 26 32 authorized by the department, to make an evaluation, to enter
 26 33 the residence of, and to examine the dependent adult.
 26 34 b. Upon a showing of probable cause that there has been
 26 35 exploitation of a dependent adult has been financially
 27 1 ~~exploited~~, a court may authorize a person, also authorized by

CODE: Specifies that upon showing probable cause that there has been exploitation of a dependent adult, an authorized person making an evaluation for dependent adult abuse may gain access to the financial records that the HHS reasonably believes are related to the resources of the dependent adult.

27 2 the department, to make an evaluation, and to gain access to
 27 3 the financial records that the department reasonably believes
 27 4 are related to the resources of the dependent adult.

27 5 Sec. 43. Section 235B.6, subsection 1, Code 2025, is amended
 27 6 to read as follows:

27 7 1.—~~Notwithstanding chapter 22, the~~ Dependent adult abuse
 27 8 information shall be confidential and shall not be a public
 27 9 record under chapter 22. The confidentiality of all dependent
 27 10 adult abuse information shall be maintained, except as
 27 11 specifically provided by subsections 2 and 3.

CODE: Requires that dependent adult abuse information is confidential and is not public information under Iowa Code chapter [22](#).

27 12 Sec. 44. Section 235B.6, subsection 2, paragraph e,
 27 13 subparagraph (2), Code 2025, is amended to read as follows:

27 14 (2) Registry or department personnel when necessary to
 27 15 the performance of their official duties, or a person, an
 27 16 instrumentality of the state, or an agency under contract with
 27 17 the department to carry out official duties and functions of
 27 18 ~~the registry~~.

CODE: Expands Iowa Code section [235B.6\(2\)\(e\)\(2\)](#) (Authorized Access) to include an instrumentality of the State in the list of entities that have authorized access to dependent adult abuse information, other than unfounded dependent adult abuse information, when necessary to carry out official duties.

27 19 Sec. 45. Section 249A.4, Code 2025, is amended by adding the
 27 20 following new subsection:

27 21 NEW SUBSECTION 16. Require providers to share information
 27 22 with the department as necessary to identify, prevent, or
 27 23 respond to child abuse as defined in section 232.68, and
 27 24 dependent adult abuse as defined in section 235B.2.

CODE: Requires the Director of the HHS to require medical assistance providers to share information with the HHS as necessary to identify, prevent, or respond to child abuse and dependent adult abuse.

27 25 DIVISION IV
 27 26 DEPARTMENT OF HEALTH AND HUMAN SERVICES — INTERNAL AUDITS AND
 27 27 EXAMINATIONS

27 28 Sec. 46. NEW SECTION 217.31A INTERNAL AUDITS AND
 27 29 EXAMINATIONS.

27 30 1. An internal audit or examination conducted by or on
 27 31 behalf of the department shall be conducted in accordance with
 27 32 the most recent global internal audit standards published by
 27 33 the institute of internal auditors.

27 34 2. Information created or received by the department in
 27 35 the course of an internal audit or examination conducted by
 28 1 or on behalf of the department, including any allegations
 28 2 of misconduct or noncompliance, and all internal audit or
 28 3 examination workpapers, shall be treated as confidential.

28 4 3. Subsection 2 shall not be construed to limit the auditor

CODE: Specifies that information created or received by the HHS in the course of an internal audit or examination, including any allegations of misconduct or noncompliance and all audit or examination workpapers, is confidential. The confidential status of information will not limit the Auditor of State's authorized access to information under Iowa Code section [11.41](#) (Access to Information — Confidentiality). Confidential information provided to the Auditor by the HHS cannot be disclosed by the Auditor unless the Director of the HHS authorizes the disclosure in writing or the information is contained in the HHS's final report for the internal audit or examination.

28 5 of state's access to information the auditor of state is
 28 6 authorized to access under section 11.41. Any information
 28 7 treated as confidential under subsection 2 and shared by the
 28 8 department with the auditor of state shall not be disclosed by
 28 9 the auditor of state unless any of the following conditions
 28 10 apply:
 28 11 a. The director authorizes such disclosure in writing.
 28 12 b. The information is contained in the department's final
 28 13 report for the internal audit or examination.

28 14 DIVISION V
 28 15 REGION INCENTIVE FUND — DISTRIBUTIONS AND TRANSFERS

28 16 Sec. 47. DEPARTMENT OF HEALTH AND HUMAN SERVICES —
 28 17 BEHAVIORAL HEALTH SERVICES SYSTEM — REGION INCENTIVE FUND.

28 18 1. For purposes of this section:

28 19 a. "Administrative services organization" means the same as
 28 20 defined in 2024 Iowa Acts, chapter 1161, section 1.

28 21 b. "Behavioral health fund" means the behavioral health
 28 22 fund established in 2024 Iowa Acts, chapter 1161, section 7,
 28 23 subsection 2.

28 24 c. "Behavioral health services system" means the behavioral
 28 25 health services system established in 2024 Iowa Acts, chapter
 28 26 1161, section 3, subsection 1.

28 27 d. "Mental health and disability services system" means
 28 28 the mental health and disability services system described in
 28 29 section 225C.6B.

28 30 2. Notwithstanding any provision of law to the contrary,
 28 31 there is appropriated from the region incentive fund created
 28 32 in section 225C.7A, subsection 8, to the department of health
 28 33 and human services for the fiscal year beginning July 1, 2024,
 28 34 and ending June 30, 2025, an amount necessary to ensure the
 28 35 continuity of care for persons transferring from the mental
 29 1 health and disability services system to the behavioral
 29 2 health services system, and for distribution to administrative
 29 3 services organizations to be used for expenses related to the
 29 4 duties of the administrative services organizations under the
 29 5 behavioral health services system.

29 6 3. Moneys distributed to and used by an administrative
 29 7 services organization pursuant to subsection 1, shall

Establishes definitions for the following terms:
 "Administrative Services Organization," "Behavioral Health
 Fund," "Behavioral Health Services System," and "Mental
 Health and Disability Services System."

Creates a supplemental appropriation for FY 2025 from the
 Region Incentive Fund to the HHS of an amount necessary
 to ensure the continuity of care for persons transferring from
 the MHDS System to the Behavioral Health Services
 System, and for distribution to ASOs to be used for
 expenses related to the Behavioral Health Services System.

DETAIL: As of April 16, 2025, the balance in the Region
 Incentive Fund was \$30,700,958.

Exempts moneys distributed from the Region Incentive Fund
 to the ASOs in this Act from being considered in the

<p>29 8 not be considered in the computation of any limit on the 29 9 administrative costs of an administrative services organization 29 10 including those prescribed in 2024 Iowa Acts, chapter 1161, 29 11 section 7, subsection 5.</p>	<p>computation of any limit on the administrative costs of an ASO.</p>
<p>29 12 4. Moneys in the mental health and disability services 29 13 regional service fund established in section 225C.7A, 29 14 subsection 1, that remain unencumbered or unobligated on June 29 15 30, 2025, shall be transferred to the behavioral health fund.</p>	<p>Requires any unencumbered or unobligated moneys in the MHDS Regional Services Fund at the close of FY 2025 to be transferred to the Behavioral Health Fund.</p> <p>DETAIL: As of April 25, 2025, the balance in the MHDS Regional Services Fund was \$8,239,596.</p>
<p>29 16 Sec. 48. EFFECTIVE DATE. This division of this Act, being 29 17 deemed of immediate importance, takes effect upon enactment.</p>	<p>Specifies that Division V of this Act related to the Region Incentive Fund takes effect on June 6, 2025.</p>
<p>29 18 Sec. 49. RETROACTIVE APPLICABILITY. This division of this 29 19 Act applies retroactively to July 1, 2024.</p>	<p>Specifies that Division V of this Act related to the Region Incentive Fund applies retroactively to July 1, 2024.</p>
<p>29 20 DIVISION VI 29 21 HEALTH MAINTENANCE ORGANIZATION — APPLICABLE PERCENTAGE FOR 29 22 PREMIUM TAX</p>	
<p>29 23 Sec. 50. Section 432.1, subsection 2, unnumbered paragraph 29 24 1, Code 2025, is amended to read as follows: 29 25 The “applicable percent” for purposes of subsection 1 of this 29 26 section, <u>section 432.1B</u>, and section 432.2 is the following:</p>	<p>CODE: Amends Iowa Code section 432.1 (Tax on Gross Premiums — Exclusions) to include Iowa Code section 432.1B (Health Maintenance Organization — Medical Assistance Program — Premium Tax) in the list of Iowa Code sections where the applicable percentage applies.</p>
<p>29 27 Sec. 51. Section 432.1B, subsection 1, Code 2025, is amended 29 28 to read as follows: 29 29 1. Pursuant to section 514B.31, subsection 3, a health 29 30 maintenance organization contracting with the department of 29 31 health and human services to administer the medical assistance 29 32 program under chapter 249A, shall pay as taxes to the director 29 33 of the department of revenue for deposit in the Medicaid 29 34 managed care organization premiums fund created in section 29 35 249A.13, an amount equal to two and one-half <u>the applicable</u> 29 36 <u>percent, as provided in section 432.1, subsection 2</u>, of the 29 37 premiums received and taxable under section 514B.31, subsection 29 38 3.</p>	<p>CODE: Amends the reference to the percentage of the premiums received and taxable that a health maintenance organization contracting with the HHS to administer the medical assistance program must pay to the Director of the Department of Revenue for deposit in the Medicaid Managed Care Organizations Premiums Fund to be the applicable percentage established in Iowa Code section 432.1 rather than 2.50%.</p> <p>DETAIL: Under current law, the amount that a health maintenance organization contracting with the HHS to administer the medical assistance program must pay to the</p>

	<p>Director of the Department of Revenue for deposit in the Medicaid Managed Care Organizations Premiums Fund is 2.50% of the premiums received and taxable.</p>
	<p>The applicable percentage, as defined in Iowa Code section 432.1, is 0.95% for calendar year (CY) 2025, 0.925% for CY 2026, and 0.90% for CY 2027 and all subsequent calendar years.</p>
<p>29 39 Sec. 52. EFFECTIVE DATE. This division of this Act, being 29 40 deemed of immediate importance, takes effect upon enactment.</p>	<p>Specifies that Division VI of this Act related to the applicable percentage of premiums takes effect on June 6, 2025.</p>
<p>29 41 Sec. 53. RETROACTIVE APPLICABILITY. This division of this 29 42 Act applies retroactively to January 1, 2024.</p>	<p>Specifies that Division VI of this Act related to the applicable percentage of premiums applies retroactively to January 1, 2024.</p>

Health and Human Services Other Funds

	Supp-Final Act. FY 2025 (1)	Final Action FY 2026 (2)	Page and Line # (3)
<u>Health and Human Services, Department of</u>			
Health and Human Services			
Behavioral Health Service System - RIF	\$ 500,000	\$ 0	PG 28 LN 30
Total Health and Human Services, Department of	\$ 500,000	\$ 0	
Total Health and Human Services	\$ 500,000	\$ 0	

*The amount for this appropriation is not specified in this Act, and the HHS has not identified an amount. The amount of \$500,000 reflected in this tracking is subject to change.

STUDIES AND INTENT

Directs the Department of Transportation (DOT) to collaborate with the Des Moines area metropolitan planning organization to conduct an alternative highway study on an accessible highway route suitable for implements of husbandry to be operated alongside but not directly on the segments of United States Highway 65 and State Highway 5 between Highway 6 and Highway 69.

Page 1, Line 42

SIGNIFICANT CODE CHANGES

Prohibits the Department of Transportation (DOT) and State Transportation Commission from pursuing an interstate road designation for the segment of State Highway 5 and United States Highway 65 between Interstate 35 and Interstate 80, including where the highway designation overlap, unless the federal government provides exemptions for federal regulations involving vehicle weight and size and federal exemption allows any vehicle currently authorized to operate on the segment to continue to be operated on the segment.

Page 1, Line 1

Allows an implement of husbandry to be operated on the segment of United States Highway 65 and State Highway 5 between the highways intersection with United States Highway 6 and United States Highway 69 if the segment is designated a part of the interstate road system. This authorization is repealed on the date an alternative bypass for implements of husbandry is opened.

Page 1, Line 16

EFFECTIVE DATE

Makes the changes in this Act applicable to the segment of United States Highway 65 and State Highway 5 on the effective date of this Act and applies the changes regardless of whether the highways designation is changed.

Page 1, Line 51

ENACTMENT DATE

This Act was approved by the General Assembly on May 12, 2025, and signed by the Governor on May 27, 2025.

STAFF CONTACT: Garry Martin (515.281.4611) garry.martin@legis.iowa.gov

1 1 Section 1. NEW SECTION 314.16A INTERSTATE ROAD DESIGNATION
 1 2 — PROHIBITION.
 1 3 The department of transportation and the state
 1 4 transportation commission shall not pursue an interstate
 1 5 road designation for the segment of highway that is a
 1 6 controlled-access facility, as defined in section 306A.2,
 1 7 designated as state highway 5 and United States highway 65,
 1 8 including where the highway designations overlap, between
 1 9 interstate 35 and interstate 80, unless the United States
 1 10 government provides an exemption to federal regulations
 1 11 regarding vehicle weight and size on that segment. The federal
 1 12 exemption must authorize any vehicle that is not prohibited
 1 13 from being operated on the segment prior to the date of
 1 14 designation as an interstate road to continue to be operated on
 1 15 the segment after designation as an interstate road.

Prohibits the Department of Transportation and State Transportation Commission from pursuing an interstate designation for State Highway 5 and United States Highway 65 unless the federal government provides exemptions for federal regulations involving vehicle weight and size.

1 16 Sec. 2. Section 321.285, subsection 5, paragraph e, Code
 1 17 2025, is amended to read as follows:
 1 18 e. ~~(1) Any kind of a vehicle, device, implement, or~~
 1 19 conveyance incapable of attaining and maintaining a speed
 1 20 of forty miles per hour shall be prohibited from using the
 1 21 interstate road system.
 1 22 (2) This paragraph does not apply to an implement of
 1 23 husbandry that a person is authorized to operate on the segment
 1 24 of United States highway 65, and state highway 5, including
 1 25 where the highway designations overlap, between the highway's
 1 26 intersection with United States highway 6 and the highway's
 1 27 intersection with United States highway 69, or farther west
 1 28 if authorized by the department, prior to the date that
 1 29 segment of highway is designated a part of the interstate
 1 30 road system, if the segment of highway is designated a part
 1 31 of the interstate road system. The department may authorize
 1 32 an implement of husbandry to be operated on a segment of the
 1 33 highway described above farther west beyond the intersection
 1 34 with United States highway 69. This subparagraph is repealed
 1 35 on the date an alternative route for implements of husbandry is
 1 36 developed, deemed suitable by the department of transportation
 1 37 in consultation with the department of agriculture and land
 1 38 stewardship, and opened for traffic to bypass the segment of
 1 39 the interstate road system described in this subparagraph. The

A piece of husbandry incapable of attaining and maintaining a speed of 40 miles per hour is prohibited from using the interstate road system. This Act creates an exception for an implement of husbandry that a person is authorized to operate on the segment of United States Highway 65 and State Highway 5 where the the highway designations overlap between highway intersections with Highway 6, and the highway's intersection with United States Highway 69. This is repealed on the date an alternative route for implements of husbandry is developed and deemed suitable by the Department of Transportation, and opened for traffic to bypass the segment of the interstate road system.

1 40 department of transportation shall notify the Iowa Code editor
 1 41 on that date.

1 42 Sec. 3. ALTERNATIVE HIGHWAY STUDY. The department of
 1 43 transportation shall collaborate with the Des Moines area
 1 44 metropolitan planning organization as the organization conducts
 1 45 an alternative highway study to develop and implement an
 1 46 accessible highway route suitable for implements of husbandry
 1 47 to be operated alongside, but not directly on, the segment of
 1 48 United States highway 65, and state highway 5, including where
 1 49 the highway designations overlap, between United States highway
 1 50 6 and United States highway 69.

Authorizes the Department of Transportation in collaboration with the Des Moines area metropolitan planning organization to search for an alternative route for pieces of husbandry to use instead of the segment of United States Highway 65 and State Highway 5 where the highway designation overlap between Highway 6 and Highway 69.

1 51 Sec. 4. APPLICABILITY. This Act applies to the segment
 1 52 of the highway known as United States highway 65, and state
 1 53 highway 5, including where the highway designations overlap,
 1 54 described in this Act on the effective date of this Act,
 1 55 and shall apply to that segment of the highway thereafter
 1 56 regardless of whether the highway's designation as United
 1 57 States highway 65, or state highway 5, including where the
 1 58 highway designations overlap, is subsequently changed by the
 1 59 state transportation commission, department of transportation,
 1 60 or the government of the United States.

Specifies that this Act is applicable to United States highway 65, and State Highway 5, including where the highway designations overlap as of July 1, 2025.

FUNDING SUMMARY

Appropriates \$1.5 million in FY 2026 from the Sports Wagering Receipts Fund to the Iowa Economic Development Authority (IEDA) for deposit into the Length of Service Award Program Grant Fund.

Page 2, Line 34

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Authorizes municipalities to establish a Length of Service Award Program for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers.

Page 1, Line 1

Creates the Length of Service Award Program Grant Fund under the control of the IEDA that will provide grants to municipalities. For municipalities with departmental annual budgets of less than \$100,000, the grant process will be from August 1 through September 30 and will provide a funding match of \$3 for each dollar contributed by a municipality, not to exceed \$500 per award recipient.. For all other municipalities, the grant process will be from September 1 through September 30 and will provide up to a dollar-for-dollar funding match from a municipality that has established a Length of Service Award Program, not to exceed \$500 per award recipient.

Page 1, Line 27

ENACTMENT DATE

This Act was approved by the General Assembly on May 14, 2025, and signed by the Governor on June 3, 2025.

STAFF CONTACT: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

House File 1002 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	New	100B.51
1	27	2	New	100B.52

1 1 Section 1. NEW SECTION 100B.51 LENGTH OF SERVICE AWARD
1 2 PROGRAMS — AUTHORIZATION.

1 3 The governing body of a municipality, as defined in section
1 4 100B.21, is authorized to establish a length of service award
1 5 program for volunteer fire fighters as defined in section
1 6 85.61, emergency medical care providers as defined in section
1 7 147A.1 who are volunteers, and reserve peace officers as
1 8 defined in section 80D.1A. The program shall provide length
1 9 of service awards, as described in section 457(e)(11) of the
1 10 Internal Revenue Code, to volunteer fire fighters, volunteer
1 11 emergency medical care providers, and reserve peace officers
1 12 serving a municipality that elects to establish a program. The
1 13 program shall be designed to treat awards from the program as
1 14 a tax-deferred benefit under the Internal Revenue Code. The
1 15 governing body of the municipality shall, in consultation with
1 16 the chief or other person in command of the fire department
1 17 and police department serving the municipality, as applicable,
1 18 adopt guidelines providing for eligibility requirements for
1 19 participation by volunteer fire fighters, volunteer emergency
1 20 medical care providers, and reserve peace officers, minimum
1 21 vesting requirements, distribution requirements, and such other
1 22 guidelines as deemed necessary to operate the program. For
1 23 purposes of this section, "volunteer" means the individual was
1 24 compensated by the municipality for the individual's services
1 25 for less than five thousand dollars per year in the immediately
1 26 preceding calendar year and in the current calendar year.

1 27 Sec. 2. NEW SECTION 100B.52 LENGTH OF SERVICE AWARD
1 28 PROGRAM GRANT FUND — APPROPRIATION.

1 29 1. A length of service award program grant fund is created
1 30 in the state treasury under the control of the economic
1 31 development authority. The fund shall consist of all moneys
1 32 appropriated to the fund.

1 33 2. Moneys in the length of service award program grant
1 34 fund are appropriated to the economic development authority
1 35 for the purpose of providing grants to municipalities
2 1 that have established a length of service award program as
2 2 described in section 100B.51 to provide contributions to

CODE: Authorizes municipalities to establish a Length of Service Award Program for volunteer fire fighters, volunteer emergency medical care providers, and reserve peace officers. Awards are designed to be a tax-deferred benefit under the Internal Revenue Code. Each municipality that chooses to establish a Program will adopt guidelines defining eligibility, vesting, and distribution requirements. "Volunteer" is defined as an individual who was compensated by the municipality for the individual's services for less than \$5,000 per year in the immediately preceding calendar year and in the current calendar year.

CODE: Creates the Length of Service Award Program Grant Fund under the control of the Iowa Economic Development Authority (IEDA). Moneys in the Fund will consist of all moneys appropriated to the Fund.

CODE: Appropriates moneys in the Length of Service Award Program Grant Fund to the IEDA to provide grants to municipalities. Requires the IEDA to adopt administrative rules establishing an electronic grant application process. Requires the IEDA to include an application period beginning August 1

2 3 the program on behalf of participants in the program. The
 2 4 economic development authority shall adopt rules pursuant
 2 5 to chapter 17A establishing a grant application process.
 2 6 The rules must require a municipality to electronically
 2 7 file the grant application with the economic development
 2 8 authority. The process shall provide for an application
 2 9 period beginning August 1 and ending September 30 of each
 2 10 year for a municipality that has established a length of
 2 11 service award program for volunteer fire fighters, volunteer
 2 12 emergency medical care providers, or reserve peace officers of
 2 13 a department with an annual budget under one hundred thousand
 2 14 dollars. For such municipalities, the process shall provide
 2 15 for a match of three dollars for each dollar contributed by the
 2 16 municipality, in an amount not to exceed five hundred dollars
 2 17 per person in the program receiving the grant. For all other
 2 18 municipalities, the process shall provide for an application
 2 19 period beginning September 1 and ending September 30 of each
 2 20 year, and for up to a dollar-for-dollar funding match in an
 2 21 amount not to exceed five hundred dollars per person in the
 2 22 program receiving the grant. If the amount in the fund is
 2 23 insufficient to pay all the eligible grants in a fiscal year,
 2 24 the director of the economic development authority shall
 2 25 prorate the moneys awarded to each municipality. The grant
 2 26 process shall allow a municipality to use moneys received to
 2 27 fund the program from gifts, devises, bequests, or any other
 2 28 source for purposes of providing the funding match required by
 2 29 this subsection.

2 30 3. Notwithstanding section 12C.7, subsection 2, interest or
 2 31 earnings on moneys deposited in the fund shall be credited to
 2 32 the fund. Notwithstanding section 8.33, moneys credited to the
 2 33 fund shall not revert at the close of a fiscal year.

2 34 Sec. 3. APPROPRIATION.

2 35 1. There is appropriated from the sports wagering receipts
 2 36 fund created in section 8.57I to the economic development
 2 37 authority for the fiscal year beginning July 1, 2025, and
 2 38 ending June 30, 2026, the following amount, or so much thereof
 2 39 as is necessary, to be used for the purposes designated:
 2 40 For deposit in the length of service award program grant fund
 2 41 created in section 100B.52, as enacted by this Act:

and ending September 30 of each year for municipalities that have established a Length of Service Award Program for eligible individuals of a department with an annual budget under \$100,000 with a funding match of \$3 for each dollar contributed by the municipality, in an amount not to exceed \$500 per award recipient. Specifies that for all other municipalities, the application period is from September 1 through September 30 with a dollar-for-dollar funding match, not to exceed \$500 per award recipient. Requires the grant process to allow municipalities to use moneys received to fund the Program from gifts, devises, bequests, and other sources for providing the funding match.

CODE: Requires interest earned on moneys in the Length of Service Award Program Grant Fund to remain in the Fund and permits funds remaining at the close of the fiscal year to remain in the Fund.

Appropriates \$1,500,000 in FY 2026 from the Sports Wagering Receipts Fund (SWRF) to the IEDA for deposit into the Length of Service Award Program Grant Fund.

2 42 \$ 1,500,000

2 43 2. Moneys received from the sports wagering receipts fund
2 44 pursuant to this section are not subject to the reporting
2 45 requirements provided in section 8.571, subsections 4 and 5.

Specifies that the IEDA, as the State agency receiving SWRF moneys, is not required to report to the Legislative Services Agency and the Department of Management the status of all projects completed or in progress. Additionally, recipients of moneys from the SWRF are not required to report to the IEDA the status of all projects completed or in progress.

Unassigned Standings Other Funds

	Actual FY 2024 (1)	Estimated Net FY 2025 (2)	Gov Rec FY 2026 (3)	Final Action FY 2026 (4)	Final Action vs Est Net FY 2025 (5)	Page and Line # (6)
<u>Economic Development Authority</u>						
Economic Development Authority						
Length of Service Award Program - SWRF	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000	PG 2 LN 34
Total Economic Development Authority	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	
Total Unassigned Standings	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,500,000</u></u>	<u><u>\$ 1,500,000</u></u>	

FUNDING SUMMARY

Requires 75.0% of moneys in the Opioid Settlement Fund (OSF) to be appropriated to the Department of Health and Human Services (HHS) and 25.0% of the moneys to be appropriated to the Office of the Attorney General (AG's Office) in FY 2026 through FY 2030 to abate the opioid crisis in Iowa. Appropriates any interest or earnings on moneys appropriated from the OSF to the entity receiving the appropriation to be used to abate the opioid crisis. For FY 2026, approximately \$28.6 million will be appropriated to the HHS and \$9.5 million will be appropriated to the AG's Office.

Page 1, Line 30

SUPPLEMENTAL APPROPRIATIONS

Authorizes a \$29.0 million supplemental appropriation in FY 2025 from the OSF to the HHS. Creates the following allocations from the supplemental appropriation:

Page 4, Line 6

- \$3.0 million to [YSS](#) in Ames to support the development of a recovery-focused high school and workforce training center for youth in recovery from substance use disorder.
- \$5.0 million to [UCS Healthcare](#) in Des Moines to support current and formerly incarcerated individuals and to sustain established infrastructure for dispensing medications for opioid use disorder services in rural and underserved areas.
- \$1.5 million for the behavioral health administrative services organization (ASO), [Iowa Primary Care Association \(Iowa PCA\)](#), to contract with [Flowstate Health](#) in Council Bluffs to ensure inmates receive necessary mental health and substance use care.
- \$2.0 million to [Agape Community Services](#) in Sioux City for a recovery housing and post-treatment support project.
- \$2.0 million for Iowa PCA to contract with [Sieda Community Action](#) in Ottumwa, [Pathways Behavioral Services](#) in Waterloo, [Area Substance Abuse Council \(ASAC\)](#) in Cedar Rapids, and [Alcohol and Drug Dependency Services \(ADDS\)](#) in Burlington to provide post-overdose response services.
- \$4.5 million to [Full Circle Recovery](#) in Council Bluffs and Des Moines, [Center of Attention](#) in Waterloo, [CRUSH of Iowa](#) in Cedar Rapids, [Rise Recovery Center](#) in Des Moines, and [Rediscover](#) in Clinton to establish recovery community centers.
- \$1.5 million to Barikiwa in Des Moines and [One City United](#) in Waterloo to establish recovery cafes to support addiction recovery and prevention.

- \$1.5 million to [House of Mercy](#) in Des Moines, ASAC in Cedar Rapids, [Rosecrance](#) in Sioux City, and [Heartland Family Service](#) in Council Bluffs to provide recovery respite for women who are in substance use disorder treatment or recovery.
- \$3.0 million to [Community and Family Resources](#) in Fort Dodge.
- \$2.0 million to [Vera French](#) in Davenport.
- \$3.0 million for nonprofit organizations that submit a proposal to the HHS for development of recovery housing.

STUDIES AND INTENT

Nonreversion

Allows any unobligated or unencumbered funds appropriated from the OSF to the HHS or the AG's Office in FY 2026 through FY 2030 to remain available for expenditure until June 30, 2030.

Page 2, Line 3

Required Reports

Requires the HHS and the AG's Office to submit an annual report on or before November 1 to the General Assembly and the Governor that contains all of the following for the immediately preceding fiscal year:

Page 2, Line 29

- Information related to each disbursement from the OSF and whether the intended outcomes of each disbursement were achieved.
- Input from each District Behavioral Health Advisory Council regarding disbursements from the OSF, intended outcomes, and recommendations for future disbursements from the OSF.
- A list of the current opioid-related initiatives within the behavioral health district that are funded by moneys from the national settlements that are earmarked for or otherwise required to be transferred or distributed to counties, cities, or other local governmental entities.

EFFECTIVE DATE

Specifies that Division II of this Act related to the FY 2025 supplemental appropriation from the OSF takes effect on June 6, 2025, and applies retroactively to July 1, 2024.

Page 7, Line 41

ENACTMENT DATE

This Act was approved by the General Assembly on May 14, 2025, and signed by the Governor on June 6, 2025.

EXECUTIVE SUMMARY
OPIOID SETTLEMENT FUND ACT

STAFF CONTACT: Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov

House File 1038 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	3	1	Amend	12.51

1 1 DIVISION I
 1 2 OPIOID SETTLEMENT FUND

1 3 Section 1. Section 12.51, Code 2025, is amended to read as
 1 4 follows:

CODE: Defines terms related to Iowa Code section [12.51](#) (Opioid Settlement Fund).

1 5 12.51 OPIOID SETTLEMENT FUND.

1 6 1. As used in this section unless the context otherwise
 1 7 requires:

1 8 a. "Administrative services organization" means the same as
 1 9 defined in section 225A.1, as enacted in 2024 Iowa Acts, ch.
 1 10 1161, §1.

1 11 b. "Behavioral health district" means the same as defined in
 1 12 section 225A.1, as enacted in 2024 Iowa Acts, ch.1161, §1.

1 13 c. "Department" means the department of health and human
 1 14 services.

1 15 d. "District behavioral health advisory council" means the
 1 16 same as defined in section 225A.1, as enacted in 2024 Iowa
 1 17 Acts, ch.1161, §1.

1 18 ~~1.~~ 2. a. An opioid settlement fund is created in the
 1 19 office of the treasurer of state. The fund shall be separate
 1 20 from the general fund of the state and the balance in the fund
 1 21 shall not be considered part of the balance of the general fund
 1 22 of the state.

CODE: Makes technical changes.

1 23 b. (1) The state portion of any moneys paid to the state as
 1 24 a result of a national settlement of litigation with entities
 1 25 that manufactured, marketed, sold, distributed, dispensed,
 1 26 or promoted opioids, made in connection with claims arising
 1 27 from the manufacturing, marketing, selling, distributing,
 1 28 dispensing, or promoting of opioids, shall be deposited in the
 1 29 fund.

1 30 (2) (a) For each fiscal year for the period beginning July
 1 31 1, 2025, and ending June 30, 2030, of the total amount of the
 1 32 state portion of the moneys paid to the state as described in
 1 33 paragraph "b" and deposited in the fund, plus any interest
 1 34 and earnings on moneys in the fund, seventy-five percent is
 1 35 appropriated to the department and twenty-five percent is
 2 1 appropriated to the office of the attorney general for purposes
 2 2 of abating the opioid crisis in this state.

CODE: Requires 75.00% of moneys in the Opioid Settlement Fund (OSF) to be annually appropriated to the Department of Health and Human Services (HHS) and 25.00% of the moneys to be appropriated to the Office of the Attorney General (AG's Office) in FY 2026 through FY 2030 to abate the opioid crisis in Iowa.

DETAIL: As of May 23, 2025, there is \$56,272,189 available for expenditure in the OSF. The AG's Office anticipates

receiving another \$1,010,262 in FY 2025. Anticipated deposits into the OSF may change depending on the timing of the receipt of funds and new or fluctuating payment agreements and schedules. The AG’s Office is reporting the following additional settlement payments in the next five fiscal years:

- FY 2026 = \$9,866,608
- FY 2027 = \$9,911,025
- FY 2028 = \$7,453,960
- FY 2029 = \$10,682,026
- FY 2030 = \$10,950,437

Following the FY 2025 supplemental appropriation of \$29,000,000 made in Division II of this Act, it is estimated that the following appropriations will be made from the OSF:

	HHS	AG's Office
FY 2026	\$28,611,794	\$9,537,265
FY 2027	\$7,433,269	\$2,477,756
FY 2028	\$5,590,470	\$1,863,490
FY 2029	\$8,011,520	\$2,670,507
FY 2030	\$8,212,828	\$2,737,609

2 3 (b) Notwithstanding section 8.33, moneys appropriated
 2 4 under subparagraph division (a) that remain unencumbered and
 2 5 unobligated at the close of each fiscal year shall not revert
 2 6 but shall remain available for expenditure for the purposes
 2 7 designated until June 30, 2030.

CODE: Allows any unencumbered and unobligated funds appropriated from the OSF to the HHS or the AG's Office in FY 2026 through FY 2030 to remain available for expenditure until June 30, 2030.

2 8 (c) Notwithstanding section 12C.7, subsection 2, the
 2 9 interest or earnings on moneys appropriated under subparagraph
 2 10 division (a) are appropriated to the entity receiving the
 2 11 appropriation to be used for the purposes designated.

CODE: Appropriates any interest or earnings on moneys appropriated from the OSF to the HHS or the AG's Office to be used to abate the opioid crisis.

2 12 (3) The department and the office of the attorney general
 2 13 shall do all of the following:

CODE: Requires the HHS and the AG's Office to review each administrative services organization's (ASO's) proposed uses of

<p>2 14 <u>(a) Review each administrative services organization's</u> 2 15 <u>proposed uses of the appropriated moneys for crisis response,</u> 2 16 <u>early intervention, and treatment for opioid addiction, and</u> 2 17 <u>recovery from opioid addiction, for the behavioral health</u> 2 18 <u>district for which the administrative services organization has</u> 2 19 <u>been designated.</u></p>	<p>the appropriated moneys for crisis response, early intervention, and treatment for opioid addiction, and recovery from opioid addiction, for the behavioral health district for which the ASO has been designated.</p>
<p>2 20 <u>(b) Disburse the moneys appropriated under subparagraph</u> 2 21 <u>(2), subparagraph division (a), in accordance with the national</u> 2 22 <u>opioid settlement agreements and this section.</u></p>	<p>CODE: Requires the HHS and the AG's Office to disburse the moneys appropriated from the OSF in accordance with the national opioid settlement agreements and this Section.</p>
<p>2 23 <u>(c) Identify indicators and outcomes applicable to each</u> 2 24 <u>disbursement to be used to determine if the services and</u> 2 25 <u>activities that are funded achieve the intended outcomes, which</u> 2 26 <u>may include prevention of opioid-related deaths, reduction of</u> 2 27 <u>opioid misuse, and increased access to opioid use disorder</u> 2 28 <u>medications and services.</u></p>	<p>CODE: Requires the HHS and the AG's Office to identify indicators and outcomes applicable to each disbursement to be used to determine whether the services and activities that are funded achieve the intended outcomes, which may include prevention of opioid-related deaths, reduction of opioid misuse, and increased access to opioid use disorder medications and services.</p>
<p>2 29 <u>(d) Submit an annual report on or before November 1 to the</u> 2 30 <u>general assembly and the governor that contains all of the</u> 2 31 <u>following for the immediately preceding fiscal year:</u></p>	<p>CODE: Requires the HHS and the AG's Office to submit an annual report on or before November 1 to the General Assembly and the Governor that contains all of the following for the immediately preceding fiscal year:</p>
<p>2 32 <u>(i) Information related to each disbursement from the</u> 2 33 <u>fund, and if the intended outcomes of each disbursement were</u> 2 34 <u>achieved.</u></p>	<ul style="list-style-type: none"> • Information related to each disbursement from the OSF and whether the intended outcomes of each disbursement were achieved.
<p>2 35 <u>(ii) Input from each district behavioral health advisory</u> 3 1 <u>council regarding disbursements from the fund, intended</u> 3 2 <u>outcomes, and recommendations for future disbursements from the</u> 3 3 <u>fund.</u></p>	<ul style="list-style-type: none"> • Input from each District Behavioral Health Advisory Council regarding disbursements from the OSF, intended outcomes, and recommendations for future disbursements from the OSF.
<p>3 4 <u>(iii) A list of the current opioid-related initiatives</u> 3 5 <u>within the behavioral health district that are funded by</u> 3 6 <u>moneys from the national settlements that are earmarked for</u> 3 7 <u>or otherwise required to be transferred or distributed to</u> 3 8 <u>counties, cities, or other local governmental entities.</u></p>	<ul style="list-style-type: none"> • A list of the current opioid-related initiatives within the behavioral health district that are funded by moneys from the national settlements that are earmarked for or otherwise required to be transferred or distributed to counties, cities, or other local governmental entities.
<p>3 9 <u>(e) Adopt rules pursuant to chapter 17A to administer this</u> 3 10 <u>paragraph.</u></p>	<p>CODE: Requires the HHS and the AG's Office to adopt administrative rules to administer this paragraph.</p>

3 11 (4) A recipient shall receive no more than one disbursement
 3 12 under paragraph “b”, subparagraph (3), subparagraph division
 3 13 (b).

CODE: Prohibits a recipient from receiving more than one disbursement from the HHS and the AG’s Office.

3 14 (5) The department and the office of the attorney general
 3 15 may, but are not required to, ensure that moneys appropriated
 3 16 under subparagraph (2) are distributed equally to the
 3 17 administrative services organizations.

CODE: Allows the HHS and the AG’s Office to ensure that moneys appropriated from the Fund are distributed equally to the ASOs.

3 18 (6) The department and the office of the attorney general
 3 19 shall use no more than two and one-half percent of the moneys
 3 20 appropriated under subparagraph (2) for administrative costs.

CODE: Prohibits the HHS and the AG’s Office from using more than 2.50% of the moneys appropriated from the Fund for administrative costs.

3 21 c. This subsection does not apply to such moneys paid to
 3 22 the state that are earmarked for or otherwise required to be
 3 23 transferred or distributed to counties, cities, or other local
 3 24 governmental entities.

CODE: Technical change.

3 25 ~~2.~~ 3. a. Moneys in the fund shall not be transferred,
 3 26 used, obligated, appropriated, or otherwise encumbered except
 3 27 as provided in this section.

CODE: Technical change.

3 28 b. Moneys in the fund shall only be used pursuant to
 3 29 ~~appropriations from the fund by the general assembly for~~
 3 30 purposes of abating the opioid crisis in this state, which
 3 31 may include but are not limited to the purposes specified in
 3 32 section 135.190A for moneys in the opioid antagonist medication
 3 33 fund.

CODE: Technical change.

3 34 ~~3.~~ c. Notwithstanding section 8.33, moneys in the fund
 3 35 that remain unencumbered or unobligated at the close of a
 4 1 fiscal year shall not revert. Notwithstanding section 12C.7,
 4 2 subsection 2, interest or earnings on moneys in the fund shall
 4 3 be credited to the fund.

CODE: Technical change.

4 4 DIVISION II
 4 5 OPIOID SETTLEMENT FUND — FY 2024-2025

4 6 Sec. 2. OPIOID SETTLEMENT FUND — DEPARTMENT OF HEALTH AND
 4 7 HUMAN SERVICES.
 4 8 1. There is appropriated from the opioid settlement fund

Supplemental appropriation of \$29,000,000 in FY 2025 from the Opioid Settlement Fund (OSF) to the HHS.

4 9 created in section 12.51 to the department of health and human
 4 10 services for the fiscal year beginning July 1, 2024, and ending
 4 11 June 30, 2025, the following amount, or so much thereof is as
 4 12 necessary, for the purposes designated:

4 13 \$ 29,000,000

4 14 2. Notwithstanding any provision of law to the contrary, of
 4 15 the moneys appropriated to the department of health and human
 4 16 services under subsection 1, the department shall disburse to
 4 17 the following entities, the following amounts, for the purposes
 4 18 designated:

4 19 a. To a youth-serving nonprofit organization that has been
 4 20 in existence for at least forty-five years that provides crisis
 4 21 stabilization, emergency shelter, and residential addiction
 4 22 treatment, and that is located in a central Iowa county with
 4 23 a population between ninety-eight thousand and ninety-nine
 4 24 thousand based on the 2020 federal decennial census, to support
 4 25 the development of a recovery-focused high school and workforce
 4 26 training center that integrates education, job training, and
 4 27 therapeutic support to empower youth in recovery from substance
 4 28 use disorder to successfully transition into the workforce upon
 4 29 graduation:

4 30 \$ 3,000,000

4 31 b. To an opioid treatment program incorporated as a
 4 32 nonprofit organization in 1997, that operates fourteen
 4 33 locations and offers behavioral and medical health care
 4 34 to patients, and that is licensed in the state to provide
 4 35 medication-assisted treatment, mental health therapy,
 5 1 counseling, and primary health care, to expand access to
 5 2 medication-assisted treatment in rural and underserved areas
 5 3 of the state through co-located and mobile recovery units
 5 4 and to collaborate with jail-based screening, assessment,
 5 5 diagnosis, and treatment service providers to extend support
 5 6 to incarcerated individuals and individuals who are no longer
 5 7 incarcerated, and sustain established infrastructure for
 5 8 dispensing medications for opioid use disorder services in
 5 9 rural and underserved areas:

5 10 \$ 5,000,000

5 11 c. To the administrative services organization designated
 5 12 pursuant to section 225A.4, as enacted in 2024 Iowa Acts,

DETAIL: As of May 23, 2025, there is \$56,272,189 available for expenditure in the OSF. The AG's Office anticipates receiving another \$1,010,262 in FY 2025. Following this FY 2025 supplemental appropriation, it is anticipated there will be approximately \$28,282,451 remaining in the OSF at the beginning of FY 2026.

Allocates \$3,000,000 to [YSS](#) in Ames, according to the HHS, to support the development of a recovery-focused high school and workforce training center that integrates education, job training, and therapeutic support to help youth in recovery from substance use disorder to transition into the workforce upon graduation.

Allocates \$5,000,000 to [UCS Healthcare](#) in Des Moines, according to the HHS, to expand access to medication-assisted treatment in rural and underserved areas of the State through co-located and mobile recovery units and to collaborate with jail-based screening, assessment, diagnosis, and treatment service providers to extend support to incarcerated individuals and individuals who are no longer incarcerated, and sustain established infrastructure for dispensing medications for opioid use disorder services in rural and underserved areas.

Allocates \$1,500,000 for the behavioral health ASO, [Iowa Primary Care Association \(Iowa PCA\)](#), to contract with

5 13 ch.1161, §4, to contract with a collaborative mental health
 5 14 services organization that operates in Iowa to provide
 5 15 jail-based screening, assessment, diagnosis, and treatment
 5 16 service providers and system navigation to all county jails, to
 5 17 ensure inmates receive necessary mental health and substance
 5 18 use care, regardless of the mental health and substance use
 5 19 resources available in the county in which the inmate is
 5 20 incarcerated:
 5 21 \$ 1,500,000

[Flowstate Health](#) in Council Bluffs, according to the HHS, to ensure inmates receive necessary mental health and substance use care, regardless of the mental health and substance use resources available in the county in which the inmate is incarcerated.

5 22 d. To a nonprofit organization headquartered in a western
 5 23 Iowa county with a population between one hundred thousand and
 5 24 one hundred six thousand based on the 2020 federal decennial
 5 25 census, for a recovery project that involves recovery housing
 5 26 and post-treatment support based on a recovery cafe model, for
 5 27 individuals in addiction recovery including those experiencing
 5 28 homelessness and transitioning from incarceration, and the
 5 29 nonprofit organization provides an appropriate physical
 5 30 location and a dollar-for-dollar match for each dollar
 5 31 disbursed to the nonprofit organization:
 5 32 \$ 2,000,000

Allocates \$2,000,000 to [Agape Community Services](#) in Sioux City, according to the HHS, for a recovery project that involves recovery housing and post-treatment support based on a recovery cafe model for individuals in addiction recovery including those experiencing homelessness and transitioning from incarceration. Provides that Agape Community Services will provide an appropriate physical location and a dollar-for-dollar match for each dollar disbursed.

5 33 e. To the administrative services organization designated
 5 34 pursuant to section 255A.4, as enacted in 2024 Iowa Acts, ch.
 5 35 1161, §4, to contract with local peer-recovery specialists in
 6 1 four rural locations in the state to provide post-overdose
 6 2 response services through emergency departments that connect
 6 3 individuals and families to post-overdose treatment and
 6 4 recovery support, and to train peer recovery coaches using the
 6 5 linkage to outreach referrals and engagement model:
 6 6 \$ 2,000,000

Allocates \$2,000,000 for Iowa PCA to contract with [Sieda Community Action](#) in Ottumwa, [Pathways Behavioral Services](#) in Waterloo, [Area Substance Abuse Council \(ASAC\)](#) in Cedar Rapids, and [Alcohol and Drug Dependency Services \(ADDS\)](#) in Burlington, according to the HHS, to provide post-overdose response services through emergency departments that connect individuals and families to post-overdose treatment and recovery support, and to train peer recovery coaches using the linkage to outreach referrals and engagement model.

6 7 f. To provide grants to nonprofit organizations for each
 6 8 nonprofit organization to establish recovery community centers,
 6 9 including for the purchase or lease of physical space and
 6 10 programming, in behavioral health districts four, five, and
 6 11 seven to connect members of the recovery community to support,
 6 12 education, resources, and advocacy:
 6 13 \$ 4,500,000

Allocates \$4,500,000 to [Full Circle Recovery](#) in Council Bluffs and Des Moines, [Center of Attention](#) in Waterloo, [CRUSH of Iowa](#) in Cedar Rapids, [Rise Recovery Center](#) in Des Moines, and [Rediscover](#) in Clinton, according to the HHS, to establish recovery community centers, including for the purchase or lease of physical space and programming, in behavioral health districts four, five, and seven to connect

members of the recovery community to support, education, resources, and advocacy.

6 14 g. To provide grants to nonprofit organizations to
 6 15 establish recovery cafes in behavioral health districts
 6 16 five and seven to support members of the recovery community,
 6 17 focusing on health maintenance and opioid addiction prevention
 6 18 by providing a safe environment to cultivate meaningful
 6 19 connections, compassionate understanding, and a culture of
 6 20 affirmation that enhances well-being and self-worth:
 6 21 \$ 1,500,000

Allocates \$1,500,000 to Barikiwa in Des Moines and [One City United](#) in Waterloo, according to the HHS, to establish recovery cafes to support members of the recovery community, focusing on health maintenance and opioid addiction prevention by providing a safe environment to cultivate meaningful connections, compassionate understanding, and a culture of affirmation that enhances well-being and self-worth.

6 22 h. To provide grants to nonprofit organizations in
 6 23 behavioral health districts one, four, five, and seven
 6 24 for recovery respite that focuses on women, and women with
 6 25 children, who are in substance use disorder treatment or
 6 26 recovery to provide the women appropriate resources to enhance
 6 27 their recovery efforts and transition to independent living:
 6 28 \$ 1,500,000

Allocates \$1,500,000 to [House of Mercy](#) in Des Moines, ASAC in Cedar Rapids, [Rosecrance](#) in Sioux City, and [Heartland Family Service](#) in Council Bluffs, according to the HHS, to provide recovery respite that focuses on women, and women with children, who are in substance use disorder treatment or recovery to provide the women appropriate resources to enhance their recovery efforts and transition to independent living.

6 29 i. To provide a grant to a nonprofit organization
 6 30 headquartered in a city with a population between twenty-four
 6 31 thousand five hundred and twenty-five thousand based on the
 6 32 2020 federal decennial census, that is a member of the Iowa
 6 33 substance use and problem gambling services integrated provider
 6 34 network and that specializes in treatment and prevention
 6 35 services, including outpatient, residential treatment, and
 7 1 detoxification for adolescents and adults who are experiencing
 7 2 mental health and substance use disorders:
 7 3 \$ 3,000,000

Allocates \$3,000,000 to [Community and Family Resources](#) in Fort Dodge, according to the HHS.

7 4 j. To provide a grant to a nonprofit organization
 7 5 headquartered in a county with a population between one hundred
 7 6 seventy-four thousand and one hundred seventy-five thousand
 7 7 based on the 2020 federal decennial census, that is a community
 7 8 mental health center under chapter 230A, and that maintains
 7 9 or conducts a program licensed under chapter 125 the primary
 7 10 purpose of which is the treatment and rehabilitation of persons
 7 11 with a substance use disorder, including outpatient care,
 7 12 residential care, habilitation homes, crisis stabilization

Allocates \$2,000,000 to [Vera French](#) in Davenport, according to the HHS.

7 13 residential services, assertive community treatment,
 7 14 multisystemic therapy, and integrated home health and
 7 15 supportive and affordable housing for adolescents and adults
 7 16 experiencing substance use or mental health disorders:
 7 17 \$ 2,000,000

7 18 3. Notwithstanding any provision of law to the contrary, of
 7 19 the moneys appropriated to the department of health and human
 7 20 services under subsection 1, \$3,000,000 shall be disbursed as
 7 21 grants to nonprofit organizations that submit a proposal to
 7 22 the department of health and human services for development of
 7 23 recovery housing in behavioral health districts that do not
 7 24 have established recovery housing capacity.

Allocates \$3,000,000 for grants to nonprofit organizations that submit a proposal to the HHS for development of recovery housing in behavioral health districts that do not have established recovery housing capacity.

7 25 4. a. Moneys disbursed under subsections 2 and 3 shall be
 7 26 used by the recipient in compliance with the requirements of
 7 27 the national opioid settlement agreements and section 12.51.

Requires moneys allocated by the HHS to be used by the recipient in compliance with the requirements of the national opioid settlement agreements and Iowa Code section [12.51](#) (Opioid Settlement Fund).

7 28 b. A recipient shall utilize the indicators and outcomes
 7 29 identified by the department of health and human services
 7 30 and the office of the attorney general under section 12.51,
 7 31 subsection 2, paragraph "b", subparagraph (3), subparagraph
 7 32 division (c), to determine whether the services and activities
 7 33 that are funded by the disbursement achieve the intended
 7 34 outcomes, and shall report the recipient's findings to the
 7 35 department of health and human services and the office of the
 7 36 attorney general.

Requires a recipient to utilize the indicators and outcomes identified by the HHS and the AG's Office to determine whether the services and activities that are funded by the disbursement achieve the intended outcomes and to report the findings to the HHS and the AG's Office.

7 37 c. Moneys disbursed under subsection 2 shall be fully
 7 38 obligated by the recipient no later than June 30, 2027.

Requires the allocations in Subsection 2 to the HHS to be fully obligated by the recipient no later than June 30, 2027.

7 39 d. A recipient shall receive no more than one disbursement
 7 40 under subsections 2 and 3.

Prohibits a recipient from receiving more than one disbursement from the HHS.

7 41 Sec. 3. EFFECTIVE DATE. This division of this Act, being
 7 42 deemed of immediate importance, takes effect upon enactment.

Specifies that Division II of this Act related to the FY 2025 supplemental appropriation from the OSF takes effect on June 6, 2025.

7 43 Sec. 4. RETROACTIVE APPLICABILITY. This division of this
7 44 Act applies retroactively to July 1, 2024.

Specifies that Division II of this Act related to the FY 2025 supplemental appropriation from the OSF applies retroactively to July 1, 2024.

Health and Human Services Other Funds

	Supp-Final Act. FY 2025 <u>(1)</u>	Final Action FY 2026 <u>(2)</u>	Page and Line # <u>(3)</u>
<u>Health and Human Services, Department of</u>			
Health and Human Services			
Opioid Initiatives - OSF	\$ 29,000,000	\$ 0	PG 4 LN 6
HHS Opioid Abatement - OSF	0	28,611,794	PG 1 LN 30
Total Health and Human Services, Department of	<u>\$ 29,000,000</u>	<u>\$ 28,611,794</u>	
Total Health and Human Services	<u><u>\$ 29,000,000</u></u>	<u><u>\$ 28,611,794</u></u>	

Justice System Other Funds

	Supp-Final Act. FY 2025 (1)	Final Action FY 2026 (2)	Page and Line # (3)
<u>Attorney General</u>			
Justice, Dept. of			
AG Opioid Abatement - OSF	\$ 0	\$ 9,537,265	PG 1 LN 30
Total Attorney General	\$ 0	\$ 9,537,265	
Total Justice System	\$ 0	\$ 9,537,265	

ACT SUMMARY

House File 972 repeals the following programs and replaces them with the Health Care Professional Incentive Program:

- Primary Care Provider Recruitment and Retention Endeavor (PRIMECARRE)
- Rural Iowa Primary Care Loan Repayment Program
- Health Care Professional Recruitment Program
- Health Care Award Program
- Mental Health Professional Loan Repayment Program

These repealed programs received a total of \$4.4 million from the General Fund in estimated net FY 2025.

DETAIL: 2025 Iowa Acts, [Senate File 647](#) (FY 2026 Education Appropriations Act), appropriated \$8.0 million from the General Fund for the Health Care Professional Incentive Program.

FISCAL IMPACT: The Department of Education (DE) and the HHS estimate that the repealed funds may have a total unobligated and unencumbered balance of \$1.4 million that will be available for the Health Care Professional Incentive Program, which includes the following:

- \$58,000 from the Primary Care Provider Loan Repayment Program Account.
- \$1,200,000 from the Rural Iowa Primary Care Trust Fund.
- \$50,000 from the Health Care Professional Recruitment Fund.
- \$30,000 from the Health Care Award Fund.
- \$40,000 from the Mental Health Professional Loan Repayment Fund.

This Act also repeals the following programs and requires the Department of Health and Human Services (HHS) to submit a request for approval for a Medicaid supplemental enhanced payment for graduate medical education:

- Health Care Workforce Support Initiative
- Medical Residency Training State Matching Grants Program
- Nurse Residency State Matching Grants Program
- Family Medicine Obstetrics Fellowship Program
- Rural Psychiatric Residencies
- Psychiatry Residency and Fellowship Program

These repealed programs received a total of \$4.7 million from the General Fund in estimated net FY 2025.

FISCAL IMPACT: The HHS estimates that the repealed funds may have a total unobligated and unencumbered balance of \$9.9 million available for Medicaid graduate medical education, which includes the following:

- \$1.1 million from the Health Care Workforce Shortage Fund Interest Account.
- \$7.2 million from the Medical Residency Training Account.
- \$1.1 million from the Family Medicine Obstetrics Fellowship Program Fund.
- \$454,000 from the rural psychiatric residency and fellowship positions allocation.

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Requires the HHS to submit a request for approval to the Centers for Medicare and Medicaid Services for a health care hub-and-spoke partnership funding model for the purpose of improving Iowa’s rural health system.	Page 1, Line 3
Requires the HHS to coordinate with the College Student Aid Commission (CSAC) to administer the Health Professional Incentive Program as established in this Act.	Page 1, Line 18
Requires the HHS to create an account to deposit encumbered or obligated moneys relating to the Primary Care Provider Loan Repayment Program. Specifies that any funds in the account must remain available for the duration of such loan repayment contracts. Allows interest earnings on moneys in the account to be credited to the account. Requires that any unencumbered or unobligated moneys remaining in the account upon expiration of all loan repayment contract periods be transferred to the Health Care Professional Incentive Program Fund created in this Act.	Page 2, Line 2
Establishes a Health Care Professional Incentive Program, administered by the CSAC, in coordination with the HHS, to recruit and retain eligible health care professionals in eligible practice areas. Requires the CSAC, in coordination with the HHS, to determine the number of awards available for each eligible health care profession prior to the commencement of the fiscal year.	Page 5, Line 23
Establishes a Health Care Professional Incentive Program Fund in the State Treasury under the control of the CSAC. Specifies that any moneys in the Fund that remain at the end of each fiscal year are permitted to remain available for the following fiscal year. Provides that any interest or earnings on moneys in the Fund must be credited to the Fund and may be utilized by the CSAC for administrative costs.	Page 7, Line 32

Requires the HHS to submit a request for approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa, to the Centers for Medicare and Medicaid Services. Requires the HHS to notify the General Assembly and the Iowa Code Editor upon receipt of federal approval.

Page 8, Line 12

Requires the HHS to conduct a competitive process every eight years to select a designated entity responsible for administering the Iowa Health Information Network (IHIN) and adopts conforming changes to Iowa Code section [135D.4](#)(1) (Iowa Health Information Network — Principles — Technical Infrastructure Requirements).

Page 29, Line 25

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Repeals PRIMECARRE, which includes the Health Care Workforce and Community Support Grant Program and the Primary Care Provider Loan Repayment Program.

Page 1, Line 23

Removes the authorization of health facilities to apply for matching grant funds for plan developments related to Iowa Code section [135B.33](#).

Page 1, Line 25

Repeals the Rural Iowa Primary Care Loan Repayment Program, the Health Care Professional Recruitment Program, the Health Care Loan Repayment Program, and the Mental Health Professional Loan Repayment Program.

Page 2, Line 25

Requires the CSAC to make loan repayments and provide annual awards pursuant to program agreements and contracts entered into on or before June 30, 2025, as detailed in this Act, for all of the repealed programs in Iowa Code chapter [256](#).

Page 2, Line 27

Requires any unencumbered or unobligated moneys remaining in the repealed funds (Rural Iowa Primary Care Trust Fund, Health Care Professional Recruitment Fund, Health Care Award Fund, and Mental Health Professional Loan Repayment Program) on the enactment date of this Act to be transferred to the Health Care Professional Incentive Program Fund.

Page 3, Line 12

Requires the CSAC to create accounts to deposit encumbered and obligated moneys for each repealed program. Specifies that any funds in the accounts must remain available for the duration of all applicable loan repayments and awards. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon

Page 3, Line 25

expiration of all program agreements, contracts, and award disbursement periods be transferred to the Health Care Professional Incentive Program Fund created in this Act.

Removes a provision allowing the Fulfilling Iowa's Need For Dentists matching grant program to receive funding from the Health Care Workforce Shortage Fund or the Fulfilling Iowa's Need For Dentists matching grant program account.

Page 8, Line 27

Removes a provision allowing funds in the Hospital Health Care Access Trust Fund to be used to fund the Health Care Workforce Support Initiative.

Page 8, Line 36

Repeals the Health Care Workforce Support Initiative, the Medical Residency Training State Matching Grants Program, the Nurse Residency State Matching Grants Program, and the State-funded Family Medicine Obstetrics Fellowship Program.

Page 9, Line 17

Repeals the State-funded Psychiatry Residency and Fellowship Program administered by the University of Iowa Hospitals and Clinics (UIHC).

Page 12, Line 30

FUNDING FOR PROJECTS AND PROGRAMS

Requires the HHS to make loan repayments pursuant to a loan repayment program contract, including a United States Department of Health and Human Services State loan repayment program contract, executed on or before December 31, 2025, under the Primary Care Provider Loan Repayment Program in Iowa Code section [135.107](#) to a recipient in compliance with the loan repayment contract.

Page 1, Line 32

Requires the HHS to provide matching State funding and to fund residency and fellowship positions awarded on or before June 30, 2025, for the programs found in Iowa Code chapter [135](#) as well as the rural psychiatric residency positions.

Page 9, Line 19

Appropriates any unencumbered or unobligated moneys remaining in the repealed accounts under Division VI of this Act to the HHS to fund Medicaid graduate medical education efforts.

Page 10, Line 23

Requires the HHS to create accounts for the deposit of encumbered and obligated moneys for each eliminated program. Specifies that any funds in the accounts must remain available for the duration of all applicable grants, residencies, and fellowships. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all grant, residency, and fellowship periods be appropriated to the HHS for Medicaid graduate medical education efforts.

Page 11, Line 19

Requires the Board of Regents (BOR) to direct the UIHC to distribute moneys for positions approved and awarded on or before June 30, 2025, until all residents and fellows have completed or left the State-funded psychiatry residency or fellowship positions.

Page 12, Line 31

Requires the BOR to direct the UIHC to create an account for the deposit of moneys encumbered and obligated relating to the positions. Specifies that any funds in the accounts must remain available for the duration of all applicable residencies and fellowships. Allows interest earnings on moneys in the account to be credited to the account. Appropriates any unencumbered or unobligated moneys in the account upon expiration of all residency and fellowship periods to the HHS for Medicaid graduate medical education efforts.

Page 12, Line 39

Appropriates any unencumbered or unobligated moneys in the Psychiatry Residency and Fellowship Positions Fund to the HHS for Medicaid graduate medical education efforts.

Page 13, Line 19

STUDIES AND INTENT

Intent

Specifies the intent of the General Assembly that the Health Care Professional Incentive Program must not interfere with local community investments to recruit and retain health care professionals.

Page 5, Line 33

Required Report

Requires the Exchange Advisory Committee to provide an annual budget and fiscal report for the IHIN to the Governor, the HHS, the Department of Management, and the General Assembly.

Page 31, Line 5

SIGNIFICANT CODE CHANGES

Removes the definition of "Council" and adds the definition of "Department" to mean the HHS for purposes of Iowa Code chapter [10A](#), Subchapter VII, Part 2 (Health Facilities Council).

Page 13, Line 35

Repeals Iowa Code section [10A.712](#) (Department to Administer Part — Health Facilities Council Established — Appointments — Powers and Duties).

Page 18, Line 14

Eliminates the board of directors that governs and administers the IHIN and places the responsibilities with the Exchange Advisory Committee. Requires the Director of the HHS to appoint members of the Committee, including at least one member who is a consumer of health services, and requires a majority of the Committee members to be representative of participants in the IHIN.

Page 30, Line 8

EFFECTIVE DATE

Specifies that Division I of this Act related to a health care hub-and-spoke partnership funding model takes effect on May 28, 2025. Page 1, Line 13

Specifies that Division IV of this Act related to the Health Care Professional Incentive Program takes effect on May 28, 2025. Page 8, Line 7

Specifies that Division V of this Act related to the Graduate Medical Education Medicaid Supplemental Enhanced Payment takes effect on May 28, 2025. Page 8, Line 22

Provides that Division VI of this Act related to the elimination of health-care related grant, residency, and fellowship programs takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa. Page 12, Line 19

Provides that Division VII of this Act related to the elimination of State-funded psychiatry residency and fellowship positions takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa. Page 13, Line 26

ENACTMENT DATE

This Act was approved by the General Assembly on May 13, 2025, and signed by the Governor on May 28, 2025.

STAFF CONTACT: Louie Hoehle (515.281.6561) louie.hoehle@legis.iowa.gov

House File 972 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	18	3	Add	135.107.1.f
1	23	4	Strike	135.107.2,3
1	25	5	Amend	135B.33.3
2	29	7	Repeal	256.221; 256.223; 256.224; 256.225
4	26	11	New	256.222
9	30	16	Amend	249M.4.2
9	21	15	Amend	135.179.2
10	15	17	Repeal	135.175; 135.176; 135.178; 135.193
14	5	22	Repeal	135.180
15	14	27	Strike and Replace	10A.711.5
15	29	29	Amend	10A.714.1
15	34	30	Amend	10A.714.1.r
15	19	28	Amend	10A.713.4
16	25	33	Amend	10A.719
16	4	31	Amend	10A.714.2
16	12	32	Amend	10A.716.3
17	23	35	Amend	10A.721
17	7	34	Amend	10A.720
18	17	37	Amend	10A.723.2.a
18	12	36	Amend	10A.722
18	33	38	Amend	68B.35.2.e
19	18	39	Amend	97B.1A.8.a.(8)
19	22	40	Transfer Directive	10A.711; 135.61; 10A.713; 135.62; 10A.714; 135.63; 10A.715; 135.64; 10A.716; 135.65; 10A.717; 135.66; 10A.718; 135.67; 10A.719; 135.68; 10A.720; 135.69; 10A.721; 135.70; 10A.722; 135.71; 10A.723; 135.72; 10A.724; 135.73; 10A.725; 135.74; 10A.726; 135.75; 10A.727; 135.76; 10A.728; 135.77; 10A.729; 135.78
20	14	41	Repeal	10A.712
20	22	43	Amend	10A.711.1.d
20	30	44	Amend	10A.713.1
20	18	42	Amend	10A.711
21	32	46	Amend	10A.713.2.a,f,h,j,k,m,n
21	25	45	Amend	10A.713.2
23	22	47	Amend	10A.713.2.e.(2)
23	26	48	Amend	10A.713.2.g.(1)
23	32	49	Amend	10A.713.2.g.(2)
24	21	51	Amend	10A.713.2.p
24	31	52	Amend	10A.713.3
24	8	50	Amend	10A.713.2.1
25	18	54	Amend	10A.715.2
25	28	55	Amend	10A.716.1

House File 972 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
25	7	53	Amend	10A.714.3
26	11	57	Amend	10A.722.2,3,4
26	32	58	Amend	10A.723.1,3
26	3	56	Amend	10A.717.1
27	32	61	Amend	10A.725.2
27	15	59	Amend	10A.723.2
27	23	60	Amend	10A.724.3
28	12	62	Amend	10A.726.1
28	27	63	Amend	10A.727
29	10	64	Amend	10A.728
29	17	65	Amend	10A.729
30	2	66	Amend	135.131.1.a
30	22	68	Amend	135C.2.5
30	6	67	Amend	135B.5A
31	27	71	Amend	505.27.5.a
31	2	69	Amend	135P.1.3
31	13	70	Amend	231C.3.2
31	33	72	Amend	708.3A.5.d
32	17	74	Amend	135D.2.4
32	23	75	Add	135D.2.4A,5A
32	15	73	Strike	135D.2.1
32	30	76	Amend	135D.4.2.a
33	16	78	Amend	135D.5.3.d
33	2	77	Amend	135D.5.1
33	24	79	Strike and Replace	135D.6
34	53	83	Amend	135D.7.6.b
34	39	81	Amend	135D.7.1.c.(2)
34	31	80	Amend	135D.7.1
34	45	82	Amend	135D.7.3

<p>1 1 DIVISION I</p> <p>1 2 HEALTH CARE HUB-AND-SPOKE PARTNERSHIP FUNDING MODEL</p> <p>1 3 Section 1. HEALTH CARE HUB-AND-SPOKE PARTNERSHIP FUNDING</p> <p>1 4 MODEL APPROVAL. The department of health and human services</p> <p>1 5 shall submit to the centers for Medicare and Medicaid services</p> <p>1 6 of the United States department of health and human services</p> <p>1 7 a request for approval for a health care hub-and-spoke</p> <p>1 8 partnership funding model for the purpose of improving Iowa's</p> <p>1 9 rural health system to establish sufficient financial support</p> <p>1 10 for collaboration among regional health care providers in rural</p> <p>1 11 areas to transform health care delivery to provide quality and</p> <p>1 12 sustainable care.</p> <p>1 13 Sec. 2. EFFECTIVE DATE. This division of this Act, being</p> <p>1 14 deemed of immediate importance, takes effect upon enactment.</p> <p>1 15 DIVISION II</p> <p>1 16 ELIMINATION OF PRIMECARRE PROGRAMS — DEPARTMENT OF HEALTH AND</p> <p>1 17 HUMAN SERVICES</p> <p>1 18 Sec. 3. Section 135.107, subsection 1, Code 2025, is amended</p> <p>1 19 by adding the following new paragraph:</p> <p>1 20 NEW PARAGRAPH f. Coordinate with the college student aid</p> <p>1 21 commission to administer the health professional incentive</p> <p>1 22 program created in section 256.222.</p> <p>1 23 Sec. 4. Section 135.107, subsections 2 and 3, Code 2025, are</p> <p>1 24 amended by striking the subsections.</p>	<p>Requires the Department of Health and Human Services (HHS) to submit a request for approval to the Centers for Medicare and Medicaid Services for a health care hub-and-spoke partnership funding model for the purpose of improving Iowa's rural health system.</p> <p>Specifies that Division I of this Act related to a health care hub-and-spoke partnership funding model takes effect on May 28, 2025.</p> <p>CODE: Requires the HHS to coordinate with the College Student Aid Commission (CSAC) to administer the Health Professional Incentive Program as established in this Act.</p> <p>CODE: Repeals the Primary Care Provider Recruitment and Retention Endeavor (PRIMECARRE), which includes the Health Care Workforce and Community Support Grant Program and the Primary Care Provider Loan Repayment Program.</p> <p>DETAIL: The PRIMECARRE Program received \$214,021 in FY 2025 from the General Fund Public Health appropriation to the HHS made in 2024 Iowa Acts, House File 2698 (FY 2025 Health and Human Services Appropriations Act).</p>
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1 25 Sec. 5. Section 135B.33, subsection 3, Code 2025, is amended
1 26 to read as follows:

1 27 3. The health facilities may seek technical assistance
1 28 ~~or apply for matching grant funds for the plan development.~~
1 29 ~~The department shall require compliance with subsection 4,~~
1 30 ~~paragraphs “a” through “h”, when the facility applies for~~
1 31 ~~matching grant funds.~~

CODE: Removes the authorization of health facilities to apply for matching grant funds for plan developments related to Iowa Code section [135B.33](#).

1 32 Sec. 6. TRANSITION PROVISIONS — ACCOUNT.

1 33 1. The department of health and human services shall make
1 34 loan repayments pursuant to a loan repayment program contract,
1 35 including a United States department of health and human
1 36 services state loan repayment program contract, executed on
1 37 or before December 31, 2025, under the primary care provider
1 38 loan repayment program in section 135.107, Code 2025, if the
1 39 recipient remains in compliance with all obligations under the
2 1 loan repayment program contract.

Requires the HHS to make loan repayments pursuant to a loan repayment program contract, including a United States Department of Health and Human Services State loan repayment program contract, executed on or before December 31, 2025, under the Primary Care Provider Loan Repayment Program in Iowa Code section [135.107](#) to a recipient in compliance with the loan repayment contract.

2 2 2. a. The department of health and human services shall
2 3 create an account for deposit of any moneys encumbered or
2 4 obligated pursuant to a loan repayment program contract as
2 5 specified in subsection 1. The department shall ensure that
2 6 the encumbered and obligated moneys remain available for the
2 7 duration of the loan repayment program contract. Moneys in the
2 8 account are appropriated to the department for the purposes of
2 9 this section.

Requires the HHS to create an account to deposit encumbered or obligated moneys relating to the Primary Care Provider Loan Repayment Program. Specifies that any funds in the account must remain available for the duration of such loan repayment contracts. Allows interest earnings on moneys in the account to be credited to the account. Requires that any unencumbered or unobligated moneys remaining in the account upon expiration of all loan repayment contract periods be transferred to the Health Care Professional Incentive Program Fund created in this Act.

2 10 b. Notwithstanding section 8.33, any balance in the account
2 11 shall not revert but shall remain available for the duration of
2 12 such loan repayment program contracts. Notwithstanding section
2 13 12C.7, subsection 2, interest or earnings on moneys deposited in
2 14 the account shall be credited to the account.

FISCAL IMPACT: The HHS estimates that \$58,231 from the Primary Care Provider Loan Repayment Program account may be unencumbered or unobligated.

2 15 c. Upon expiration of all loan repayment program contract
2 16 periods and the expenditure of all moneys encumbered and
2 17 obligated under such loan repayment contracts, any unencumbered
2 18 or unobligated moneys remaining in the account created under
2 19 this section shall be deposited in the health care professional
2 20 incentive program fund created in section 256.222, as enacted
2 21 by this Act.

2 22 DIVISION III
2 23 ELIMINATION OF HEALTH CARE-RELATED LOAN REPAYMENT AND FINANCIAL

2 24 AWARD PROGRAMS — COLLEGE STUDENT AID COMMISSION

2 25 Sec. 7. REPEAL. Sections 256.221, 256.223, 256.224, and
 2 26 256.225, Code 2025, are repealed.

CODE: Repeals the Rural Iowa Primary Care Loan Repayment Program, the Health Care Professional Recruitment Program, the Health Care Loan Repayment Program, and the Mental Health Professional Loan Repayment Program.

DETAIL: 2024 Iowa Acts, [Senate File 2435](#) (FY 2025 Education Appropriations Act), appropriated the following amounts for the eliminated programs in FY 2025 from the General Fund:

- \$2,629,933 for the Rural Iowa Primary Care Loan Repayment Program.
- \$500,973 for the Health Care Professional Recruitment Program.
- \$500,000 for the Health Care Loan Repayment Program.
- \$520,000 for the Mental Health Professional Loan Repayment Program.

2 27 Sec. 8. TRANSITION PROVISIONS.

2 28 1. The college student aid commission shall make loan
 2 29 repayments pursuant to a program agreement entered into on or
 2 30 before June 30, 2025, by an eligible student and the commission
 2 31 under the rural Iowa primary care loan repayment program in
 2 32 section 256.221, Code 2025, if the student remains in compliance
 2 33 with all obligations under the program agreement.

2 34 2. The college student aid commission shall make loan
 2 35 repayments pursuant to a contract entered into on or before June
 2 36 30, 2025, by a health care professional and the commission under
 2 37 the health care professional recruitment program in section
 2 38 256.223, Code 2025, if the health care professional remains in
 2 39 compliance with all obligations under the contract.

3 1 3. The college student aid commission shall provide the
 3 2 annual award to a recipient selected on or before June 30, 2025,
 3 3 for an award under the health care award program in section
 3 4 256.224, Code 2025.

3 5 4. The college student aid commission shall make loan
 3 6 repayments pursuant to a program agreement entered into on or
 3 7 before June 30, 2025, by a mental health professional and the
 3 8 commission under the mental health professional loan repayment
 3 9 program in section 256.225, Code 2025, if the mental health

Requires the CSAC to make loan repayments and provide annual awards pursuant to program agreements and contracts entered into on or before June 30, 2025, as detailed in this Act, for all of the repealed programs in Iowa Code chapter [256](#).

3 10 professional remains in compliance with all obligations under
3 11 the program agreement.

3 12 Sec. 9. TRANSFER OF MONEYS. On the effective date of this
3 13 division of this Act, any unencumbered and unobligated moneys
3 14 remaining in the following funds shall be transferred to the
3 15 health care professional incentive program fund created in
3 16 section 256.222, as enacted in this Act:

3 17 1. The rural Iowa primary care trust fund created in section
3 18 256.221, subsection 12, Code 2025.

3 19 2. The health care professional recruitment fund created in
3 20 section 256.223, subsection 4, Code 2025.

3 21 3. The health care award fund created in section 256.224,
3 22 subsection 6, Code 2025.

3 23 4. The mental health professional loan repayment fund
3 24 created in section 256.225, subsection 7, Code 2025.

Requires any unencumbered or unobligated moneys remaining in the repealed funds on the enactment date of this Act to be transferred to the Health Care Professional Incentive Program Fund.

FISCAL IMPACT: The Department of Education (DE) estimates that the repealed funds may have a total unobligated and unencumbered balance of \$1,319,997, which includes the following:

- \$1,200,000 from the Rural Iowa Primary Care Trust Fund.
- \$49,999 from the Health Care Professional Recruitment Fund.
- \$29,999 from the Health Care Award Fund.
- \$39,999 from the Mental Health Professional Loan Repayment Fund.

3 25 Sec. 10. TRANSITION — ACCOUNTS.

3 26 1. The college student aid commission shall create
3 27 individual accounts for the deposit of any moneys encumbered or
3 28 obligated relating to a loan repayment or award funded under
3 29 each of the following programs:

3 30 a. The rural Iowa primary care loan repayment program under
3 31 section 256.221, Code 2025.

3 32 b. The health care professional recruitment program under
3 33 section 256.223, Code 2025.

3 34 c. The health care award program under section 256.224, Code
3 35 2025.

3 36 d. The mental health professional loan repayment program
3 37 under section 256.225, Code 2025.

3 38 2. Notwithstanding section 8.33, any balance in any of
3 39 the accounts created under subsection 1 shall not revert but
4 1 shall remain available for the duration of all applicable
4 2 loan repayments and awards. Notwithstanding section 12C.7,
4 3 subsection 2, interest or earnings on moneys deposited in each
4 4 account shall be credited to the respective account.

4 5 3. Upon expiration of all program agreement, contract,
4 6 and award disbursement periods and the expenditure of all

Requires the CSAC to create accounts to deposit encumbered and obligated moneys for each of the following repealed programs:

- Rural Iowa Primary Care Loan Repayment Program.
- Health Care Professional Recruitment Program.
- Health Care Award Program.
- Mental Health Professional Loan Repayment Program.

Specifies that any funds in the accounts must remain available for the duration of all applicable loan repayments and awards. Allows interest earnings on moneys in the accounts to be credited to the respective accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all program agreements, contracts, and award disbursement periods be transferred to the Health Care Professional Incentive Program Fund created in this Act.

4 7 moneys encumbered and obligated under such program agreements,
 4 8 contracts, and awards, any unencumbered or unobligated moneys
 4 9 remaining in the accounts created under this section shall be
 4 10 deposited in the health care professional incentive program
 4 11 fund created in section 256.222, as enacted by this Act.

4 12 DIVISION IV
 4 13 HEALTH CARE PROFESSIONAL INCENTIVE PROGRAM ESTABLISHED

4 14 Sec. 11. NEW SECTION 256.222 HEALTH CARE PROFESSIONAL
 4 15 INCENTIVE PROGRAM — FUND.

CODE: Defines terms related to the Health Care Professional Incentive Program created in this Act.

4 16 1. DEFINITIONS. For purposes of this section, unless the
 4 17 context otherwise requires:

4 18 a. "Award" means either of the following:

4 19 (1) A loan repayment made on behalf of an eligible health
 4 20 care professional on the total amount owed, including principal
 4 21 and interest, by the eligible health care professional on any
 4 22 of the following:

4 23 (a) A federally guaranteed Stafford loan under the federal
 4 24 family education loan program or the federal direct loan
 4 25 program.

4 26 (b) A federal grad plus loan.

4 27 (c) A consolidated federally guaranteed Stafford loan under
 4 28 the federal family education loan program or the federal direct
 4 29 loan program.

4 30 (d) A consolidated federal grad plus loan.

4 31 (2) An income bonus paid to an eligible health care
 4 32 professional.

4 33 b. "Commission" means the college student aid commission.

4 34 c. "Department" means the department of health and human
 4 35 services.

4 36 d. "Eligible health care profession" means health care
 4 37 occupational categories that are in high demand, as determined
 4 38 and maintained on a list by the department, and may include but
 4 39 are not limited to physicians, physician assistants, registered
 5 1 nurses, nurse practitioners, nurse educators, and mental health
 5 2 professionals.

5 3 e. "Eligible health care professional" means an individual
 5 4 currently employed, or who will be employed, in an eligible
 5 5 health care profession that is located in an eligible practice
 5 6 area.

5 7 f. "Eligible practice area" means a geographic region

5 8 or county in this state that has a shortage of health care
5 9 professionals as determined by the department.

5 10 g. "Employment obligation" means the number of consecutive
5 11 years an eligible health care professional must practice.

5 12 (1) If practicing full-time, which means at least two
5 13 thousand eighty hours of work in a calendar year, including all
5 14 paid holidays, vacations, sick time, and other paid leave, an
5 15 eligible health care professional must practice for five years.

5 16 (2) If practicing part-time, which means at least one
5 17 thousand five hundred sixty hours of work in a calendar year,
5 18 including all paid holidays, vacations, sick time, and other
5 19 paid leave, an eligible health care professional must practice
5 20 for seven years.

5 21 h. "Program" means the health care professional incentive
5 22 program established in this section.

5 23 2. PROGRAM ESTABLISHED. The health care professional
5 24 incentive program is established and shall be administered by
5 25 the commission, in coordination with the department, for the
5 26 purpose of offering awards to recruit and retain eligible health
5 27 care professionals for employment in eligible practice areas.
5 28 For the fiscal year beginning July 1, 2025, and each fiscal
5 29 year thereafter, the commission, in coordination with the
5 30 department, shall determine the number of awards available for
5 31 each eligible health care profession prior to the commencement
5 32 of the fiscal year.

CODE: Establishes a Health Care Professional Incentive Program, administered by the CSAC, in coordination with the HHS, to recruit and retain eligible health care professionals in eligible practice areas. Requires the CSAC, in coordination with the HHS, to determine the number of awards available for each eligible health care profession prior to the commencement of the fiscal year.

DETAIL: 2025 Iowa Acts, [Senate File 647](#) (FY 2026 Education Appropriations Act), appropriated \$7,985,911 from the General Fund for the Program.

5 33 3. LEGISLATIVE INTENT. It is the intent of the general
5 34 assembly that the program shall not interfere with local
5 35 community investments to recruit and retain health care
5 36 professionals.

CODE: Specifies the intent of the General Assembly that the Health Care Professional Incentive Program must not interfere with local community investments to recruit and retain health care professionals.

5 37 4. EXCEPTIONS. An eligible health care professional shall
5 38 be ineligible for the program if the eligible health care
5 39 professional is currently participating in, or has participated
6 1 in, any of the following:
6 2 a. The primary care provider loan repayment program pursuant
6 3 to section 135.107, Code 2025.
6 4 b. The rural Iowa primary care loan repayment program
6 5 pursuant to section 256.221, Code 2025.

CODE: Provides that a health care professional is ineligible for the Health Care Professional Incentive Program if the health care professional is currently participating, or has participated, in the programs repealed in Division III of this Act.

6 6 c. The health care professional recruitment program pursuant
6 7 to section 256.223, Code 2025.

6 8 d. The health care award program pursuant to section
6 9 256.224, Code 2025.

6 10 e. The mental health professional loan repayment program
6 11 pursuant to section 256.225, Code 2025.

6 12 5. PROGRAM REQUIREMENTS.

6 13 a. An eligible health care professional may submit an
6 14 application for the program to the commission in the form and
6 15 manner prescribed by the commission. The applicant shall
6 16 elect to receive an award as either a loan repayment or an
6 17 income bonus if selected for the program, and shall submit any
6 18 additional information requested by the commission.

6 19 b. The commission shall give priority to an applicant
6 20 fulfilling a full-time employment obligation.

6 21 c. If selected for an award, the eligible health care
6 22 professional and the commission shall execute a program
6 23 agreement that specifies all of the following:

6 24 (1) The date the eligible health care professional's
6 25 employment obligation begins, which shall be no later than six
6 26 months from the date the program agreement is executed.

6 27 (2) The date the health care professional's employment
6 28 obligation terminates.

6 29 (3) Whether the award is a loan repayment or an income
6 30 bonus, and the terms and conditions related to the award,
6 31 including the aggregate award amount that the eligible health
6 32 care professional will receive.

6 33 (4) Requirements regarding the eligible health care
6 34 professional's license to practice in this state while
6 35 participating in the program.

6 36 (5) All other terms and conditions agreed to by the eligible
6 37 health care professional and the commission.

6 38 6. AWARDS.

6 39 a. Upon verifying the eligible health care professional is
7 1 in compliance with all terms of the program agreement executed
7 2 pursuant to subsection 5, paragraph "c", the commission shall
7 3 pay the eligible health care professional's award annually as
7 4 follows:

7 5 (1) For a full-time employment obligation, the award shall
7 6 be paid as follows:

CODE: Allows an eligible health care professional to submit an application for the Health Care Professional Incentive Program to the CSAC in the form and manner prescribed by the CSAC. Requires the applicant to elect to receive an award as either a loan repayment or an income bonus. Requires the CSAC to give priority to an applicant fulfilling a full-time employment obligation. Requires the eligible health care professional and the CSAC to execute a program agreement specifying details related to the employment obligation and the award.

CODE: Requires Health Care Professional Incentive Program awards to be distributed annually by the CSAC and provides a timeline for award payments to full-time employment obligation. Requires the CSAC to prorate the aggregate award for a part-time employment obligation.

7 7 (a) An amount equal to twenty percent of the aggregate award
 7 8 shall be paid to the eligible health care professional after
 7 9 the completion of the first year of the eligible health care
 7 10 professional's employment obligation.

7 11 (b) An amount equal to fifteen percent of the aggregate
 7 12 award shall be paid to the eligible health care professional
 7 13 after the completion of the second year, the third year, and
 7 14 the fourth year of the eligible health care professional's
 7 15 employment obligation.

7 16 (c) An amount equal to thirty-five percent of the aggregate
 7 17 award shall be paid to the eligible health care professional
 7 18 after the completion of the fifth year of the eligible health
 7 19 care professional's employment obligation.

7 20 (2) For a part-time employment obligation, the aggregate
 7 21 award shall be prorated by the commission.

7 22 b. A minimum of every five years, the commission, in
 7 23 consultation with the department, shall establish a list of
 7 24 eligible health care professions and the aggregate award amount
 7 25 for each eligible health care profession. The aggregate award
 7 26 amount shall not exceed two hundred thousand dollars.

CODE: Requires the CSAC, in consultation with the HHS, to establish, at least every five years, a list of the eligible health care professions and the aggregate award amounts, not to exceed \$200,000, for each profession.

7 27 c. An individual who executed a program agreement under
 7 28 subsection 5, paragraph "c", prior to the exclusion of the
 7 29 individual's health care profession from the list established
 7 30 under paragraph "b" shall remain eligible for the program per
 7 31 the terms of the individual's program agreement.

CODE: Provides that an individual who executed a program agreement prior to the exclusion of an eligible health care profession from the list of eligible health care professions must remain eligible for the Health Care Professional Incentive Program per the terms of the individual's program agreement.

7 32 7. HEALTH CARE PROFESSIONAL INCENTIVE PROGRAM FUND. A
 7 33 health care professional incentive program fund is created in
 7 34 the state treasury under the control of the commission. All
 7 35 moneys deposited or paid into the fund are appropriated to the
 7 36 commission to be used for awards as provided in this section.
 7 37 Notwithstanding section 8.33, moneys in the fund that remain
 7 38 unencumbered or unobligated at the close of each fiscal year
 7 39 shall not revert but shall remain available for expenditure.
 8 1 Notwithstanding section 12C.7, subsection 2, interest or
 8 2 earnings on moneys in the fund shall be credited to the fund and
 8 3 may be utilized by the commission for administrative costs.

CODE: Establishes a Health Care Professional Incentive Program Fund in the State Treasury under the control of the CSAC and appropriates all moneys deposited or paid into the Fund to the CSAC to be used for Program awards. Specifies that any moneys in the Fund that remain at the end of each fiscal year are permitted to remain available for expenditure. Provides that any interest or earnings on moneys in the Fund must be credited to the Fund and may be utilized by the CSAC for administrative costs.

<p>8 4 8. RULES. The commission, in coordination with the 8 5 department, shall adopt rules pursuant to chapter 17A to 8 6 administer this section.</p>	<p>CODE: Requires the CSAC, in coordination with the HHS, to adopt administrative rules to administer the Health Care Professional Incentive Program.</p>
<p>8 7 Sec. 12. EFFECTIVE DATE. This division of this Act, being 8 8 deemed of immediate importance, takes effect upon enactment.</p>	<p>Specifies that Division IV of this Act related to the Health Care Professional Incentive Program takes effect on May 28, 2025.</p>
<p>8 9 DIVISION V 8 10 GRADUATE MEDICAL EDUCATION — MEDICAID SUPPLEMENTAL ENHANCED 8 11 PAYMENT</p>	<p>Requires the HHS to submit a request for approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa, to the Centers for Medicare and Medicaid Services. Requires the HHS to notify the General Assembly and the Iowa Code Editor upon receipt of federal approval.</p>
<p>8 12 Sec. 13. GRADUATE MEDICAL EDUCATION — MEDICAID SUPPLEMENTAL 8 13 ENHANCED PAYMENT. The department of health and human services 8 14 shall submit to the centers for Medicare and Medicaid services 8 15 of the United States department of health and human services 8 16 a request for approval for a Medicaid supplemental enhanced 8 17 payment for the purposes of maximizing federal funding 8 18 opportunities for graduate medical education, and to increase 8 19 the number of medical residencies in the state. Upon receipt of 8 20 federal approval, the department of health and human services 8 21 shall notify the general assembly and the Code editor.</p>	<p>DETAIL: On March 18, 2025, the HHS provided public notice of its intent to submit a Medicaid State plan amendment during the second calendar quarter of 2025 to authorize new supplemental graduate medical education payments to qualifying Iowa acute care hospitals.</p>
<p>8 22 Sec. 14. EFFECTIVE DATE. This division of this Act, being 8 23 deemed of immediate importance, takes effect upon enactment.</p>	<p>Specifies that Division V of this Act related to the Graduate Medical Education Medicaid Supplemental Enhanced Payment takes effect on May 28, 2025.</p>

8 24 DIVISION VI
 8 25 ELIMINATION OF HEALTH CARE-RELATED GRANT, RESIDENCY, AND
 8 26 FELLOWSHIP PROGRAMS — DEPARTMENT OF HEALTH AND HUMAN SERVICES

8 27 Sec. 15. Section 135.179, subsection 2, Code 2025, is
 8 28 amended to read as follows:
 8 29 ~~2.—Funding for the program may be provided through the~~
 8 30 ~~health care workforce shortage fund or the fulfilling Iowa's~~
 8 31 ~~need for dentists matching grant program account created in~~
 8 32 ~~section 135.175. The purpose of the program is to establish,~~
 8 33 expand, or support the placement of dentists in dental or rural
 8 34 shortage areas across the state by providing education loan
 8 35 repayments.

CODE: Removes a provision allowing the Fulfilling Iowa's Need For Dentists matching grant program to receive funding from the Health Care Workforce Shortage Fund or the Fulfilling Iowa's Need For Dentists matching grant program account.

8 36 Sec. 16. Section 249M.4, subsection 2, Code 2025, is amended
 8 37 to read as follows:

CODE: Removes a provision allowing funds in the Hospital Health Care Access Trust Fund to be used to fund the Health Care Workforce Support Initiative.

8 38 2. Moneys in the trust fund shall be used, subject to
 8 39 their appropriation by the general assembly, by the department
 9 1 to reimburse participating hospitals the medical assistance
 9 2 program upper payment limit for inpatient and outpatient
 9 3 hospital services as calculated in this section. Following
 9 4 payment of such upper payment limit to participating hospitals,
 9 5 any remaining funds in the trust fund on an annual basis may be
 9 6 used for any of the following purposes:
 9 7 a. To support medical assistance program utilization
 9 8 shortfalls.
 9 9 b. To maintain the state's capacity to provide access to and
 9 10 delivery of services for vulnerable lowans.
 9 11 ~~c. To fund the health care workforce support initiative~~
 9 12 ~~created pursuant to section 135.175.~~
 9 13 ~~d. c.~~ To support access to health care services for
 9 14 uninsured lowans.
 9 15 ~~e. d.~~ To support Iowa hospital programs and services which
 9 16 expand access to health care services for lowans.

9 17 Sec. 17. REPEAL. Sections 135.175, 135.176, 135.178, and
 9 18 135.193, Code 2025, are repealed.

CODE: Repeals the Health Care Workforce Support Initiative, the Medical Residency Training State Matching Grants Program, the Nurse Residency State Matching Grants Program, and the State-funded Family Medicine Obstetrics Fellowship Program.

9 19 Sec. 18. TRANSITION PROVISIONS.
 9 20 1. a. The department of health and human services shall
 9 21 provide matching state funding to a sponsor awarded on or before
 9 22 June 30, 2025, under the medical residency training state
 9 23 matching grants program in section 135.176, Code 2025, until all
 9 24 residents in the funded residencies have completed or left the
 9 25 program.
 9 26 b. The department of health and human services shall provide
 9 27 matching state funding to a sponsor for medical residency
 9 28 training program liability costs awarded on or before June
 9 29 30, 2025, under the medical residency training state matching
 9 30 grants program in section 135.176, Code 2025, until June 30,
 9 31 2026.
 9 32 2. The department of health and human services shall provide
 9 33 matching state funding to a sponsor awarded on or before June
 9 34 30, 2025, under the nurse residency state matching grants
 9 35 program in section 135.178, Code 2025, until all residents have
 9 36 completed or left the nurse residency programs.
 9 37 3. The department of health and human services shall fund
 9 38 a fellowship position pursuant to a program agreement entered
 9 39 into on or before June 30, 2025, by a participating teaching
 10 1 hospital and a participating fellow under the state-funded
 10 2 family medicine obstetrics fellowship program in section
 10 3 135.193, Code 2025, if the participating fellow remains in
 10 4 compliance with all obligations under the program agreement.
 10 5 4. The department of health and human services shall fund a
 10 6 rural psychiatric residency for a resident selected on or before
 10 7 June 30, 2025, until all residents have completed or left the

DETAIL: 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), allocated the following amounts for the eliminated programs in FY 2025 from the General Fund:

- \$2,100,000 for the Medical Residency Training State Matching Grants Program.
- The Nurse Residency State Matching Grants Program did not receive an allocation in FY 2025.
- \$560,000 for the State-funded Family Medicine Obstetrics Fellowship Program. This is a standing unlimited appropriation under Iowa Code section [135.193](#).

Requires the HHS to provide matching State funding and to fund residency and fellowship positions awarded on or before June 30, 2025, for the programs found in Iowa Code chapter [135](#) as well as the rural psychiatric residency positions.

DETAIL: 2024 Iowa Acts, [House File 2698](#) (FY 2025 Health and Human Services Appropriations Act), allocated \$800,000 for rural psychiatric residences to support the annual funding of eight psychiatric residents to provide mental health services to underserved areas of the State.

10 8 rural psychiatric residencies, pursuant to appropriations as
 10 9 provided in the following:

10 10 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,
 10 11 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

10 12 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,
 10 13 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,
 10 14 section 29.

10 15 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,
 10 16 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,
 10 17 section 23.

10 18 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,
 10 19 paragraph "j".

10 20 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,
 10 21 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,
 10 22 section 19.

10 23 Sec. 19. TRANSFER OF MONEYS. Notwithstanding section 8.33
 10 24 or any other provision to the contrary, any unobligated or
 10 25 unencumbered moneys in any of the following accounts or funds or
 10 26 constituting any specified appropriation, shall not revert but
 10 27 are appropriated to the department of health and human services
 10 28 to fund Medicaid graduate medical education efforts.

10 29 1. The health care workforce shortage fund created in
 10 30 section 135.175, subsection 1, paragraph "b", Code 2025.

10 31 2. The medical residency training account created in section
 10 32 135.175, subsection 5, paragraph "a", Code 2025.

10 33 3. The nurse residency state matching grants program account
 10 34 created in section 135.175, subsection 5, paragraph "b", Code
 10 35 2025.

10 36 4. The health care workforce shortage national initiatives
 10 37 account created in section 135.175, subsection 5, paragraph
 10 38 "c", Code 2025.

10 39 5. The family medicine obstetrics fellowship program fund
 11 1 created in section 135.193, Code 2025.

11 2 6. Moneys appropriated to the department of health and human
 11 3 services for rural psychiatric residencies to fund psychiatric
 11 4 residents to provide mental health services in underserved
 11 5 areas of the state as described in the following:

11 6 a. 2024 Iowa Acts, chapter 1157, section 5, subsection 3,
 11 7 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.

11 8 b. 2023 Iowa Acts, chapter 112, section 5, subsection 4,
 11 9 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,

Appropriates any unencumbered or unobligated moneys remaining in the repealed accounts under Division VI of this Act to the HHS to fund Medicaid graduate medical education efforts.

FISCAL IMPACT: The HHS estimates that the repealed funds and accounts may have a total unobligated and unencumbered balance of \$9,919,682, which include the following:

- \$1,103,235 from the Health Care Workforce Shortage Fund Interest Account.
- \$7,242,641 from the Medical Residency Training Account.
- \$1,120,000 from the Family Medicine Obstetrics Fellowship Program Fund.
- \$453,806 from the rural psychiatry residency and fellowship positions allocation.

These moneys will be transferred to the Medical Assistance appropriation to the HHS.

11 10 section 29.
 11 11 c. 2022 Iowa Acts, chapter 1131, section 3, subsection 4,
 11 12 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,
 11 13 section 23.
 11 14 d. 2021 Iowa Acts, chapter 182, section 3, subsection 4,
 11 15 paragraph "j".
 11 16 e. 2019 Iowa Acts, chapter 85, section 3, subsection 4,
 11 17 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,
 11 18 section 19.

11 19 Sec. 20. TRANSITION — ACCOUNTS.
 11 20 1. The department of health and human services shall create
 11 21 individual accounts for the deposit of any moneys encumbered
 11 22 or obligated relating to a grant awarded, or residency or
 11 23 fellowship funded, under each of the following programs:
 11 24 a. The medical residency training state matching grants
 11 25 program under section 135.176, Code 2025.
 11 26 b. The nurse residency state matching grants program under
 11 27 section 135.178, Code 2025.
 11 28 c. The state-funded family medicine obstetrics fellowship
 11 29 program under section 135.193, Code 2025.
 11 30 d. Rural psychiatric residencies as described in the
 11 31 following:
 11 32 (1) 2024 Iowa Acts, chapter 1157, section 5, subsection 3,
 11 33 and 2024 Iowa Acts, chapter 1157, section 22, subsection 5.
 11 34 (2) 2023 Iowa Acts, chapter 112, section 5, subsection 4,
 11 35 paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,
 11 36 section 29.
 11 37 (3) 2022 Iowa Acts, chapter 1131, section 3, subsection
 11 38 4, paragraph "j", as amended by 2024 Iowa Acts, chapter 1157,
 11 39 section 23.
 12 1 (4) 2021 Iowa Acts, chapter 182, section 3, subsection 4,
 12 2 paragraph "j".
 12 3 (5) 2019 Iowa Acts, chapter 85, section 3, subsection 4,
 12 4 paragraph "j", as amended by 2020 Iowa Acts, chapter 1121,
 12 5 section 19.
 12 6 2. Notwithstanding section 8.33, any balance in any of the
 12 7 accounts created under subsection 1 shall not revert but shall
 12 8 remain available for the duration of all applicable grants,
 12 9 residencies, and fellowships. Notwithstanding section 12C.7,
 12 10 subsection 2, interest or earnings on moneys deposited in each
 12 11 account shall be credited to the respective account.

Requires the HHS to create accounts for the deposit of encumbered and obligated moneys for each eliminated program. Specifies that any funds in the accounts must remain available for the duration of all applicable grants, residencies, and fellowships. Allows interest earnings on moneys in the accounts to be credited to the accounts. Requires that any unencumbered or unobligated moneys remaining in the accounts upon expiration of all grant, residency, and fellowship periods be appropriated to the HHS for Medicaid graduate medical education efforts.

12 12 3. Upon expiration of all grant, residency, and fellowship
 12 13 periods and the expenditure of all moneys encumbered under
 12 14 such grants, residencies, and fellowships, any unencumbered or
 12 15 unobligated moneys remaining in any of the accounts created
 12 16 under subsection 1 are appropriated to the department of health
 12 17 and human services for Medicaid graduate medical education
 12 18 efforts.

12 19 Sec. 21. CONTINGENT EFFECTIVE DATE. This division of this
 12 20 Act takes effect upon the date that the department of health and
 12 21 human services notifies the general assembly and the Code editor
 12 22 of the receipt of federal approval for a Medicaid supplemental
 12 23 enhanced payment for the purposes of maximizing federal funding
 12 24 opportunities for graduate medical education, and to increase
 12 25 the number of medical residencies in the state.

Provides that Division VI of this Act related to the elimination of health-care related grant, residency, and fellowship programs takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa.

12 26 DIVISION VII
 12 27 ELIMINATION OF THE STATE-FUNDED PSYCHIATRY RESIDENCY AND
 12 28 FELLOWSHIP POSITIONS — UNIVERSITY OF IOWA HOSPITALS AND
 12 29 CLINICS

12 30 Sec. 22. REPEAL. Section 135.180, Code 2025, is repealed.

CODE: Repeals the State-funded Psychiatry Residency and Fellowship Program administered by the University of Iowa Hospitals and Clinics (UIHC), including the standing appropriation for the Program from the General Fund.

FISCAL IMPACT: The State-funded Psychiatry Residency and Fellowship Program received a standing appropriation of \$1,200,000 in FY 2025.

12 31 Sec. 23. TRANSITION PROVISIONS. The board of regents
 12 32 shall direct the university of Iowa hospitals and clinics to
 12 33 distribute moneys for state-funded psychiatry residency and
 12 34 fellowship positions approved and awarded on or before June
 12 35 30, 2025, under the state-funded psychiatry residency and
 12 36 fellowship positions in section 135.180, Code 2025, until all
 12 37 residents and fellows have completed or left the state-funded
 12 38 psychiatry residency or fellowship positions.

Requires the Board of Regents (BOR) to direct the UIHC to distribute moneys for positions approved and awarded on or before June 30, 2025, until all residents and fellows have completed or left the State-funded psychiatry residency or fellowship positions.

12 39 Sec. 24. TRANSITION — ACCOUNT.
 13 1 1. The board of regents shall direct the university of Iowa
 13 2 hospitals and clinics to create an account for the deposit
 13 3 of moneys encumbered or obligated relating to residency and
 13 4 fellowship positions funded under the state-funded psychiatry
 13 5 residency and fellowship positions under section 135.180, Code
 13 6 2025.
 13 7 2. Notwithstanding section 8.33, any balance in the account
 13 8 created under subsection 1 shall not revert but shall remain
 13 9 available for the duration of all applicable residencies and
 13 10 fellowships. Notwithstanding section 12C.7, subsection 2,
 13 11 interest or earnings on moneys deposited in the account shall be
 13 12 credited to the account.
 13 13 3. Upon expiration of all residency and fellowship periods
 13 14 and the expenditure of all moneys encumbered under such
 13 15 residencies and fellowships, any unencumbered or unobligated
 13 16 moneys remaining in the account created under subsection 1 are
 13 17 appropriated to the department of health and human services for
 13 18 Medicaid graduate medical education efforts.

13 19 Sec. 25. TRANSFER OF MONEYS. Notwithstanding section 8.33
 13 20 or any other provision to the contrary, any unobligated or
 13 21 unencumbered moneys in the psychiatry residency and fellowship
 13 22 positions fund created in section 135.180, Code 2025, shall
 13 23 not revert but are appropriated to the department of health
 13 24 and human services to fund Medicaid graduate medical education
 13 25 efforts.

13 26 Sec. 26. CONTINGENT EFFECTIVE DATE. This division of this
 13 27 Act takes effect upon the date that the department of health and
 13 28 human services notifies the general assembly and the Code editor
 13 29 of the receipt of federal approval for a Medicaid supplemental
 13 30 enhanced payment for the purposes of maximizing federal funding
 13 31 opportunities for graduate medical education, and to increase
 13 32 the number of medical residencies in the state.

Requires the BOR to direct the UIHC to create an account for the deposit of moneys encumbered and obligated relating to the positions. Specifies that any funds in the accounts must remain available for the duration of all applicable residencies and fellowships. Allows interest earnings on moneys in the account to be credited to the account. Appropriates any unencumbered or unobligated moneys in the account upon expiration of all residency and fellowship periods to the HHS for Medicaid graduate medical education efforts.

Appropriates any unencumbered or unobligated moneys in the Psychiatry Residency and Fellowship Positions Fund to the HHS for Medicaid graduate medical education efforts.

Provides that Division VII of this Act related to the elimination of State-funded psychiatry residency and fellowship positions takes effect when the HHS notifies the General Assembly and the Iowa Code Editor of the receipt of federal approval for a Medicaid supplemental enhanced payment for the purposes of maximizing federal funding opportunities for graduate medical education, and to increase the number of medical residencies in Iowa.

13 33 DIVISION VIII
 13 34 ELIMINATION OF THE HEALTH FACILITIES COUNCIL

13 35 Sec. 27. Section 10A.711, subsection 5, Code 2025, is
 13 36 amended by striking the subsection and inserting in lieu thereof
 13 37 the following:
 13 38 5. "Department" means the department of health and human
 13 39 services.

CODE: Removes the definition of "Council" and defines "Department" to mean the HHS for purposes of Iowa Code chapter [10A](#), Subchapter VII, Part 2 (Health Facilities Council).

FISCAL IMPACT: The Department of Inspections, Appeals, and Licensing (DIAL) received \$131,757 in FY 2025 from the General Fund Professional Licensing appropriation to the DIAL made in 2024 Iowa Acts, [Senate File 2433](#) (FY 2025 Administration and Regulation Appropriations Act) for the duties of the Council. The DIAL also received \$75,984 in application fees for certificate of need applications in FY 2024. Application fee funds are anticipated to move to the HHS.

14 1 Sec. 28. Section 10A.713, subsection 4, unnumbered paragraph
 14 2 1, Code 2025, is amended to read as follows:
 14 3 ~~—A copy of the application shall be sent to the department~~
 14 4 ~~of health and human services at the time the application is~~
 14 5 ~~submitted to the department.~~ The department shall not process
 14 6 applications for ~~and the council shall not an intermediate~~
 14 7 ~~care facility for persons with an intellectual disability, or~~
 14 8 consider a new or changed institutional health service for an
 14 9 intermediate care facility for persons with an intellectual
 14 10 disability, unless both of the following conditions are met:

CODE: Adopts conforming changes to Iowa Code section [10A.713](#)(4) (Certificate of Need Required — Exclusions).

14 11 Sec. 29. Section 10A.714, subsection 1, unnumbered paragraph
 14 12 1, Code 2025, is amended to read as follows:
 14 13 In determining whether a certificate of need shall be issued,
 14 14 the department ~~and council~~ shall consider the following:

CODE: Adopts conforming changes to Iowa Code section [10A.714](#)(1) (Criteria for Evaluation of Applications).

14 15 Sec. 30. Section 10A.714, subsection 1, paragraph r, Code
 14 16 2025, is amended to read as follows:
 14 17 r. The recommendations of staff personnel of the department
 14 18 assigned to the area of certificate of need, concerning the
 14 19 application, ~~if requested by the council.~~

CODE: Adopts conforming changes to Iowa Code section [10A.714](#)(1) (Criteria for Evaluation of Applications).

14 20 Sec. 31. Section 10A.714, subsection 2, unnumbered paragraph
 14 21 1, Code 2025, is amended to read as follows:
 14 22 In addition to the findings required with respect to any
 14 23 of the criteria listed in subsection 1 of this section, the
 14 24 ~~council~~ department shall grant a certificate of need for a new
 14 25 institutional health service or changed institutional health

CODE: Adopts conforming changes to Iowa Code section [10A.714](#)(2) (Criteria for Evaluation of Applications).

14 26 service only if it the department finds in writing, on the basis
 14 27 of data submitted to it by the department, that:

14 28 Sec. 32. Section 10A.716, subsection 3, Code 2025, is
 14 29 amended to read as follows:

14 30 3. Each application accepted by the department shall be
 14 31 formally reviewed ~~for the purpose of furnishing to the council~~
 14 32 ~~the information necessary~~ to enable it the department to
 14 33 determine whether or not to grant the certificate of need. A
 14 34 formal review shall consist, at a minimum, of the following
 14 35 steps:

14 36 a. Evaluation of the application against the criteria
 14 37 specified in section ~~40A.744~~ 135.63.

14 38 b. A public hearing on the application, to be held prior to
 14 39 completion of the evaluation required by paragraph "a", ~~shall be~~
 15 1 ~~conducted by the council~~.

CODE: Adopts conforming changes to Iowa Code section
[10A.716](#)(3) (Procedure Upon Receipt of Application — Public
 Notification).

15 2 Sec. 33. Section 10A.719, Code 2025, is amended to read as
 15 3 follows:

15 4 ~~10A.719—COUNCIL DEPARTMENT TO MAKE FINAL DECISION.~~

15 5 1. The department shall complete its formal review of
 15 6 the application within ninety days after acceptance of the
 15 7 application, except as otherwise provided by section ~~40A.722~~
 15 8 135.71, subsection 4. Upon completion of the formal review,
 15 9 ~~the council department~~ shall approve or deny the application.
 15 10 ~~The council department~~ shall issue written findings stating the
 15 11 basis for its decision on the application, and ~~the department~~
 15 12 shall send copies of the ~~council's~~ decision and the written
 15 13 findings supporting the decision to the applicant and to any
 15 14 other person who so requests.

15 15 2. Failure by the ~~council department~~ to issue a written
 15 16 decision on an application for a certificate of need within the
 15 17 time required by this section shall constitute denial of and
 15 18 final administrative action on the application.

CODE: Adopts conforming changes to Iowa Code section
[10A.719](#) (Council to Make Final Decision).

15 19 Sec. 34. Section 10A.720, Code 2025, is amended to read as
 15 20 follows:

15 21 10A.720 APPEAL OF CERTIFICATE OF NEED DECISIONS.

15 22 The ~~council's department's~~ decision on an application for
 15 23 certificate of need, when announced pursuant to section ~~40A.749~~
 15 24 135.68, is ~~shall be~~ a final decision. Any dissatisfied party
 15 25 who is an affected person with respect to the application,

CODE: Adopts conforming changes to Iowa Code section
[10A.720](#) (Appeal of Certificate of Need Decisions).

15 26 and who participated or sought unsuccessfully to participate
 15 27 in the formal review procedure prescribed by section ~~40A.716~~
 15 28 135.65, may request a rehearing in accordance with chapter 17A
 15 29 and rules of the department. If a rehearing is not requested
 15 30 or an affected party remains dissatisfied after the request for
 15 31 rehearing, an appeal may be taken in the manner provided by
 15 32 chapter 17A. Notwithstanding the Iowa administrative procedure
 15 33 Act, chapter 17A, a request for rehearing is not required, prior
 15 34 to appeal under section 17A.19.

15 35 Sec. 35. Section 10A.721, Code 2025, is amended to read as
 15 36 follows:
 15 37 10A.721 PERIOD FOR WHICH CERTIFICATE IS VALID — EXTENSION
 15 38 OR REVOCATION.

15 39 1. A certificate of need shall be valid for a maximum of
 16 1 one year from the date of issuance. Upon the expiration of
 16 2 the certificate, or at any earlier time while the certificate
 16 3 is valid, the holder ~~thereof~~ of the certificate shall provide
 16 4 the department ~~such~~ information on the development of the
 16 5 project covered by the certificate as the department may
 16 6 request. The ~~council~~ department shall determine at the end of
 16 7 the certification period whether sufficient progress is being
 16 8 made on the development of the project. The certificate of need
 16 9 may be extended by the ~~council~~ department for additional periods
 16 10 of time as are reasonably necessary to expeditiously complete
 16 11 the project, but may be revoked by the ~~council~~ department at
 16 12 the end of the first or any subsequent certification period for
 16 13 insufficient progress in developing the project.

16 14 2. Upon expiration of a certificate of need, and prior to
 16 15 extension ~~thereof~~ of the certificate of need, any affected
 16 16 person shall have the right to submit to the department
 16 17 information which may be relevant to the question of granting an
 16 18 extension. The department may call a public hearing for this
 16 19 purpose.

16 20 Sec. 36. Section 10A.722, unnumbered paragraph 1, Code 2025,
 16 21 is amended to read as follows:
 16 22 The department shall adopt, ~~with approval of the council,~~
 16 23 such administrative rules as are necessary to enable it to
 16 24 implement this ~~part~~ subchapter. These rules shall include:

CODE: Adopts conforming changes to Iowa Code section
[10A.721](#) (Period for Which Certificate is Valid — Extension or
 Revocation).

CODE: Adopts conforming changes to Iowa Code section
[10A.722](#) (Authority to Adopt Rules).

16 25 Sec. 37. Section 10A.723, subsection 2, paragraph a, Code
 16 26 2025, is amended to read as follows:

16 27 a. A class I violation is one in which a party offers a
 16 28 new institutional health service or changed institutional
 16 29 health service modernization or acquisition without review and
 16 30 approval by the ~~council~~ department. A party in violation is
 16 31 subject to a penalty of three hundred dollars for each day of a
 16 32 class I violation. The department may seek injunctive relief
 16 33 which shall include restraining the commission or continuance
 16 34 of an act which would violate the provisions of this paragraph.
 16 35 Notice and opportunity to be heard shall be provided to a party
 16 36 pursuant to rule of civil procedure 1.1507 and contested case
 16 37 procedures in accordance with chapter 17A. The department may
 16 38 reduce, alter, or waive a penalty upon the party showing good
 16 39 faith compliance with the department's request to immediately
 17 1 cease and desist from conduct in violation of this section.

CODE: Adopts conforming changes to Iowa Code section
[10A.723\(2\)](#) (Sanctions).

17 2 Sec. 38. Section 68B.35, subsection 2, paragraph e, Code
 17 3 2025, is amended to read as follows:

17 4 e. Members of the state banking council, the Iowa ethics and
 17 5 campaign disclosure board, the credit union review board, the
 17 6 economic development authority, the employment appeal board,
 17 7 the environmental protection commission, ~~the health facilities~~
 17 8 ~~council~~, the Iowa finance authority, the Iowa public employees'
 17 9 retirement system investment board, the Iowa lottery commission
 17 10 created in section 99G.8, the natural resource commission, the
 17 11 board of parole, the state racing and gaming commission, the
 17 12 state board of regents, the transportation commission, the
 17 13 office of consumer advocate, the utilities commission, the Iowa
 17 14 telecommunications and technology commission, and any full-time
 17 15 members of other boards and commissions as defined under section
 17 16 7E.4 who receive an annual salary for their service on the board
 17 17 or commission. The Iowa ethics and campaign disclosure board
 17 18 shall conduct an annual review to determine if members of any
 17 19 other board, commission, or authority should file a statement
 17 20 and shall require the filing of a statement pursuant to rules
 17 21 adopted pursuant to chapter 17A.

CODE: Adopts conforming changes to Iowa Code section
[68B.35\(2\)](#) (Personal Financial Disclosure — Certain Officials,
 Members of the General Assembly, and Candidates).

17 22 Sec. 39. Section 97B.1A, subsection 8, paragraph a,
 17 23 subparagraph (8), Code 2025, is amended to read as follows:
 17 24 (8) Members of the state transportation commission, and the

CODE: Adopts conforming changes to Iowa Code section
[97B.1A\(8\)](#) (Definitions).

17 25 board of parole, and the state health facilities council.

17 26 Sec. 40. CODE EDITOR DIRECTIVE.

17 27 1. The Code editor is directed to make the following
17 28 transfers:

17 29 a. Section 10A.711 to section 135.61.

17 30 b. Section 10A.713 to section 135.62.

17 31 c. Section 10A.714 to section 135.63.

17 32 d. Section 10A.715 to section 135.64.

17 33 e. Section 10A.716 to section 135.65.

17 34 f. Section 10A.717 to section 135.66.

17 35 g. Section 10A.718 to section 135.67.

17 36 h. Section 10A.719 to section 135.68.

17 37 i. Section 10A.720 to section 135.69.

17 38 j. Section 10A.721 to section 135.70.

17 39 k. Section 10A.722 to section 135.71.

18 1 l. Section 10A.723 to section 135.72.

18 2 m. Section 10A.724 to section 135.73.

18 3 n. Section 10A.725 to section 135.74.

18 4 o. Section 10A.726 to section 135.75.

18 5 p. Section 10A.727 to section 135.76.

18 6 q. Section 10A.728 to section 135.77.

18 7 r. Section 10A.729 to section 135.78.

18 8 2. The Code editor is directed to rename and retitle

18 9 subchapter VI of chapter 135 as HEALTH FACILITIES and include
18 10 sections 135.61 through 135.78.

18 11 3. The Code editor shall correct internal references in the
18 12 Code and in any enacted legislation as is necessary due to the
18 13 enactment of this division.

18 14 Sec. 41. REPEAL. Section 10A.712, Code 2025, is repealed.

CODE: Directs the Iowa Code Editor to make conforming changes to Iowa Code chapters [10A](#) (Department of Inspections, Appeals, and Licensing) and [135](#) (Department of Health and Human Services — Public Health).

CODE: Repeals Iowa Code section [10A.712](#) (Department to Administer Part — Health Facilities Council Established — Appointments — Powers and Duties).

18 15 DIVISION IX

18 16 CONFORMING CHANGES — ELIMINATION OF THE HEALTH FACILITIES

18 17 COUNCIL

18 18 Sec. 42. Section 10A.711, unnumbered paragraph 1, Code 2025,
18 19 is amended to read as follows:

18 20 As used in this part ~~part~~ subchapter, unless the context otherwise
18 21 requires:

CODE: Adopts conforming changes to Iowa Code section [10A.711](#) (Definitions).

18 22 Sec. 43. Section 10A.711, subsection 1, paragraph d, Code
 18 23 2025, is amended to read as follows:
 18 24 d. Each institutional health facility or health maintenance
 18 25 organization which, prior to receipt of the application by the
 18 26 department, has formally indicated to the department pursuant
 18 27 to this ~~part~~ subchapter an intent to furnish in the future
 18 28 institutional health services similar to the new institutional
 18 29 health service proposed in the application.

CODE: Adopts conforming changes to Iowa Code section
[10A.711\(1\)](#) (Definitions).

18 30 Sec. 44. Section 10A.713, subsection 1, Code 2025, is
 18 31 amended to read as follows:
 18 32 1. A new institutional health service or changed
 18 33 institutional health service shall not be offered or developed
 18 34 in this state without prior application to the department
 18 35 for and receipt of a certificate of need, pursuant to this
 18 36 ~~part~~ subchapter. The application shall be made upon forms
 18 37 furnished or prescribed by the department and shall contain
 18 38 such information as the department may require under this ~~part~~
 18 39 subchapter. The application shall be accompanied by a fee
 19 1 equivalent to three-tenths of one percent of the anticipated
 19 2 cost of the project with a minimum fee of six hundred dollars
 19 3 and a maximum fee of twenty-one thousand dollars. The fee
 19 4 shall be remitted by the department to the treasurer of
 19 5 state, who shall place it in the general fund of the state.
 19 6 If an application is voluntarily withdrawn within thirty
 19 7 calendar days after submission, seventy-five percent of the
 19 8 application fee shall be refunded; if the application is
 19 9 voluntarily withdrawn more than thirty but within sixty days
 19 10 after submission, fifty percent of the application fee shall
 19 11 be refunded; if the application is withdrawn voluntarily more
 19 12 than sixty days after submission, twenty-five percent of
 19 13 the application fee shall be refunded. Notwithstanding the
 19 14 required payment of an application fee under this subsection,
 19 15 an applicant for a new institutional health service or a
 19 16 changed institutional health service offered or developed by
 19 17 an intermediate care facility for persons with an intellectual
 19 18 disability or an intermediate care facility for persons with
 19 19 mental illness as defined pursuant to section 135C.1 is exempt
 19 20 from payment of the application fee.

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(1\)](#) (Certificate of Need Required — Exclusions).

19 21 Sec. 45. Section 10A.713, subsection 2, unnumbered paragraph
 19 22 1, Code 2025, is amended to read as follows:

19 23 This ~~part subchapter~~ shall not be construed to augment,
 19 24 limit, contravene, or repeal in any manner any other statute
 19 25 of this state which may authorize or relate to licensure,
 19 26 regulation, supervision, or control of, nor to be applicable to:

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

19 27 Sec. 46. Section 10A.713, subsection 2, paragraphs a, f, h,
 19 28 j, k, m, and n, Code 2025, are amended to read as follows:

19 29 a. Private offices and private clinics of an individual
 19 30 physician, dentist, or other practitioner or group of health
 19 31 care providers, except as provided by section ~~40A.744~~ [135.61](#),
 19 32 subsection 17, paragraphs “g”, “h”, and “m”, and section ~~40A.744~~
 19 33 [135.61](#), subsections 2 and 19.

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

19 34 f. A residential care facility, as defined in section
 19 35 135C.1, including a residential care facility for persons with
 19 36 an intellectual disability, notwithstanding any provision in
 19 37 this ~~part subchapter~~ to the contrary.

19 38 h. (1) The deletion of one or more health services,
 19 39 previously offered on a regular basis by an institutional health
 20 1 facility or health maintenance organization, notwithstanding
 20 2 any provision of this ~~part subchapter~~ to the contrary, if all of
 20 3 the following conditions exist:

20 4 (a) The institutional health facility or health maintenance
 20 5 organization reports to the department the deletion of the
 20 6 service or services at least thirty days before the deletion on
 20 7 a form prescribed by the department.

20 8 (b) The institutional health facility or health maintenance
 20 9 organization reports the deletion of the service or services on
 20 10 its next annual report to the department.

20 11 (2) If these conditions are not met, the institutional
 20 12 health facility or health maintenance organization is subject
 20 13 to review as a “new institutional health service” or “changed
 20 14 institutional health service” under section ~~40A.744~~ [135.61](#),
 20 15 subsection 17, paragraph “f”, and is subject to sanctions under
 20 16 section ~~40A.723~~ [135.72](#).

20 17 (3) If the institutional health facility or health
 20 18 maintenance organization reestablishes the deleted service
 20 19 or services at a later time, review as a “new institutional
 20 20 health service” or “changed institutional health service” may
 20 21 be required pursuant to section ~~40A.744~~ [135.61](#), subsection 17.

20 22 j. The construction, modification, or replacement of
 20 23 nonpatient care services, including parking facilities,
 20 24 heating, ventilation and air conditioning systems, computers,
 20 25 telephone systems, medical office buildings, and other projects
 20 26 of a similar nature, notwithstanding any provision in this ~~part~~
 20 27 subchapter to the contrary.

20 28 k. (1) The redistribution of beds by a hospital within the
 20 29 acute care category of bed usage, notwithstanding any provision
 20 30 in this ~~part~~ subchapter to the contrary, if all of the following
 20 31 conditions exist:

20 32 (a) The hospital reports to the department the number and
 20 33 type of beds to be redistributed on a form prescribed by the
 20 34 department at least thirty days before the redistribution.

20 35 (b) The hospital reports the new distribution of beds on its
 20 36 next annual report to the department.

20 37 (2) If these conditions are not met, the redistribution of
 20 38 beds by the hospital is subject to review as a new institutional
 20 39 health service or changed institutional health service pursuant
 21 1 to section ~~40A.744~~ 135.61, subsection 17, paragraph “d”, and is
 21 2 subject to sanctions under section ~~40A.723~~ 135.72.

21 3 m. Hemodialysis services provided by a hospital or
 21 4 freestanding facility, notwithstanding any provision in this
 21 5 ~~part~~ subchapter to the contrary.

21 6 n. Hospice services provided by a hospital, notwithstanding
 21 7 any provision in this ~~part~~ subchapter to the contrary.

21 8 Sec. 47. Section 10A.713, subsection 2, paragraph e,
 21 9 subparagraph (2), Code 2025, is amended to read as follows:
 21 10 (2) Acquires major medical equipment as provided by section
 21 11 ~~40A.744~~ 135.61, subsection 17, paragraphs “i” and “j”.

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

21 12 Sec. 48. Section 10A.713, subsection 2, paragraph g,
 21 13 subparagraph (1), unnumbered paragraph 1, Code 2025, is amended
 21 14 to read as follows:
 21 15 A reduction in bed capacity of an institutional health
 21 16 facility, notwithstanding any provision in this ~~part~~ subchapter
 21 17 to the contrary, if all of the following conditions exist:

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

21 18 Sec. 49. Section 10A.713, subsection 2, paragraph g,
 21 19 subparagraph (2), Code 2025, is amended to read as follows:
 21 20 (2) If these conditions are not met, the institutional
 21 21 health facility is subject to review as a “new institutional

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

21 22 health service” or “changed institutional health service” under
 21 23 section ~~40A.714~~ 135.61, subsection 17, paragraph “d”, and is
 21 24 subject to sanctions under section ~~40A.723~~ 135.72. If the
 21 25 institutional health facility reestablishes the deleted beds at
 21 26 a later time, review as a “new institutional health service” or
 21 27 “changed institutional health service” is required pursuant to
 21 28 section ~~40A.714~~ 135.61, subsection 17, paragraph “d”.

21 29 Sec. 50. Section 10A.713, subsection 2, paragraph I,
 21 30 unnumbered paragraph 1, Code 2025, is amended to read as
 21 31 follows:

21 32 The replacement or modernization of any institutional health
 21 33 facility if the replacement or modernization does not add
 21 34 new health services or additional bed capacity for existing
 21 35 health services, notwithstanding any provision in this ~~part~~
 21 36 subchapter to the contrary. With respect to a nursing facility,
 21 37 “replacement” means establishing a new facility within the same
 21 38 county as the prior facility to be closed. With reference to
 21 39 a hospital, “replacement” means establishing a new hospital
 22 1 that demonstrates compliance with all of the following criteria
 22 2 through evidence submitted to the department:

22 3 Sec. 51. Section 10A.713, subsection 2, paragraph p,
 22 4 unnumbered paragraph 1, Code 2025, is amended to read as
 22 5 follows:

22 6 The conversion of an existing number of beds by an
 22 7 intermediate care facility for persons with an intellectual
 22 8 disability to a smaller facility environment, including but not
 22 9 limited to a community-based environment which does not result
 22 10 in an increased number of beds, notwithstanding any provision in
 22 11 this ~~part~~ subchapter to the contrary, including subsection 4, if
 22 12 all of the following conditions exist:

22 13 Sec. 52. Section 10A.713, subsection 3, Code 2025, is
 22 14 amended to read as follows:

22 15 3. This ~~part~~ subchapter shall not be construed to be
 22 16 applicable to a health care facility operated by and for the
 22 17 exclusive use of members of a religious order, which does not
 22 18 admit more than two individuals to the facility from the general
 22 19 public, and which was in operation prior to July 1, 1986.
 22 20 However, this ~~part~~ subchapter is applicable to such a facility
 22 21 if the facility is involved in the offering or developing of a

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(2\)](#) (Certificate of Need Required — Exclusions).

CODE: Adopts conforming changes to Iowa Code section
[10A.713\(3\)](#) (Certificate of Need Required — Exclusions).

22 22 new or changed institutional health service on or after July 1,
22 23 1986.

22 24 Sec. 53. Section 10A.714, subsection 3, Code 2025, is
22 25 amended to read as follows:

22 26 3. In the evaluation of applications for certificates
22 27 of need submitted by the university of Iowa hospitals and
22 28 clinics, the unique features of that institution relating to
22 29 statewide tertiary health care, health science education, and
22 30 clinical research shall be given due consideration. Further,
22 31 in administering this ~~part~~ subchapter, the unique capacity of
22 32 university hospitals for the evaluation of technologically
22 33 innovative equipment and other new health services shall be
22 34 utilized.

CODE: Adopts conforming changes to Iowa Code section
[10A.714](#)(3) (Criteria for Evaluation of Applications).

22 35 Sec. 54. Section 10A.715, subsection 2, Code 2025, is
22 36 amended to read as follows:

22 37 2. Upon request of the sponsor of the proposed new or
22 38 changed service, the department shall make a preliminary review
22 39 of the letter for the purpose of informing the sponsor of the
23 1 project of any factors which may appear likely to result in
23 2 denial of a certificate of need, based on the criteria for
23 3 evaluation of applications in section ~~10A.714~~ 135.63. A comment
23 4 by the department under this section shall not constitute a
23 5 final decision.

CODE: Adopts conforming changes to Iowa Code section
[10A.715](#)(2) (Letter of Intent to Precede Application — Review
and Comment).

23 6 Sec. 55. Section 10A.716, subsection 1, Code 2025, is
23 7 amended to read as follows:

23 8 1. Within fifteen business days after receipt of an
23 9 application for a certificate of need, the department shall
23 10 examine the application for form and completeness and accept or
23 11 reject it. An application shall be rejected only if it fails
23 12 to provide all information required by the department pursuant
23 13 to section ~~10A.713~~ 135.62, subsection 1. The department shall
23 14 promptly return to the applicant any rejected application, with
23 15 an explanation of the reasons for its rejection.

CODE: Adopts conforming changes to Iowa Code section
[10A.716](#)(1) (Procedure Upon Receipt of Application — Public
Notification).

23 16 Sec. 56. Section 10A.717, subsection 1, unnumbered paragraph
23 17 1, Code 2025, is amended to read as follows:

23 18 The department may waive the letter of intent procedures
23 19 prescribed by section ~~10A.715~~ 135.64 and substitute a summary
23 20 review procedure, which shall be established by rules of the

CODE: Adopts conforming changes to Iowa Code section
[10A.717](#)(1) (Summary Review Procedure).

23 21 department, when it accepts an application for a certificate of
 23 22 need for a project which meets any of the criteria in paragraphs
 23 23 “a” through “e”:

23 24 Sec. 57. Section 10A.722, subsections 2, 3, and 4, Code
 23 25 2025, are amended to read as follows:

23 26 2. Uniform procedures for variations in application of
 23 27 criteria specified by section ~~40A.744~~ 135.63 for use in formal
 23 28 review of applications for certificates of need, when such
 23 29 variations are appropriate to the purpose of a particular review
 23 30 or to the type of institutional health service proposed in the
 23 31 application being reviewed.

23 32 3. Uniform procedures for summary reviews conducted under
 23 33 section ~~40A.747~~ 135.66.

23 34 4. Criteria for determining when it is not feasible to
 23 35 complete formal review of an application for a certificate of
 23 36 need within the time limits specified in section ~~40A.749~~ 135.68.
 23 37 The rules adopted under this subsection shall include criteria
 23 38 for determining whether an application proposes introduction
 23 39 of technologically innovative equipment, and if so, procedures
 24 1 to be followed in reviewing the application. However, a rule
 24 2 adopted under this subsection shall not permit a deferral of
 24 3 more than sixty days beyond the time when a decision is required
 24 4 under section ~~40A.749~~ 135.68, unless both the applicant and the
 24 5 department agree to a longer deferment.

24 6 Sec. 58. Section 10A.723, subsections 1 and 3, Code 2025,
 24 7 are amended to read as follows:

24 8 1. Any party constructing a new institutional health
 24 9 facility or an addition to or renovation of an existing
 24 10 institutional health facility without first obtaining a
 24 11 certificate of need or, in the case of a mobile health service,
 24 12 ascertaining that the mobile health service has received
 24 13 certificate of need approval, as required by this ~~part~~
 24 14 subchapter, shall be denied licensure or change of licensure by
 24 15 the appropriate responsible licensing agency of this state.

24 16 3. Notwithstanding any other sanction imposed pursuant
 24 17 to this section, a party offering or developing any new
 24 18 institutional health service or changed institutional health
 24 19 service without first obtaining a certificate of need as
 24 20 required by this ~~part~~ subchapter, may be temporarily or
 24 21 permanently restrained from doing so by any court of competent

CODE: Adopts conforming changes to Iowa Code section
[10A.722](#) (Authority to Adopt Rules).

CODE: Adopts conforming changes to Iowa Code section
[10A.723](#) (Sanctions).

24 22 jurisdiction in any action brought by the state, any of its
24 23 political subdivisions, or any other interested person.

24 24 Sec. 59. Section 10A.723, subsection 2, unnumbered paragraph
24 25 1, Code 2025, is amended to read as follows:
24 26 A party violating this ~~part~~ subchapter shall be subject to
24 27 penalties in accordance with this section. The department shall
24 28 adopt rules setting forth the violations by classification, the
24 29 criteria for the classification of any violation not listed, and
24 30 procedures for implementing this subsection.

CODE: Adopts conforming changes to Iowa Code section
[10A.723\(2\)](#) (Sanctions).

24 31 Sec. 60. Section 10A.724, subsection 3, Code 2025, is
24 32 amended to read as follows:
24 33 3. The department shall, where appropriate, provide for
24 34 modification, consistent with the purposes of this ~~part~~
24 35 subchapter, of reporting requirements to correctly reflect the
24 36 differences among hospitals and among health care facilities
24 37 referred to in subsection 2, and to avoid otherwise unduly
24 38 burdensome costs in meeting the requirements of uniform methods
24 39 of financial reporting.

CODE: Adopts conforming changes to Iowa Code section
[10A.724\(3\)](#) (Uniform Financial Reporting).

25 1 Sec. 61. Section 10A.725, subsection 2, Code 2025, is
25 2 amended to read as follows:
25 3 2. Where more than one licensed hospital or health
25 4 care facility is operated by the reporting organization,
25 5 the information required by this section shall be reported
25 6 separately for each licensed hospital or health care facility.
25 7 The department shall require preparation of specified financial
25 8 reports by a certified public accountant, and may require
25 9 attestation of responsible officials of the reporting hospital
25 10 or health care facility that the reports submitted are to the
25 11 best of their knowledge and belief prepared in accordance with
25 12 the prescribed methods of reporting. The department shall
25 13 have the right to inspect the books, audits and records of any
25 14 hospital or health care facility as reasonably necessary to
25 15 verify reports submitted pursuant to this ~~part~~ subchapter.

CODE: Adopts conforming changes to Iowa Code section
[10A.725\(2\)](#) (Annual Reports by Hospitals, Health Care
Facilities).

25 16 Sec. 62. Section 10A.726, subsection 1, Code 2025, is
25 17 amended to read as follows:
25 18 1. The department shall from time to time undertake analyses
25 19 and studies relating to hospital and health care facility
25 20 costs and to the financial status of hospitals or health care

CODE: Adopts conforming changes to Iowa Code section
[10A.726\(1\)](#) (Analyses and Studies by Department).

25 21 facilities, or both, which are subject to the provisions of
 25 22 this ~~part~~ subchapter. It shall further require the filing
 25 23 of information concerning the total financial needs of each
 25 24 individual hospital or health care facility and the resources
 25 25 currently or prospectively available to meet these needs,
 25 26 including the effect of proposals made by health systems
 25 27 agencies. The department shall also prepare and file such
 25 28 summaries and compilations or other supplementary reports based
 25 29 on the information filed with it as will, in its judgment,
 25 30 advance the purposes of this ~~part~~ subchapter.

25 31 Sec. 63. Section 10A.727, Code 2025, is amended to read as
 25 32 follows:

25 33 10A.727 DATA TO BE COMPILED.

25 34 The department shall compile all relevant financial and
 25 35 utilization data in order to have available the statistical
 25 36 information necessary to properly monitor hospital and health
 25 37 care facility charges and costs. Such data shall include
 25 38 necessary operating expenses, appropriate expenses incurred for
 25 39 rendering services to patients who cannot or do not pay, all
 26 1 properly incurred interest charges, and reasonable depreciation
 26 2 expenses based on the expected useful life of the property
 26 3 and equipment involved. The department shall also obtain
 26 4 from each hospital and health care facility a current rate
 26 5 schedule as well as any subsequent amendments or modifications
 26 6 of that schedule as it may require. In collection of the data
 26 7 required by this section and sections ~~40A.724~~ 135.73 through
 26 8 ~~40A.726~~ 135.75, the department and other state agencies shall
 26 9 coordinate their reporting requirements.

CODE: Adopts conforming changes to Iowa Code section
[10A.727](#) (Data to be Compiled).

26 10 Sec. 64. Section 10A.728, Code 2025, is amended to read as
 26 11 follows:

26 12 10A.728 CIVIL PENALTY.

26 13 Any hospital or health care facility which fails to file
 26 14 with the department the financial reports required by sections
 26 15 ~~40A.724~~ 135.73 through ~~40A.727~~ 135.76 is subject to a civil
 26 16 penalty of not to exceed five hundred dollars for each offense.

CODE: Adopts conforming changes to Iowa Code section
[10A.728](#) (Civil Penalty).

26 17 Sec. 65. Section 10A.729, Code 2025, is amended to read as
 26 18 follows:

26 19 10A.729 CONTRACTS FOR ASSISTANCE WITH ANALYSES, STUDIES, AND
 26 20 DATA.

CODE: Adopts conforming changes to Iowa Code section
[10A.729](#) (Contracts for Assistance with Analyses, Studies, and
 Data).

26 21 In furtherance of the department's responsibilities under
 26 22 sections ~~40A.726 135.75~~ and ~~40A.727 135.76~~, the director may
 26 23 contract with the Iowa hospital association and third-party
 26 24 payers, the Iowa health care facilities association and
 26 25 third-party payers, or leading age Iowa and third-party
 26 26 payers for the establishment of pilot programs dealing with
 26 27 prospective rate review in hospitals or health care facilities,
 26 28 or both. Such contract shall be subject to the approval of
 26 29 the executive council and shall provide for an equitable
 26 30 representation of health care providers, third-party payers,
 26 31 and health care consumers in the determination of criteria
 26 32 for rate review. No third-party payer shall be excluded from
 26 33 positive financial incentives based upon volume of gross
 26 34 patient revenues. No state or federal funds appropriated or
 26 35 available to the department shall be used for any such pilot
 26 36 program.

26 37 Sec. 66. Section 135.131, subsection 1, paragraph a, Code
 26 38 2025, is amended to read as follows:

26 39 a. "Birth center" means birth center as defined in section
 27 1 ~~40A.744 135.61~~.

CODE: Adopts conforming changes to Iowa Code section
[135.131\(1\)](#) (Universal Newborn and Infant Hearing Screening).

27 2 Sec. 67. Section 135B.5A, Code 2025, is amended to read as
 27 3 follows:

27 4 135B.5A CONVERSION RELATIVE TO CERTAIN HOSPITALS.

27 5 1. A conversion of a long-term acute care hospital,
 27 6 rehabilitation hospital, or psychiatric hospital as defined by
 27 7 federal regulations to a general hospital or to a specialty
 27 8 hospital of a different type is a permanent change in bed
 27 9 capacity and shall require a certificate of need pursuant to
 27 10 section ~~40A.743 135.62~~.

27 11 2. A conversion of a critical access hospital or general
 27 12 hospital to a rural emergency hospital shall not require a
 27 13 certificate of need pursuant to section ~~40A.743 135.62~~.

27 14 3. Any change of a rural emergency hospital in licensure,
 27 15 organizational structure, or type of institutional health
 27 16 facility shall require a certificate of need pursuant to section
 27 17 ~~40A.743 135.62~~.

CODE: Adopts conforming changes to Iowa Code section
[135B.5A](#) (Conversion Relative to Certain Hospitals).

27 18 Sec. 68. Section 135C.2, subsection 5, unnumbered paragraph
 27 19 1, Code 2025, is amended to read as follows:

27 20 The department shall establish a special classification

CODE: Adopts conforming changes to Iowa Code section
[135C.2\(5\)](#) (Purpose — Rules — Special Classifications —
 Protection and Advocacy Agency).

27 21 within the residential care facility category in order to
 27 22 foster the development of residential care facilities which
 27 23 serve persons with an intellectual disability, chronic mental
 27 24 illness, a developmental disability, or brain injury, as
 27 25 described under section 225C.26, and which contain five or
 27 26 fewer residents. A facility within the special classification
 27 27 established pursuant to this subsection is exempt from the
 27 28 requirements of section ~~40A.743~~ 135.62. The department
 27 29 shall adopt rules which are consistent with rules previously
 27 30 developed for the waiver demonstration project pursuant to
 27 31 1986 Iowa Acts, ch.1246, §206, and which include all of the
 27 32 following provisions:

27 33 Sec. 69. Section 135P.1, subsection 3, Code 2025, is amended
 27 34 to read as follows:

27 35 3. "Health facility" means an institutional health facility
 27 36 as defined in section ~~40A.744~~ 135.61, a hospice licensed
 27 37 under chapter 135J, a home health agency as defined in section
 27 38 144D.1, an assisted living program certified under chapter
 27 39 231C, a clinic, a community health center, or the university
 28 1 of Iowa hospitals and clinics, and includes any corporation,
 28 2 professional corporation, partnership, limited liability
 28 3 company, limited liability partnership, or other entity
 28 4 comprised of such health facilities.

CODE: Adopts conforming changes to Iowa Code section
[135P.1\(3\)](#) (Definitions).

28 5 Sec. 70. Section 231C.3, subsection 2, Code 2025, is amended
 28 6 to read as follows:

28 7 2. Each assisted living program operating in this state
 28 8 shall be certified by the department. If an assisted living
 28 9 program is voluntarily accredited by a recognized accrediting
 28 10 entity, the department shall certify the assisted living
 28 11 program on the basis of the voluntary accreditation. An
 28 12 assisted living program that is certified by the department on
 28 13 the basis of voluntary accreditation shall not be subject to
 28 14 payment of the certification fee prescribed in section 231C.18,
 28 15 but shall be subject to an administrative fee as prescribed by
 28 16 rule. An assisted living program certified under this section
 28 17 is exempt from the requirements of section ~~40A.743~~ 135.62
 28 18 relating to certificate of need requirements.

CODE: Adopts conforming changes to Iowa Code section
[231C.3\(2\)](#) (Certification of Assisted Living Programs).

28 19 Sec. 71. Section 505.27, subsection 5, paragraph a, Code
 28 20 2025, is amended to read as follows:
 28 21 a. "Health care provider" means the same as defined in
 28 22 section ~~40A.744~~ 135.61, a hospital licensed pursuant to chapter
 28 23 135B, or a health care facility licensed pursuant to chapter
 28 24 135C.

CODE: Adopts conforming changes to Iowa Code section [505.27](#)(5) (Medical Malpractice Insurance — Annual Claims Reports Required).

28 25 Sec. 72. Section 708.3A, subsection 5, paragraph d, Code
 28 26 2025, is amended to read as follows:
 28 27 d. "Health care provider" means an emergency medical care
 28 28 provider as defined in chapter 147A or a person licensed
 28 29 or registered under chapter 148, 148C, 148D, or 152 who is
 28 30 providing or who is attempting to provide emergency medical
 28 31 services, as defined in section 147A.1, or who is providing
 28 32 or who is attempting to provide health services as defined in
 28 33 section ~~40A.744~~ 135.61 in a hospital. A person who commits an
 28 34 assault under this section against a health care provider in
 28 35 a hospital, or at the scene or during out-of-hospital patient
 28 36 transportation in an ambulance, is presumed to know that the
 28 37 person against whom the assault is committed is a health care
 28 38 provider.

CODE: Adopts conforming changes to Iowa Code section [708.3A](#)(5) (Assaults on Persons Engaged in Certain Occupations).

28 39 DIVISION X
 29 1 IOWA HEALTH INFORMATION NETWORK — EXCHANGE ADVISORY COMMITTEE
 29 2 CREATED AND BOARD OF DIRECTORS ELIMINATED

29 3 Sec. 73. Section 135D.2, subsection 1, Code 2025, is amended
 29 4 by striking the subsection.

CODE: Removes the definition of "board of directors" for purposes of Iowa Code chapter [135D](#) (Iowa Health Information Network).

29 5 Sec. 74. Section 135D.2, subsection 4, Code 2025, is amended
 29 6 to read as follows:
 29 7 4. "Designated entity" means the ~~nonprofit~~ corporation
 29 8 ~~designated~~ selected by the department through a competitive
 29 9 process as the entity responsible for administering ~~and~~
 29 10 ~~governing~~ the Iowa health information network.

CODE: Removes the requirement that a designated entity be a nonprofit corporation and makes conforming changes for Iowa Code chapter [135D](#) (Iowa Health Information Network).

29 11 Sec. 75. Section 135D.2, Code 2025, is amended by adding the
 29 12 following new subsections:
 29 13 NEW SUBSECTION 4A. "Director" means the director of health
 29 14 and human services.

CODE: Defines "director" and "exchange advisory committee" for purposes of Iowa Code chapter [135D](#) (Iowa Health Information Network).

29 15 NEW SUBSECTION 5A. “Exchange advisory committee” or
 29 16 “advisory committee” means the exchange advisory committee
 29 17 appointed by the director pursuant to section 135D.6.

29 18 Sec. 76. Section 135D.4, subsection 2, paragraph a, Code
 29 19 2025, is amended to read as follows:
 29 20 a. The network, through the designated entity complying with
 29 21 chapter 490, 496C, and 504 and reporting as required under this
 29 22 chapter, operates in an entrepreneurial and businesslike manner
 29 23 in which it is accountable to all participants utilizing the
 29 24 network’s products and services.

CODE: Adopts conforming changes to Iowa Code section [135D.4\(2\)](#) (Iowa Health Information Network — Principles — Technical Infrastructure Requirements).

29 25 Sec. 77. Section 135D.5, subsection 1, Code 2025, is amended
 29 26 to read as follows:

29 27 1. The Iowa health information network shall be administered
 29 28 ~~and governed~~ by a designated entity selected by the department
 29 29 through a competitive process. The designated entity shall be
 29 30 established as a ~~nonprofit~~ corporation organized under chapter
 29 31 490, 496C, or 504. Unless otherwise provided in this chapter,
 29 32 ~~the corporation is subject to the provisions of chapter 504.~~
 29 33 The designated entity shall be established for the purpose
 29 34 of administering ~~and governing~~ the statewide Iowa health
 29 35 information network. Notwithstanding any provision of law
 29 36 to the contrary, the department shall conduct a competitive
 29 37 process to select a designated entity at least every eight
 29 38 years.

CODE: Requires the HHS to conduct a competitive process every eight years to select a designated entity responsible for administering the Iowa Health Information Network (IHIN) and adopts conforming changes to Iowa Code section [135D.4\(1\)](#) (Iowa Health Information Network — Principles — Technical Infrastructure Requirements).

29 39 Sec. 78. Section 135D.5, subsection 3, paragraph d, Code
 30 1 2025, is amended to read as follows:

30 2 d. The employment of personnel necessary for the efficient
 30 3 performance of the duties assigned to the designated entity.
 30 4 All such personnel shall be considered employees of a private,
 30 5 ~~nonprofit~~ corporation and shall be exempt from the personnel
 30 6 requirements imposed on state agencies, departments, and
 30 7 administrative units.

CODE: Adopts conforming changes to Iowa Code section [135D.5\(3\)](#) (Designated Entity — Administration and Governance).

30 8 Sec. 79. Section 135D.6, Code 2025, is amended by striking
 30 9 the section and inserting in lieu thereof the following:

30 10 135D.6 EXCHANGE ADVISORY COMMITTEE.

30 11 1. The director shall appoint an exchange advisory
 30 12 committee.

30 13 2. The advisory committee shall include at least one

CODE: Eliminates the board of directors that governs and administers the IHIN and places the responsibilities with the Exchange Advisory Committee. Requires the Director of the HHS to appoint members of the Committee, including at least one member who is a consumer of health services, and requires

<p>30 14 member who is a consumer of health services, and a majority 30 15 of the advisory committee members shall be representative of 30 16 participants in the Iowa health information network.</p>	<p>a majority of the Committee members to be representative of participants in the IHIN.</p>
<p>30 17 3. The exchange advisory committee shall do all of the 30 18 following: 30 19 a. Advise the department regarding the needs of participants 30 20 and nonparticipants relating to the exchange of health 30 21 information. 30 22 b. Ensure the department develops, and the designated 30 23 entity complies with, the standards, requirements, policies, 30 24 and procedures for access to, use, secondary use, privacy, 30 25 and security of health information exchanged through the Iowa 30 26 health information network, consistent with applicable federal 30 27 and state standards and laws. 30 28 c. Direct a public and private collaborative effort to 30 29 promote the adoption and use of health information technology 30 30 in the state to improve health care quality, increase patient 30 31 safety, reduce health care costs, enhance public health, 30 32 and empower individuals and health care professionals with 30 33 comprehensive, real-time medical information to provide 30 34 continuity of care and make the best health care decisions. 30 35 d. Educate the public and the health care sector about 30 36 the value of health information technology in improving 30 37 patient care, and methods to promote increased support and 30 38 collaboration of state and local public health agencies, 30 39 health care professionals, and consumers in health information 31 1 technology initiatives. 31 2 e. Work to align interstate and intrastate interoperability 31 3 standards in accordance with national health information 31 4 exchange standards.</p>	
<p>31 5 f. Provide an annual budget and fiscal report for the Iowa 31 6 health information network to the governor, the department of 31 7 health and human services, the department of management, and the 31 8 general assembly. The report shall also include information 31 9 about the services provided through the network and information 31 10 on the participant usage of the network.</p>	<p>Requires the Exchange Advisory Committee to provide an annual budget and fiscal report for the IHIN to the Governor, the HHS, the Department of Management, and the General Assembly. Requires the report to include information about the services provided through the network and information on the participant usage of the IHIN.</p>
<p>31 11 Sec. 80. Section 135D.7, subsection 1, unnumbered paragraph 31 12 1, Code 2025, is amended to read as follows: 31 13 The board <u>designated entity</u> shall implement industry-accepted 31 14 security standards, policies, and procedures to protect the</p>	<p>CODE: Adopts conforming changes to Iowa Code section 135D.7(1) (Legal and Policy — Liability — Confidentiality).</p>

31 15 transmission and receipt of protected health information
 31 16 exchanged through the Iowa health information network, which
 31 17 shall, at a minimum, comply with HIPAA and shall include all of
 31 18 the following:

31 19 Sec. 81. Section 135D.7, subsection 1, paragraph c,
 31 20 subparagraph (2), Code 2025, is amended to read as follows:
 31 21 (2) The ~~board~~ designated entity shall provide the means and
 31 22 process by which a patient may decline participation. The means
 31 23 and process utilized shall minimize the burden on patients and
 31 24 health care professionals.

CODE: Adopts conforming changes to Iowa Code section
[135D.7\(1\)](#) (Legal and Policy — Liability — Confidentiality).

31 25 Sec. 82. Section 135D.7, subsection 3, Code 2025, is amended
 31 26 to read as follows:
 31 27 3. A participant exchanging health information and data
 31 28 through the Iowa health information network shall grant to other
 31 29 participants of the network a nonexclusive license to retrieve
 31 30 and use that information in accordance with applicable state and
 31 31 federal laws, and the policies and standards established by the
 31 32 ~~board~~ department.

CODE: Adopts conforming changes to Iowa Code section
[135D.7\(3\)](#) (Legal and Policy — Liability — Confidentiality).

31 33 Sec. 83. Section 135D.7, subsection 6, paragraph b, Code
 31 34 2025, is amended to read as follows:
 31 35 b. Any health information in the possession of the
 31 36 ~~board~~ designated entity due to ~~its~~ the designated entity's
 31 37 administration of the Iowa health information network.

CODE: Adopts conforming changes to Iowa Code section
[135D.7\(6\)](#) (Legal and Policy — Liability — Confidentiality).

Health and Human Services General Fund

	Final Action FY 2026 (1)	Page and Line # (2)
<u>Health and Human Services, Department of</u>		
Health and Human Services		
Psychiatry Residenc. & Fellow - Reduction	\$ -1,200,000	PG 12 LN 30
Total Health and Human Services, Department of	\$ -1,200,000	
Total Health and Human Services	\$ -1,200,000	

EXECUTIVE SUMMARY

SEXUALLY VIOLENT OFFENDER HOLDING, REIMBURSEMENT ACT

FUNDING SUMMARY

Requires the Department of Health and Human Services (HHS) to reimburse a county at a rate of \$50 per day for the time period that a person who is subject to an order of civil commitment under Iowa Code chapter [229A](#) (Commitment of Sexually Violent Predators) is transferred to a county jail or sentenced to a term of confinement in a county jail.

Page 1, Line 12

Requires the HHS to use funds allocated to the Civil Commitment Unit for Sexual Offenders (CCUSO) at Cherokee through the State Specialty Care appropriation in the HHS Appropriations Act or funds transferred between the appropriations for HHS institutions pursuant to Iowa Code section [218.6](#) (Transfer of Appropriations Made to Institutions) for payments to counties pursuant to this Act.

Page 1, Line 19

ENACTMENT DATE

This Act was approved by the General Assembly on April 16, 2025, and signed by the Governor on May 19, 2025.

STAFF CONTACT: Lindsey Ingraham (515.281.6764) lindsey.ingraham@legis.iowa.gov

House File 643 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	Amend	229A.5C.2

1 1 Section 1. Section 229A.5C, subsection 2, Code 2025, is
 1 2 amended to read as follows:

1 3 2. a. Upon the filing of a complaint, indictment, or
 1 4 information, the person shall be transferred to the county
 1 5 jail in the county where the public offense occurred until the
 1 6 criminal proceedings have been completed.

1 7 b. If the person is sentenced to a term of confinement
 1 8 in a county jail, the person shall serve the sentence at the
 1 9 county jail. If the person is sentenced to the custody of the
 1 10 director of the department of corrections, the person shall
 1 11 serve the sentence at a correctional institution.

1 12 c. (1) If a person who is subject to an order of civil
 1 13 commitment under this chapter is transferred to a county jail
 1 14 or sentenced to a term of confinement in a county jail pursuant
 1 15 to this subsection, the department shall reimburse the county
 1 16 at a rate of fifty dollars per day for the time period the
 1 17 person is temporarily held after transfer or is confined in the
 1 18 county jail.

1 19 (2) The department shall use funds appropriated to the
 1 20 department for costs associated with the treatment and
 1 21 commitment of sexually violent predators in the unit located
 1 22 at the state mental health institute at Cherokee, or use funds
 1 23 transferred pursuant to section 218.6, for the payment of
 1 24 reimbursements pursuant to subparagraph (1).

CODE: Requires the Department of Health and Human Services (HHS) to reimburse a county at a rate of \$50 per day for the time period that a person who is subject to an order of civil commitment under Iowa Code chapter [229A](#) (Commitment of Sexually Violent Predators) is transferred to a county jail or sentenced to a term of confinement in a county jail.

CODE: Requires the HHS to use funds allocated to the Civil Commitment Unit for Sexual Offenders (CCUSO) at Cherokee through the State Specialty Care appropriation in the HHS Appropriations Act or funds transferred between the appropriations for HHS institutions pursuant to Iowa Code section [218.6](#) (Transfer of Appropriations Made to Institutions) for payments to counties pursuant to this Act.

DETAIL: The General Assembly allocated \$17,755,397 to the CCUSO from the State Specialty Care appropriation from the General Fund in FY 2025.

FISCAL IMPACT: The estimated cost to the HHS of implementing this Act is \$30,000.

FUNDING SUMMARY

Sports Wagering Receipts Fund (SWRF) — FY 2026 through FY 2030: Appropriates a total of \$35.0 million from the SWRF in FY 2026 and creates an ongoing transfer of up to \$1.5 million from the SWRF in FY 2027 through FY 2030. It is estimated there will be approximately \$43.4 million in the SWRF at the beginning of FY 2026. The FY 2026 appropriations and transfers include the following:

Public Safety Equipment Fund: Creates a standing appropriation of \$8.0 million from the SWRF to the Department of Public Safety (DPS) Public Safety Equipment Fund beginning in FY 2026. Page 1, Line 3

Length of Service Award Program Grant Fund: Transfers from the SWRF an amount necessary to bring the unencumbered and unobligated balance in the Length of Service Award Program Grant Fund to \$1.5 million on July 1 of each year from FY 2027 to FY 2030. This transfer is repealed July 1, 2030. Page 1, Line 12

Education Support Personnel Salary Supplement: Appropriates \$14.0 million from the SWRF to the Department of Education (DE) for FY 2026 for supplement education support personnel compensation as provided for in 2024 Iowa Acts, chapter [1002](#) (Area Education Agencies Act), Section 52. Page 1, Line 25

Division of Special Education: Appropriates \$5.0 million from the SWRF to the DE, Division of Special Education, for FY 2026 for general operations. Page 2, Line 28

Iowa Film Production Incentive Fund: Appropriates \$4.0 million from the SWRF to the Iowa Economic Development Authority (IEDA) for deposit in the Iowa Film Production Incentive Fund created in 2025 Iowa Acts, [Senate File 657](#) (Economic Development Programs and Credits Act). Page 3, Line 6

Iowa Major Events and Tourism Fund: Appropriates \$4.0 million from the SWRF to the IEDA for deposit in the Iowa Major Events and Tourism Fund. Page 3, Line 17

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Establishes the Iowa Major Events and Tourism Program under the control of the IEDA to provide financial assistance to eligible entities that support events involving the State of Iowa that generate large attendance and significant publicity and have a measurable economic impact to the State. Page 4, Line 20

Specifies eligible uses of the financial assistance awards made under the Iowa Major Events and Tourism Program. Page 4, Line 29

EXECUTIVE SUMMARY
SPORTS WAGERING RECEIPTS ACT

Establishes eligibility criteria in the bidding and selection process for an event under the Iowa Major Events and Tourism Program. Page 5, Line 12

Specifies areas that the IEDA must consider when evaluating an application for the Program. Page 5, Line 35

Requires an applicant to demonstrate the ability to provide matching funds for the event that equal at least 50.0% of the award. Page 6, Line 25

Establishes the Iowa Major Events and Tourism Fund under the control of the IEDA to provide financial assistance for the Program. Page 6, Line 29

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Transfers any funds remaining in the Sports Tourism Marketing Program Fund to the Iowa Major Events Tourism Fund. Page 10, Line 14

FUNDING FOR PROJECTS AND PROGRAMS

Appropriates moneys in the Major Events and Tourism Fund to the IEDA for the Iowa Major Events and Tourism Program. Allows the IEDA to use up to 5.0% of the moneys in the Fund for administrative costs, technical assistance, and other program support. Page 7, Line 18

STUDIES AND INTENT

Nonreversion

Allows any unencumbered or unobligated moneys in the Major Events and Tourism Fund at the end of a fiscal year to remain available for expenditure until the close of FY 2028. Interest or earnings on moneys in the Fund are credited to the Fund. Page 7, Line 3

Required Report

Requires that in order for a school district to receive FY 2026 funding from the SWRF to supplement education support personnel compensation, the school district is required to report to the DE, on or before July 1, 2025, the number of education support personnel by school district. Page 2, Line 8

Reversion

EXECUTIVE SUMMARY
SPORTS WAGERING RECEIPTS ACT

Specifies that encumbered or obligated moneys in the Major Events and Tourism Fund will be disbursed by the IEDA within five calendar years of obligation or the moneys will revert to the fund from which the appropriations were made.

Page 7, Line 8

SIGNIFICANT CODE CHANGES

Provides that any public entity that is a nonprofit organization is eligible for financial assistance under the Sports Tourism Infrastructure Program and Fund.

Page 8, Line 11

Repeals the Sports Tourism Marketing Program Fund.

Page 10, Line 13

EFFECTIVE DATE

Specifies that Section 3 of this Act, which appropriates moneys to the DE for an education support personnel salary supplement, takes effect on June 11, 2025.

Page 3, Line 27

Specifies that Section 3 of this Act, which transfers from the SWRF an amount necessary to bring the unencumbered and unobligated balance in the Length of Service Award Program Grant Fund to \$1,500,000 on July 1 of each year, takes effect on the effective date of 2025 Iowa Acts, [House File 1002](#) (Length of Service Award Program Act), if enacted.

Page 3, Line 32

DETAIL: House File 1002 was passed by the General Assembly on May 14, 2025, signed by the Governor on June 3, 2025, and is effective July 1, 2025.

ENACTMENT DATE

This Act was approved by the General Assembly on May 14, 2025, and signed by the Governor on June 11, 2025.

STAFF CONTACT: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

Senate File 660 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	3	1	Amend	8.57I.3
1	12	2	Add	8.57I.3A
4	4	9	New	15G.101
4	20	10	New	15G.102
5	4	11	New	15G.103
6	29	12	New	15G.104
7	30	13	Amend	15F.401.1.a
8	34	17	Amend	15F.401.4.b
8	11	16	Amend	15F.401.2.a.(2)
8	8	15	Strike	15F.401.2.a.(1)
8	4	14	Add	15F.401.1.b.(03)
9	7	18	Amend	15F.401.5
9	28	20	Amend	15F.402.1,2
9	22	19	Strike and Replace	15F.401.6
10	6	21	Amend	15F.404.2.a
10	13	22	Repeal	15F.403

1 1 DIVISION I
1 2 SPORTS WAGERING RECEIPTS

1 3 Section 1. Section 8.571, subsection 3, Code 2025, is
1 4 amended to read as follows:
1 5 3. a. Moneys in the sports wagering receipts fund in a
1 6 fiscal year shall be used as directed by the general assembly.
1 7 b. For the fiscal year beginning July 1, 2025, and each
1 8 fiscal year thereafter, there is appropriated from the sports
1 9 wagering receipts fund to the public safety equipment fund
1 10 created in section 80.48 eight million dollars. Subsections 4
1 11 and 5 do not apply to moneys appropriated under this paragraph.

CODE: Creates a standing appropriation of \$8,000,000 beginning in FY 2026 from available moneys deposited that fiscal year into the Sports Wagering Receipts Fund (SWRF) to the Department of Public Safety (DPS) for deposit into the Public Safety Equipment Fund. Specifies that the reporting requirements do not apply to this appropriation.

DETAIL: This Fund was created during the 2021 Legislative Session and provides for the purchase, maintenance, and replacement of equipment used by the DPS. From FY 2022 through FY 2025, the Fund has received \$2,500,000 annually from the Justice System Appropriations Act and \$2,500,000 annually from the Rebuild Iowa Infrastructure Fund (RIIF) in the Infrastructure Appropriations Act.

1 12 Sec. 2. Section 8.571, Code 2025, is amended by adding the
1 13 following new subsection:
1 14 NEW SUBSECTION 3A. For the fiscal year beginning July 1,
1 15 2026, and for each fiscal year thereafter, an amount necessary
1 16 to bring the unencumbered and unobligated balance in the length
1 17 of service award program grant fund created in section 100B.52
1 18 to one million five hundred thousand dollars as of July 1 of
1 19 the fiscal year shall be transferred from the sports wagering
1 20 receipts fund to the length of service award program grant
1 21 fund. Moneys received from the sports wagering receipts fund
1 22 pursuant to this subsection are not subject to the reporting
1 23 requirements provided in subsection 4 or 5. This subsection is
1 24 repealed July 1, 2030.

CODE: Transfers from the SWRF an amount necessary to bring the unencumbered and unobligated balance in the Length of Service Award Program Grant Fund to \$1,500,000 on July 1 of each year from FY 2027 to FY 2030. This transfer is repealed July 1, 2030.

DETAIL: 2025 Iowa Acts, [House File 1002](#) (Length of Service Award Program Act), which was passed by the General Assembly on May 14, 2025, and signed by the Governor on June 3, 2025, appropriated \$1,500,000 in FY 2026 from the SWRF to the Length of Service Award Program Grant Fund.

1 25 Sec. 3. SPORTS WAGERING RECEIPTS FUND — DEPARTMENT OF
1 26 EDUCATION — EDUCATION SUPPORT PERSONNEL SALARY SUPPLEMENT —
1 27 FY 2025-2026.
1 28 1. There is appropriated from the sports wagering receipts
1 29 fund created in section 8.571 to the department of education
1 30 for the fiscal year beginning July 1, 2025, and ending June 30,
1 31 2026, the following amount, or so much thereof as is necessary,
1 32 to be used for the purposes designated:
1 33 To supplement education support personnel compensation:

Appropriates \$14,000,000 from the SWRF in FY 2026 to the Department of Education (DE) to supplement education support personnel compensation.

DETAIL: There was \$14,000,000 appropriated from the General Fund in FY 2025 for this purpose in 2024 Iowa Acts, chapter [1154](#) (Standing Appropriations Act).

1 34 \$ 14,000,000

1 35 2. Moneys appropriated in this section are miscellaneous
 2 1 income as defined in section 257.2 and shall not be included
 2 2 in any computation of district cost under chapter 257 for any
 2 3 budget year.

Requires the appropriation for supplemental education support personnel compensation to be considered miscellaneous income and provides that it is not to be included in any computation of district cost.

2 4 3. Moneys appropriated in this section shall be used to
 2 5 provide a funding supplement to each school district during the
 2 6 fiscal year beginning July 1, 2025, to supplement education
 2 7 support personnel compensation.

Specifies that the FY 2026 appropriation must be used to provide each school district with funding to supplement education support personnel compensation.

2 8 4. In order to receive the funding supplement, a school
 2 9 district shall first report to the department of education
 2 10 on or before July 1, 2025, the number of education support
 2 11 personnel employed by the school district, including all
 2 12 other information related to such personnel required by the
 2 13 department of education. Each school district's funding
 2 14 supplement amount shall be equal to \$14,000,000 multiplied by
 2 15 the quotient of the school district's budget enrollment for the
 2 16 budget year beginning July 1, 2024, divided by the statewide
 2 17 total budget enrollment for the budget year beginning July 1,
 2 18 2024.

Requires that in order for a school district to receive the funding supplement, the school district must report to the DE, on or before July 1, 2025, information related to education support personnel employed by the school district. Each school district's funding supplement amount must be equal to \$14,000,000 multiplied by the quotient of the school district's budget enrollment for the prior year, divided by the statewide total budget enrollment for the prior year.

2 19 5. For purposes of this section, "education support
 2 20 personnel" means regular and part-time employees of a school
 2 21 district who are not salaried.

Specifies that education support personnel are any regular and part-time employees of the school district who are not salaried.

2 22 6. The payment of funding supplement amounts under this
 2 23 section shall be paid by the department of education at the
 2 24 same time and in the same manner as foundation aid is paid
 2 25 under section 257.16 for the fiscal year beginning July 1,
 2 26 2025, and may be included in the monthly payment of state aid
 2 27 under section 257.16, subsection 2.

Requires the DE to make the funding supplement payments to the school districts in the same manner as foundation aid is paid for FY 2026 and always the payments to be included in the monthly State aid payments.

2 28 Sec. 4. SPORTS WAGERING RECEIPTS FUND — DEPARTMENT OF
 2 29 EDUCATION DIVISION OF SPECIAL EDUCATION — FY 2025-2026. There
 2 30 is appropriated from the sports wagering receipts fund created
 2 31 in section 8.571 to the department of education for the fiscal
 2 32 year beginning July 1, 2025, and ending June 30, 2026, the
 2 33 following amount, or so much thereof as is necessary, to be
 2 34 used for the purposes designated:

Appropriates \$5,000,000 from the SWRF in FY 2026 to the DE, Division of Special Education.

DETAIL: A Division of Special Education was established under the DE in 2024 Iowa Acts, chapter [1152](#) (FY 2025 Education Appropriations Act) and was appropriated \$10,000,000 from the General Fund.

2 35 For the division of special education, including general
 3 1 supervision, oversight, compliance, employee salaries, support,
 3 2 maintenance, and miscellaneous purposes within the area
 3 3 education agency regions and the department of education main
 3 4 office:
 3 5 \$ 5,000,000

NOTE: [Senate File 647](#) (FY 2026 Education Appropriations Act) appropriated \$5,000,000 and 60.00 FTE positions from the General Fund for the Division of Special Education.

3 6 Sec. 5. SPORTS WAGERING RECEIPTS FUND — IOWA FILM
 3 7 PRODUCTION INCENTIVE FUND — FY 2025-2026. There is
 3 8 appropriated from the sports wagering receipts fund created in
 3 9 section 8.571 to the economic development authority for the
 3 10 fiscal year beginning July 1, 2025, and ending June 30, 2026,
 3 11 the following amount, or so much thereof as is necessary, to be
 3 12 used for the purposes designated:
 3 13 For deposit in the Iowa film production incentive fund
 3 14 created in section 15.517, if enacted by 2025 Iowa Acts, Senate
 3 15 File 657, section 78:
 3 16 \$ 4,000,000

Appropriates \$4,000,000 from the SWRF in FY 2026 to the Iowa Economic Development Authority (IEDA) for deposit into the Iowa Film Product Incentive Fund, if enacted in 2025 Iowa Acts, [Senate File 657](#) (Economic Development Programs and Credits Act).

DETAIL: Senate File 657 was passed by the General Assembly on May 14, 2025, and signed by the Governor on June 6, 2025.

3 17 Sec. 6. SPORTS WAGERING RECEIPTS FUND — MAJOR EVENTS AND
 3 18 TOURISM PROGRAM — FY 2025-2026. There is appropriated from
 3 19 the sports wagering receipts fund created in section 8.571
 3 20 to the economic development authority for the fiscal year
 3 21 beginning July 1, 2025, and ending June 30, 2026, the following
 3 22 amount, or so much thereof as is necessary, to be used for the
 3 23 purposes designated:
 3 24 For deposit in the Iowa major events and tourism fund created
 3 25 in section 15G.104, as enacted by this Act:
 3 26 \$ 4,000,000

Appropriates \$4,000,000 from the SWRF in FY 2026 to the IEDA for deposit into the Iowa Major Events and Tourism Fund created in Section 10 of this Act.

3 27 Sec. 7. EFFECTIVE DATE. The following, being deemed of
 3 28 immediate importance, takes effect upon enactment:
 3 29 The section of this division of this Act appropriating
 3 30 moneys to the department of education for an education support
 3 31 personnel salary supplement.

Specifies that Section 3 of this Act, which appropriates moneys to the DE for an education support personnel salary supplement, takes effect on June 11, 2025.

3 32 Sec. 8. CONTINGENT EFFECTIVE DATE. The following takes
 3 33 effect on the effective date of 2025 Iowa Acts, House File
 3 34 1002, if enacted:
 3 35 The section of this division of this Act enacting section
 4 1 8.571, subsection 3A.

Specifies that Section 3 of this Act, which transfers from the SWRF an amount necessary to bring the unencumbered and unobligated balance in the Length of Service Award Program Grant Fund to \$1,500,000 on July 1 of each year, takes effect on the effective date of 2025 Iowa Acts, [House File 1002](#) (Lenth of Service Award Program Act), if enacted.

DETAIL: House File 1002 was passed by the General Assembly on May 14, 2025, signed by the Governor on June 3, 2025, and is effective July 1, 2025.

4 2 DIVISION II
4 3 IOWA MAJOR EVENTS AND TOURISM PROGRAM AND FUND

4 4 Sec. 9. NEW SECTION 15G.101 DEFINITIONS.
4 5 As used in this chapter, unless the context otherwise
4 6 requires:
4 7 1. "Board" means the same as defined in section 15.102.
4 8 2. "Entity" means an Iowa nonprofit organization established
4 9 to promote economic development and tourism in an area.
4 10 3. "Event" means a tourism-oriented athletic contest,
4 11 convention, music festival, or art festival.
4 12 4. "Financial assistance" means assistance provided only
4 13 from the funds, rights, and assets legally available to the
4 14 authority and includes but is not limited to assistance in the
4 15 form of grants.
4 16 5. "Fund" means the Iowa major events and tourism fund
4 17 established in section 15G.104.
4 18 6. "Program" means the Iowa major events and tourism program
4 19 established in section 15G.102.

CODE: Establishes definitions related to the Iowa Major Events and Tourism Program.

4 20 Sec. 10. NEW SECTION 15G.102 IOWA MAJOR EVENTS AND TOURISM
4 21 PROGRAM — PURPOSE.

4 22 1. The authority shall establish and administer the
4 23 Iowa major events and tourism program to provide financial
4 24 assistance to eligible entities that support events in this
4 25 state, or support events involving a geographic region that
4 26 includes this state, and the event generates large attendance,
4 27 significant publicity, and has a measurable economic impact on
4 28 this state.

CODE: Establishes the Iowa Major Events and Tourism Program under the control of the IEDA to provide financial assistance to eligible entities that support events involving the State of Iowa that generate large attendance and significant publicity and have a measurable economic impact to the State.

4 29 2. The program shall be administered for the purpose of
4 30 awarding financial assistance to an eligible entity for any of
4 31 the following purposes:
4 32 a. To pay for or reimburse the costs incurred by the entity
4 33 to apply or bid for selection as the site for the event.
4 34 b. To pay for or reimburse the costs incurred by the entity

CODE: Allows the Program to award financial assistance to cover the costs incurred by an entity for any of the following purposes:

- To apply or bid for selection as a site for an event.

4 35 to plan or to conduct the event, including any fees charged by
 5 1 a site selection organization as a prerequisite to hosting the
 5 2 event, including but not limited to hosting fees, sanctioning
 5 3 fees, participation fees, operational fees, or bid fees.

- To plan or conduct the event, including fees charged by a site selection organization.

5 4 Sec. 11. NEW SECTION 15G.103 PROGRAM — APPLICATION,
 5 5 REVIEW, ELIGIBILITY, AND FUNDING.

CODE: Requires the IEDA to conduct a staff evaluation of each application that meets Program criteria and forward the application and evaluation to the IEDA Board.

5 6 1. An application for financial assistance under the
 5 7 program shall be submitted to the authority. For each
 5 8 application that meets the eligibility criteria under
 5 9 subsection 2, the authority shall conduct a staff evaluation
 5 10 of the application and forward the application and staff
 5 11 evaluation to the board.

5 12 2. a. The authority shall establish eligibility criteria
 5 13 for the program by rule. The eligibility criteria must include
 5 14 all of the following:

CODE: Requires that the entity is involved in the bidding and selection process for an event and has submitted an economic analysis of the event that includes the projected hotel and motel room occupancies and the projected number of attendees from Iowa, other states, and other countries.

5 15 (1) The entity must currently be involved in the bidding and
 5 16 selection process for the event for which the entity submits
 5 17 an application.

5 18 (2) The entity's application under subsection 1 must
 5 19 include an economic analysis of the event that includes but is
 5 20 not limited to all of the following:

5 21 (a) Projected hotel and motel room occupancies during the
 5 22 event.

5 23 (b) Projected number of event attendees from this state,
 5 24 other states, and other countries.

CODE: Requires an entity to meet at least one of the following criteria to be eligible for the Program:

5 25 b. Notwithstanding paragraph "a", an entity shall be deemed
 5 26 eligible for the program if any of the following apply:

5 27 (1) After a highly competitive bidding and selection
 5 28 process involving potential sites not located in this state, a
 5 29 location in Iowa has been selected for the entity's event.

5 30 (2) This state serves as the sole site for the entity's
 5 31 event.

5 32 (3) The sole site for the entity's event is a geographical
 5 33 region that includes this state and one or more contiguous
 5 34 states.

- A location in Iowa has been selected for an entity's event after a highly competitive bidding and selection process involving sites not located in Iowa.
- The State of Iowa serves as the sole site for the entity's event.
- The sole site for the entity's event is a geographic region that includes the State of Iowa and one or more contiguous states.

5 35 3. When evaluating an application, the authority shall
 6 1 consider, at a minimum, all of the following:

CODE: Requires the IEDA to consider the following when evaluating an application:

<p>6 2 a. The potential impact of the event on the local, regional, 6 3 and state economies. 6 4 b. The event's potential to attract visitors from this 6 5 state, other states, and other countries. 6 6 c. The amount of positive advertising or media coverage the 6 7 event may generate. 6 8 d. The quality, size, and scope of the event. 6 9 e. The ratio of public-to-private investment required for 6 10 the event.</p>	<ul style="list-style-type: none"> • The event's potential impact on local, regional, and State economies. • The event's potential to attract visitors from Iowa, other states, and other countries. • The amount of positive advertising or media coverage the event may generate. • The quality, size, and scope of the event. • The ratio of public-to-private investment required for the event.
<p>6 11 4. a. (1) Upon review of the staff evaluation, the board 6 12 shall make the final funding decision on each application 6 13 and may approve, deny, defer, or modify each application, in 6 14 the board's discretion, to fund as many events as possible 6 15 with the moneys available. The board and the authority may 6 16 negotiate with an eligible applicant regarding the details of 6 17 the applicant's proposed event and the amount and terms of 6 18 any financial assistance. In making final funding decisions 6 19 pursuant to this subsection, the board and the authority shall 6 20 be exempt from chapter 17A.</p>	<p>CODE: Requires the IEDA Board to make final funding decisions to fund as many events as possible with available moneys. The IEDA Board may negotiate with an applicant regarding the details of the proposed event as well as the amount and terms of financial assistance. In making final funding decisions, the IEDA Board is exempt from administrative rules under Iowa Code chapter 17A.</p>
<p>6 21 (2) An application and staff evaluation forwarded to 6 22 the board under subsection 1 shall remain eligible for 6 23 consideration by the board under subparagraph (1) for up to two 6 24 years from the date of receipt of the application by the board.</p>	<p>CODE: Specifies that an application and evaluation forwarded to the IEDA Board remain eligible for up to two years after receipt of the application.</p>
<p>6 25 b. In order to be awarded financial assistance under the 6 26 program, an applicant must demonstrate the ability to provide 6 27 matching funds for the event that equal at least fifty percent 6 28 of the award of financial assistance.</p>	<p>CODE: Requires an applicant to demonstrate the ability to provide matching funds for the event that equal at least 50.00% of the award.</p>
<p>6 29 Sec. 12. NEW SECTION 15G.104 IOWA MAJOR EVENTS AND TOURISM 6 30 FUND. 6 31 1. a. The authority shall establish an Iowa major events 6 32 and tourism fund pursuant to section 15.106A, subsection 1, 6 33 paragraph "o", for purposes of providing financial assistance 6 34 as described in this chapter. The fund may be administered as 6 35 a revolving fund and shall consist of any moneys transferred to 7 1 the fund and any moneys appropriated by the general assembly 7 2 for purposes of this chapter.</p>	<p>CODE: Establishes the Iowa Major Events and Tourism Fund under the control of the IEDA to provide financial assistance for the Program. Allows the Fund to be administered as a revolving fund. Specifies that the Fund consists of any moneys transferred or appropriated into the Fund.</p>

7 3 b. (1) Notwithstanding section 8.33, moneys appropriated
 7 4 in this section that remain unencumbered or unobligated at the
 7 5 close of the fiscal year shall not revert but shall remain
 7 6 available for expenditure for the purposes designated until the
 7 7 close of the fiscal year following the succeeding fiscal year.

Allows any unencumbered or unobligated moneys in the Fund at the end of a fiscal year to remain available for expenditure until the close of FY 2028.

7 8 (2) Moneys encumbered or obligated pursuant to financial
 7 9 assistance awarded under section 15G.103, subsection 4, shall
 7 10 be disbursed by the authority within five calendar years from
 7 11 the date of encumbrance or obligation, or the moneys shall
 7 12 revert to the state treasury and shall be credited to the funds
 7 13 from which the appropriations were made as provided in section
 7 14 8.33.

CODE: Specifies that encumbered or obligated moneys in the Fund will be disbursed by the IEDA within five calendar years of obligation or the moneys will revert to the Fund from which the appropriations were made.

7 15 c. Notwithstanding section 12C.7, subsection 2, interest or
 7 16 earnings on moneys deposited in the fund shall be credited to
 7 17 the fund.

CODE: Specifies that interest or earnings on moneys in the Fund are credited to the Fund.

7 18 2. a. Moneys in the fund are appropriated to the authority
 7 19 for purposes of providing financial assistance under the
 7 20 program. The authority shall not use more than five percent
 7 21 of the moneys in the fund at the beginning of each fiscal year
 7 22 for purposes of administrative costs, technical assistance, and
 7 23 other program support.

CODE: Appropriates moneys in the Fund to the IEDA for the Iowa Major Events and Tourism Program. Allows the IEDA to use up to 5.00% of the moneys in the Fund for administrative costs, technical assistance, and other program support.

7 24 b. An entity that is awarded financial assistance pursuant
 7 25 to this chapter is not eligible to receive financial assistance
 7 26 under the sports tourism infrastructure program pursuant to
 7 27 chapter 15F, subchapter IV.

CODE: Specifies that an entity that is awarded financial assistance under the Program is not eligible to receive financial assistance under the Sports Tourism Infrastructure Program.

7 28 DIVISION III
 7 29 SPORTS TOURISM MARKETING PROGRAM AND FUND — REPEAL

7 30 Sec. 13. Section 15F.401, subsection 1, paragraph a, Code
 7 31 2025, is amended to read as follows:

CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.

7 32 a. The authority shall establish, and, at the direction
 7 33 of the board, shall administer a sports tourism ~~marketing and~~
 7 34 infrastructure program to provide financial assistance for
 7 35 ~~projects that promote sporting events or for infrastructure~~
 8 1 projects supporting sporting events for organizations of
 8 2 accredited colleges and universities, professional sporting
 8 3 events, and other sporting events in the state.

8 4 Sec. 14. Section 15F.401, subsection 1, paragraph b, Code
 8 5 2025, is amended by adding the following new subparagraph:
 8 6 NEW SUBPARAGRAPH (03) "Fund" means the sports tourism
 8 7 infrastructure program fund established in section 15F.404.

CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.

8 8 Sec. 15. Section 15F.401, subsection 2, paragraph a,
 8 9 subparagraph (1), Code 2025, is amended by striking the
 8 10 subparagraph.

CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.

8 11 Sec. 16. Section 15F.401, subsection 2, paragraph a,
 8 12 subparagraph (2), Code 2025, is amended to read as follows:
 8 13 ~~—(2) A city or county in the state, or a public entity~~
 8 14 ~~that is a convention and visitors bureau or a district~~
 8 15 ~~nonprofit organization, may apply to the authority be~~
 8 16 ~~eligible for financial assistance from the sports tourism~~
 8 17 ~~infrastructure program fund created in section 15F.404 fund for~~
 8 18 an infrastructure project that actively and directly supports
 8 19 sporting events for accredited colleges and universities,
 8 20 professional sporting events, and other sporting events in the
 8 21 area served by the city, county, or public entity. However,
 8 22 financial assistance shall not be provided to ~~an applicant a~~
 8 23 ~~public entity that is a nonprofit organization~~ from the ~~sports~~
 8 24 ~~tourism infrastructure program fund created in section 15F.404~~
 8 25 ~~fund~~ for infrastructure projects located in a reinvestment
 8 26 district as defined and approved by the authority pursuant to
 8 27 section 15J.4 or to applicants that have received a rebate
 8 28 of sales tax imposed and collected by retailers pursuant to
 8 29 section 423.4, subsection 5. A city, county, or public entity
 8 30 that is a nonprofit organization that receives financial
 8 31 assistance under this paragraph is not eligible to receive
 8 32 financial assistance under the Iowa major events and tourism
 8 33 program under chapter 15G.

CODE: Provides that any public entity that is a nonprofit organization is eligible for financial assistance under the Sports Tourism Infrastructure Program and Fund.

8 34 Sec. 17. Section 15F.401, subsection 4, paragraph b, Code
 8 35 2025, is amended to read as follows:
 9 1 b. An applicant under the program shall not receive
 9 2 financial assistance from the ~~sports tourism marketing~~
 9 3 ~~program fund created in section 15F.403 or the sports tourism~~
 9 4 ~~infrastructure program fund created in section 15F.404 fund~~
 9 5 in an amount exceeding fifty percent of the total cost of the
 9 6 project.

CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.

<p>9 7 Sec. 18. Section 15F.401, subsection 5, Code 2025, is 9 8 amended to read as follows: 9 9 5. The board shall make final funding decisions on 9 10 each application and may approve, deny, defer, or modify 9 11 applications for financial assistance under the sports tourism 9 12 marketing and infrastructure program, in its discretion, in 9 13 order to fund as many projects with the moneys available as 9 14 possible. The board and the authority may negotiate with 9 15 applicants regarding the details of projects and the amount and 9 16 terms of any award. The total amount of financial assistance 9 17 provided to an applicant from the sports tourism marketing 9 18 program fund created in section 15F.403 in any one fiscal year 9 19 shall not exceed five hundred thousand dollars. In making 9 20 final funding decisions pursuant to this subsection, the board 9 21 and the authority are exempt from chapter 17A.</p>	<p>CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.</p>
<p>9 22 Sec. 19. Section 15F.401, subsection 6, Code 2025, is 9 23 amended by striking the subsection and inserting in lieu 9 24 thereof the following: 9 25 6. A city, county, or public entity shall not use financial 9 26 assistance received under the program from the fund as 9 27 reimbursement for completed projects.</p>	<p>CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.</p>
<p>9 28 Sec. 20. Section 15F.402, subsections 1 and 2, Code 2025, 9 29 are amended to read as follows: 9 30 1. Applications for assistance under the sports tourism 9 31 marketing and infrastructure program established in section 9 32 15F.401 shall be submitted to the authority. For those 9 33 applications that meet the eligibility criteria, the authority 9 34 shall forward the applications to the board and provide a staff 9 35 review analysis and evaluation to the sports tourism program 10 1 review committee referred to in subsection 2 and to the board. 10 2 2. A review committee composed of five members of the 10 3 board shall review sports tourism marketing and infrastructure 10 4 program applications forwarded to the board and make 10 5 recommendations regarding the applications to the authority.</p>	<p>CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.</p>
<p>10 6 Sec. 21. Section 15F.404, subsection 2, paragraph a, Code 10 7 2025, is amended to read as follows: 10 8 a. Moneys in the fund are appropriated to the authority for 10 9 purposes of providing financial assistance to cities, counties,</p>	<p>CODE: Adopts conforming changes related to the repeal of the Sports Tourism Marketing Program Fund.</p>

10 10 and eligible public entities under the sports tourism marketing
 10 11 and infrastructure program established and administered
 10 12 pursuant to this subchapter.

10 13 Sec. 22. REPEAL. Section 15F.403, Code 2025, is repealed.

10 14 Sec. 23. TRANSFER OF MONEYS. On the effective date of
 10 15 this division of this Act, any moneys remaining in the sports
 10 16 tourism marketing program fund in section 15F.403, Code 2025,
 10 17 shall be transferred to the Iowa major events tourism fund
 10 18 established in section 15G.104, as enacted in this Act.

CODE: Repeals the Sports Tourism Marketing Program Fund.

Transfers any funds remaining in the Sports Tourism Marketing Program Fund to the Iowa Major Events and Tourism Fund.

DETAIL: The Sports Tourism Marketing Program Fund was established during the 2016 Legislative Session to fund projects that promote sporting events. The Program first received funding from the Sports Wagering Receipts Fund in FY 2022. During the 2022 Legislative Session, the name of the Sports Tourism Program was changed to the Sports Tourism Marketing and Infrastructure Program, infrastructure projects were allowed to receive funding under the Program, the name of the Sports Tourism Program Fund was changed to the Sports Tourism Marketing Fund, and the Sports Tourism Infrastructure Program Fund was established.

FISCAL IMPACT: As of May 21, 2025, there is \$2,554,503 in the Sports Tourism Marketing Program Fund. In February, March, and April 2025, the IEDA awarded approximately \$545,000 in grants from the Fund. It is estimated there will be approximately \$2,000,000 remaining in the Sports Tourism Marketing Program Fund at the beginning of FY 2026 that will be transferred into the Iowa Major Events and Tourism Fund.

Unassigned Standings Other Funds

	Actual FY 2024 (1)	Estimated Net FY 2025 (2)	Gov Rec FY 2026 (3)	Final Action FY 2026 (4)	Final Action vs Est Net FY 2025 (5)	Page and Line # (6)
<u>Economic Development Authority</u>						
Economic Development Authority						
Iowa Film Production Incentive Fund - SWRF	\$ 0	\$ 0	\$ 0	\$ 4,000,000	\$ 4,000,000	PG 3 LN 6
Iowa Major Events and Tourism Fund - SWRF	0	0	0	4,000,000	4,000,000	PG 3 LN 17
Total Economic Development Authority	\$ 0	\$ 0	\$ 0	\$ 8,000,000	\$ 8,000,000	
<u>Education, Department of</u>						
Education, Dept. of						
Ed Support Personnel Salary Supp. - SWRF	\$ 0	\$ 0	\$ 0	\$ 14,000,000	\$ 14,000,000	PG 1 LN 25
Special Education Division - SWRF	0	0	0	5,000,000	5,000,000	PG 2 LN 28
Total Education, Department of	\$ 0	\$ 0	\$ 0	\$ 19,000,000	\$ 19,000,000	
<u>Public Safety, Department of</u>						
Public Safety, Dept. of						
Public Safety Equipment Fund - SWRF	\$ 0	\$ 0	\$ 0	\$ 8,000,000	\$ 8,000,000	PG 1 LN 3
Total Public Safety, Department of	\$ 0	\$ 0	\$ 0	\$ 8,000,000	\$ 8,000,000	
Total Unassigned Standings	\$ 0	\$ 0	\$ 0	\$ 35,000,000	\$ 35,000,000	

FUNDING SUMMARY

Senate File 659 makes adjustments to various standing appropriations that result in a decrease of \$66.7 million to General Fund appropriations for FY 2026. The adjustments include, in part, the following:

- A total decrease of \$46.9 million from the General Fund for State school foundation aid, which includes a decrease of \$21.9 million related to property tax assessment limitations and a decrease of \$25.0 million for Area Education Agency (AEA) reductions. The decrease of \$21.9 million is replaced with excess moneys from the Economic Emergency Fund.
- A decrease of \$5.0 million for Nonpublic School Transportation.
- A decrease of \$14.8 million for Instructional Support.

MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS

Limits the FY 2026 General Fund appropriation to the Department of Education (DE) for nonpublic school transportation to \$9.0 million. Requires the appropriation to be prorated if the claims exceed the appropriation.	Page 1, Line 4
Suspends the General Fund standing appropriation of \$14.8 million to the DE for the Instructional Support Program for FY 2026.	Page 1, Line 18
Transfers \$21.9 million from FY 2025 excess Economic Emergency Fund moneys to the General Fund to replace an equal amount of other General Fund moneys to pay FY 2026 State school foundation aid as described in Iowa Code section 257.16 .	Page 2, Line 1
Reduces State aid to school districts by \$7,500,000 for FY 2026 and each succeeding year.	Page 2, Line 11
Reduces the standing unlimited FY 2026 State school aid funding specified in Iowa Code section 257.35 to AEAs and school districts by \$25.0 million.	Page 2, Line 25

STUDIES AND INTENT

Requires the State Fire Marshal to conduct a study of fire protection services in the State to analyze whether a structure of countywide fire protection services would maximize fire protection coverage and emergency response times. The report is due to the General Assembly by June 30, 2026.	Page 17, Line 17
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EXECUTIVE SUMMARY
STANDING APPROPRIATIONS ACT

Requests the Legislative Council to establish an interim study committee to examine policy and recommend changes to the operation of all-terrain vehicles (ATVs) and off-road utility vehicles (UTVs). The interim study committee, in consultation with the Department of Transportation (DOT), Department of Public Safety (DPS), and the Department of Natural Resources (DNR), is required to submit a report with its findings by January 12, 2026, or file a Bill in lieu of submitting a report.

Page 20, Line 7

Requests that the Legislative Council establish an interim study committee during the 2025 Legislative interim to review topics related to subacute mental health care services. The interim study committee is required to report findings and recommendations to the General Assembly by January 12, 2026.

Page 21, Line 5

SIGNIFICANT CODE CHANGES

Adopts corrective provisions to the 2025 Iowa Acts contingent upon enactment.

Page 3, Line 17

Changes the definition of "resident of Iowa" related to [HF 516](#) (Residency Enrollment Requirements, Medical and Dental Schools Act).

Page 9, Line 2

Prohibits the State, including departments, independent agencies, the State Board of Regents, and institutions under the control of the State Board of Regents, from becoming a member of a health benefit reinsurance association.

Page 9, Line 13

Establishes new reporting, law enforcement notification, and investigation requirements for the HHS related to child abuse by school employees.

Page 9, Line 35

Requires the DE to cooperate with the Department of Health and Human Services (HHS) during student abuse investigations that involve a school employee. Requires school districts or nonpublic schools to terminate employees that have been determined to have committed student abuse by the HHS.

Page 13, Line 10

Reduces the amount of a modified supplemental amount (MSA) that could be granted by 50.0% of the net change in the teacher salary supplement district cost per pupil resulting from open enrollment and extends the School Budget Review Committee's (SBRC's) authority to grant a school district an MSA related to open enrollment for fiscal years beyond FY 2025.

Page 14, Line 9

Redirects the tax imposed on the gross sum wagered in excess of \$25,000,000 in a year on horse races that are simultaneously telecast by a licensee to the Iowa Horse Racing Fund created in Section 37 of this Act.

Page 15, Line 28

EXECUTIVE SUMMARY
STANDING APPROPRIATIONS ACT

Establishes an Iowa Horse Racing Fund to be used by the Iowa Racing and Gaming Commission (IRGC) for distribution to entities tasked with federal horse racing regulations, and creates a 2.0% tax on the gross sum wagered by the pari-mutuel method as an advance deposit wager under Iowa Code section [99D.11\(6\)\(c\)](#) in lieu of the tax imposed on the same wagers under Iowa Code section [99D.15](#). This tax revenue is deposited into the Iowa Horse Racing Fund.

Page 16, Line 19

Allows the 911 program manager to request reimbursement from each joint 911 service board for reasonable costs under Iowa Code section [34A.7A](#).

Page 21, Line 42

EFFECTIVE DATE

Specifies that Section 11 of this Act, which adopts corrective provisions to Iowa Acts, [House File 782](#) (Electronic Devices in Schools Act), Section 1, is effective on June 11, 2025, and applies retroactively to the effective date of House File 782, which was April 30, 2025.

Page 8, Line 6

Specifies that Division V of this Act related to health benefit reinsurance association membership is effective on June 11, 2025, and applies retroactively to January 1, 2020.

Page 9, Line 31

Specifies that Division III of this Act, which relates to school budget MSAs, is effective on June 11, 2025, and applies retroactively to school budget years beginning on or after July 1, 2025.

Page 15, Line 22

Specifies that Division X of this Act, which requires the State Fire Marshal to conduct a countywide fire protection services study, is effective on June 11, 2025.

Page 20, Line 3

ENACTMENT DATE

This Act was approved by the General Assembly on May 14, 2025 and signed by the Governor on June 11, 2025.

STAFF CONTACTS:

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Senate File 659 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
2	25	6	Add	257.35.19A,19B
2	11	5	Amend	257.35.2
9	15	24	Amend	513C.10.1.a
10	3	27	New	232E.1
11	18	28	New	232E.2
13	33	30	Amend	321.375.3.d
13	13	29	Strike and Replace	280.17
14	11	31	Amend	257.31.5.o
15	28	35	Amend	99D.15.4.b
16	19	37	New	99D.27B
16	9	36	Amend	99D.17
21	44	42	New	34A.12

1 1 DIVISION I
 1 2 APPROPRIATIONS, DISTRIBUTIONS, TRANSFERS, AND EXPENDITURE
 1 3 AUTHORITY

1 4 Section 1. LIMITATIONS OF STANDING APPROPRIATIONS — FY
 1 5 2025-2026. Notwithstanding the standing appropriation in the
 1 6 following designated section for the fiscal year beginning July
 1 7 1, 2025, and ending June 30, 2026, the amount appropriated from
 1 8 the general fund of the state pursuant to that section for the
 1 9 following designated purpose shall not exceed the following
 1 10 amount:

1 11 For payment of claims for nonpublic school pupil
 1 12 transportation under section 285.2:
 1 13 \$ 8,997,091
 1 14 If total approved claims for reimbursement for nonpublic
 1 15 school pupil transportation exceed the amount appropriated in
 1 16 accordance with this section, the department of education shall
 1 17 prorate the amount of each approved claim.

Limits the FY 2026 General Fund appropriation to the Department of Education (DE) for nonpublic school transportation to \$8,997,091. Requires the appropriation to be prorated if total school district claims exceed the appropriation.

DETAIL: This is no change in funding compared to estimated net FY 2025. This also represents a decrease of \$5,008,178 compared to the estimated standing unlimited appropriation of \$14,005,269 based on current law.

1 18 Sec. 2. INSTRUCTIONAL SUPPORT STATE AID — FY 2025-2026. In
 1 19 lieu of the appropriation provided in section 257.20,
 1 20 subsection 2, the appropriation for the fiscal year
 1 21 beginning July 1, 2025, and ending June 30, 2026, for paying
 1 22 instructional support state aid under section 257.20 for the
 1 23 fiscal year is zero.

Suspends the General Fund standing appropriation of \$14,800,000 for the Instructional Support Program for FY 2026.

DETAIL: Although no State funding will be provided for the Instructional Support Program, school districts may use local property tax and income surtax to fund their portion of the Program. In FY 2024, 325 school districts implemented the Program and generated \$271,739,661 in local taxes (\$97,879,349 in income surtax and \$173,860,312 in property taxes). This Program has not been funded by the State since FY 2006.

1 24 Sec. 3. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY
 1 25 2025-2026. For the fiscal year beginning July 1, 2025, and
 1 26 ending June 30, 2026, salary adjustments otherwise provided
 1 27 may be funded as determined by the department of management,
 1 28 subject to any applicable constitutional limitation, using
 1 29 unappropriated moneys remaining in the commerce revolving
 1 30 fund, the gaming enforcement revolving fund, the gaming
 1 31 regulatory revolving fund, the primary road fund, the road
 1 32 use tax fund, the fish and game protection fund, and the Iowa
 1 33 public employees' retirement fund, and in other departmental

Permits salary adjustments to be funded from non-General Fund moneys remaining in various revolving, trust, or special funds for FY 2026 for which the General Assembly has not established an operating budget.

1 34 revolving, trust, or special funds for which the general
1 35 assembly has not made an operating budget appropriation.

2 1 Sec. 4. IOWA ECONOMIC EMERGENCY FUND EXCESS — USE FOR
2 2 FOUNDATION AID. Of the excess moneys transferred to the
2 3 general fund of the state under section 8.55, subsection 2,
2 4 paragraph “b”, for the fiscal year beginning July 1, 2024,
2 5 \$21,881,303 shall be used in lieu of a like amount of other
2 6 general fund moneys to pay foundation aid under chapter 257,
2 7 as described in section 257.16, for the fiscal year beginning
2 8 July 1, 2025. This section is based on the application of
2 9 assessment limitations calculated under section 441.21 due to
2 10 the enactment of 2023 Iowa Acts, chapter 5.

Transfers \$21,881,303 from FY 2025 excess Economic
Emergency Fund moneys to the General Fund to replace an
equal amount of other General Fund moneys to pay FY 2026
State school foundation aid as described in Iowa Code
section [257.16](#).

DETAIL: This is no change in the funding amount compared
to the combined \$8,000,000 FY 2025 transfer from the
Economic Emergency Fund and \$13,881,303 FY 2025
transfer from the Taxpayer Relief Fund to the General Fund
to replace an equal amount of other General Fund moneys
to pay FY 2026 State school foundation aid.

2 11 Sec. 5. Section 257.35, subsection 2, Code 2025, is amended
2 12 to read as follows:

2 13 ~~2.—Notwithstanding the deduction and payment under~~
2 14 ~~subsection 1, the~~ The amounts specified for school districts
2 15 ~~and area education agencies in subsection 1, paragraph “a”~~
2 16 ~~section 257.10, subsection 7,~~ for the fiscal year beginning
2 17 July 1, ~~2024~~ 2025, and each succeeding fiscal year, shall be
2 18 reduced by the department of management by seven million five
2 19 hundred thousand dollars. The department of management shall
2 20 calculate a state aid reduction such that such amounts shall
2 21 be reduced proportionally to the amount that the district or
2 22 ~~agency~~ would otherwise have received under this section if the
2 23 ~~reduction imposed pursuant to this subsection did not apply~~
2 24 ~~257.10, subsection 7.~~

Reduces State aid to school districts by \$7,500,000 for FY 2026
and each succeeding year.

DETAIL: Iowa Code section [257.35](#)(2) includes an annual
statutory deduction of \$7,500,000 to school districts and Area
Education Agencies (AEAs).

2 25 Sec. 6. Section 257.35, Code 2025, is amended by adding the
2 26 following new subsections:

2 27 NEW SUBSECTION 19A. In addition to the state aid reduction
2 28 applicable pursuant to subsection 2, the state aid portion of
2 29 the amounts specified for school districts in section 257.10,
2 30 subsection 7, for the fiscal year beginning July 1, 2025, and
2 31 ending June 30, 2026, shall be reduced by the department of
2 32 management by twenty-five million dollars. The reductions
2 33 for each district shall be prorated based on the proportional
2 34 reduction that the district receives under subsection 2.

CODE: Requires the Department of Management (DOM) to
reduce the General Fund standing unlimited FY 2026 State
school aid funding specified in Iowa Code section 257.35 to
school districts by \$25,000,000. The reductions for each school
district will be prorated based on the proportional amount the
school district would otherwise have received.

DETAIL: In addition to the \$25,000,000 State aid reduction for
FY 2026, the school districts have an annual statutory reduction
of \$7,500,000, as specified in Iowa Code section 257.35(2). The

2 35 NEW SUBSECTION 19B. The director of the department of
 3 1 management may deduct the following from the state aid due to
 3 2 each school district pursuant to this chapter and shall pay the
 3 3 amounts to the respective area education agencies on a monthly
 3 4 basis from September 15 through June 15 during each school year
 3 5 for purposes of providing services to students enrolled in
 3 6 nonpublic schools within the boundaries of the area education
 3 7 agency:
 3 8 a. The amount calculated for media services for the school
 3 9 district that is attributable to the number of students
 3 10 enrolled in nonpublic schools within the school district who
 3 11 are provided with media services by an area education agency.
 3 12 b. The amount calculated for educational services for the
 3 13 school district that is attributable to the number of students
 3 14 enrolled in nonpublic schools within the school district who
 3 15 are provided with educational services by an area education
 3 16 agency.

3 17 DIVISION II
 3 18 CORRECTIVE PROVISIONS

3 19 Sec. 7. Section 29D.4, subsection 2, paragraph b, as enacted
 3 20 by 2025 Iowa Acts, Senate File 619, section 8, is amended to
 3 21 read as follows:
 3 22 b. Moneys in the fund are appropriated to the department to
 3 23 provide loans to eligible entities pursuant to section 29D-9
 3 24 29D.8, and for administration of the program as permitted
 3 25 under the STORM Act. Moneys in the fund shall not be used to
 3 26 provide a loan to a private entity for the acquisition of real
 3 27 property. Moneys in the fund shall not be considered part of
 3 28 the general fund of the state subject to appropriation for any
 3 29 other purpose by the general assembly, and in determining a
 3 30 general fund balance, shall not be included in the general fund
 3 31 of the state subject to section 16.31, insofar as section 16.31
 3 32 complies with the STORM Act.

3 33 Sec. 8. Section 144E.3, Code 2025, as amended by 2025 Iowa
 3 34 Acts, Senate File 233, section 2, if enacted, is amended to
 3 35 read as follows:

State aid reduction to school districts will total \$32,500,000 for FY 2026.

CODE: Permits the DOM to deduct General Fund standing unlimited State school aid funding due each school district for media and education services attributable to the number of pupils enrolled in nonpublic schools within the school district and requires the DOM to pay the amounts to the AEA that provides the services to the pupils, on a monthly basis from September 15 through June 15 during each school year.

FISCAL IMPACT: The reallocation of the funding will have no net impact on General Fund expenditures. However, an estimated total of \$4,959,304 from the General Fund will be reallocated from 275 school districts to AEAs on an annual basis, beginning with FY 2026.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 619](#) (Disaster Recovery Housing Assistance Act), in Section 8 of this Act.

DETAIL: This Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.

Adopts corrective provisions related to 2025 Iowa Acts, [Senate File 233](#) (Terminally Ill Persons, Experimental Treatment Act), in Section 2 of this Act.

4 1 144E.3 MANUFACTURER AND ELIGIBLE FACILITY RIGHTS.

4 2 1. A manufacturer of an investigational drug, biological
 4 3 product, or device or a manufacturer operating within,
 4 4 and in compliance with all requirements applicable to, an
 4 5 eligible facility may make available, and an eligible patient,
 4 6 as applicable under section ~~144E.1~~ 144E.2, subsection 2,
 4 7 paragraph “a” or “b”, may request from a manufacturer of
 4 8 an investigational drug, biological product, or device,
 4 9 or a manufacturer operating within, and in compliance with
 4 10 all requirements applicable to, an eligible facility, the
 4 11 manufacturer’s investigational drug, biological product, or
 4 12 device, or the manufacturer’s individualized investigational
 4 13 treatment under this chapter. This chapter does not require a
 4 14 manufacturer of an investigational drug, biological product,
 4 15 or device, or of an individualized investigational treatment
 4 16 to provide or otherwise make available the investigational
 4 17 drug, biological product, or device, or the individualized
 4 18 investigational treatment to an eligible patient.

4 19 2. An eligible facility, or a manufacturer described
 4 20 in subsection 1, that is in compliance with all applicable
 4 21 requirements, may do any of the following:
 4 22 a. Provide an investigational drug, biological product,
 4 23 or device, or an individualized investigational treatment
 4 24 to an eligible patient, as applicable under section ~~144E.1~~
 4 25 144E.2, subsection 2, paragraph “a” or “b”, without receiving
 4 26 compensation.
 4 27 b. Require an eligible patient, as applicable under section
 4 28 ~~144E.1~~ 144E.2, subsection 2, paragraph “a” or “b”, to pay the
 4 29 costs of, or the costs associated with, the manufacture of the
 4 30 investigational drug, biological product, or device, or the
 4 31 individualized investigational treatment.

4 32 Sec. 9. Section 237.10, subsection 1, paragraph d, if
 4 33 enacted by 2025 Iowa Acts, House File 644, section 3, is
 4 34 amended to read as follows:

4 35 d. (1) The department shall notify an individual licensee,
 5 1 and the parents or guardians of a child, if the department
 5 2 delegates the department’s right to consent to emergency
 5 3 medical care and routine medical care on behalf of the child
 5 4 under section 232.2, subsection 12, paragraph “c”, to the
 5 5 individual licensee.

5 6 (2) The department shall notify the department of

DETAIL: This Act was approved by the General Assembly on April 22, 2025, and signed by the Governor on May 19, 2025.

Adopts corrective provisions related to 2025 Iowa Acts, [House File 644](#) (Foster Parent Consent Act), in Section 3 of this Act.

DETAIL: This Act was approved by the General Assembly on April 24, 2025, and signed by the Governor on June 11, 2025.

5 7 education, an individual licensee, and the parents or guardians
 5 8 of a child if the department delegates the department's right
 5 9 to consent to participation in an individualized education
 5 10 program on behalf of the child under section 232.2, subsection
 5 11 12, paragraph "c", to the individual licensee.

5 12 Sec. 10. Section 237.10, subsection 1, paragraph d, if
 5 13 enacted by 2025 Iowa Acts, House File 644, section 7, is
 5 14 amended to read as follows:

5 15 d. (1) The department shall notify an individual licensee
 5 16 or an approved kinship caregiver, and the parents or guardians
 5 17 of a child, if the department delegates the department's right
 5 18 to consent to emergency medical care and routine medical care
 5 19 on behalf of the child under section 232.2, subsection 12,
 5 20 paragraph "c", to the individual licensee or approved kinship
 5 21 caregiver.

5 22 (2) The department shall notify the department of
 5 23 education, an individual licensee or an approved kinship
 5 24 caregiver, and the parents or guardians of a child, if the
 5 25 department delegates the department's right to consent to
 5 26 participation in an individualized education program on behalf
 5 27 of the child under section 232.2, subsection 12, paragraph "c",
 5 28 to the individual licensee or approved kinship caregiver.

5 29 Sec. 11. Section 256.9, subsection 69, as enacted by 2025
 5 30 Iowa Acts, House File 782, section 1, is amended to read as
 5 31 follows:

5 32 69. On or before May 1, 2025, develop and distribute
 5 33 to school districts, accredited nonpublic schools, charter
 5 34 schools, and innovation zone schools model policies that,
 5 35 if adopted, would satisfy ~~the a school district's, charter~~
 6 1 ~~school's, or innovation zone school's~~ responsibilities under
 6 2 section 279.87 relating to policies governing student use of
 6 3 personal electronic devices.

6 4 Sec. 12. Section 280.36, subsection 1, as enacted by 2025
 6 5 Iowa Acts, Senate File 583, section 4, is amended to read as
 6 6 follows:

6 7 1. The board of directors of each school district and the
 6 8 authorities in charge of each accredited nonpublic school may
 6 9 establish a multidisciplinary school safety assessment team.
 6 10 If established, the multidisciplinary school safety assessment

Adopts corrective provisions related to 2025 Iowa Acts,
[House File 644](#) (Foster Parent Consent Act), in Section 7 of
 this Act.

DETAIL: This Act was approved by the General Assembly on
 April 24, 2025, and signed by the Governor on June 11,
 2025.

Adopts corrective provisions related to 2025 Iowa Acts,
[House File 782](#) (Electronic Devices in Schools Act), in
 Section 1 of this Act.

DETAIL: This Act was approved by the General Assembly on
 April 8, 2025, and signed by the Governor on April 30, 2025.

Adopts corrective provisions related to 2025 Iowa Acts,
[Senate File 583](#) (School Districts, Threat Assessment Teams
 and Information Sharing Act), in Section 4 of this Act.

DETAIL: This Act was approved by the General Assembly on
 April 21, 2025, and signed by the Governor on May 6, 2025.

6 11 team shall coordinate resources and assess and intervene
 6 12 when a student enrolled in the school district or accredited
 6 13 nonpublic school exhibits behavior that may pose a threat to
 6 14 the safety of the school district or accredited nonpublic
 6 15 school, employees of the school district or accredited
 6 16 nonpublic school, or other ~~student~~ students enrolled in the
 6 17 school district or accredited nonpublic school.

6 18 Sec. 13. Section 299.1D, subsection 1, paragraph f, if
 6 19 enacted by 2025 Iowa Acts, House File 870, section 2, is
 6 20 amended to read as follows:

6 21 f. The school district or accredited nonpublic school
 6 22 must not expend any moneys related to the course in religious
 6 23 instruction, not including de minimis administrative costs
 6 24 associated with processing notifications received under
 6 25 ~~subsection 4~~ paragraph "a" and tracking the child's attendance
 6 26 to ensure compliance with this section.

6 27 Sec. 14. Section 404A.3, subsection 3, paragraph b,
 6 28 subparagraph (5), subparagraph division (c), if enacted by 2025
 6 29 Iowa Acts, House File 975, section 19, is amended to read as
 6 30 follows:

6 31 (c) Upon application of the eligible taxpayer made prior
 6 32 to the expiration of an extension under subparagraph division
 6 33 (b), the authority may, at the discretion of the authority,
 6 34 extend the date by which the qualified rehabilitation project
 6 35 must be complete up to an additional twelve consecutive months.
 7 1 The qualified eligible taxpayer must substantiate to the
 7 2 satisfaction of the authority that the requested extension is
 7 3 warranted due to extenuating circumstances outside the control
 7 4 of the eligible taxpayer.

7 5 Sec. 15. Section 510B.8E, subsection 3, unnumbered
 7 6 paragraph 1, if enacted by 2025 Iowa Acts, Senate File 383,
 7 7 section 7, is amended to read as follows:

7 8 The pharmacy benefits ~~manger~~ manager shall respond to an
 7 9 appeal within seven business days after the date on which the
 7 10 pharmacy benefits manager receives the appeal.

7 11 Sec. 16. Section 514F.8, subsection 1A, paragraph c,
 7 12 subparagraph (8), if enacted by 2025 Iowa Acts, House File 303,

Adopts corrective provisions related to 2025 Iowa Acts,
[House File 870](#) (Public School Students, Excusal for
 Religious Instruction Act), in Section 2 of this Act.

DETAIL: This Act was approved by the General Assembly on
 April 15, 2025, and signed by the Governor on June 6, 2025.

Adopts corrective provisions related to 2025 Iowa Acts,
[House File 975](#) (Economic Development Authority and
 Finance Authority, Programs and Duties Act), in Section 19
 of this Act.

DETAIL: This Act was approved by the General Assembly on
 May 12, 2025, and signed by the Governor on June 6, 2025.

Adopts corrective provisions related to 2025 Iowa Acts,
[Senate File 383](#) (Regulation of Pharmacy Benefit Managers
 Act), in Section 7 of this Act.

DETAIL: This Act was approved by the General Assembly on
 May 12, 2025, and signed by the Governor on June 11,
 2025.

Adopts corrective provisions related to 2025 Iowa Acts,
[House File 303](#) (Prior Authorizations and Exemptions Act), in

<p>7 13 section 1, is amended to read as follows: 7 14 (8) The average and median time that elapsed between the 7 15 submission of a nonurgent prior authorization request and a 7 16 determination by the utilization review organization for the 7 17 urgent nonurgent prior authorization request, aggregated for 7 18 all health care services or items.</p>	<p>Section 1 of this Act.</p> <p>DETAIL: This Act was approved by the General Assembly on April 22, 2025, and signed by the Governor on May 27, 2025.</p>
<p>7 19 Sec. 17. Section 522F.4, subsection 2, as enacted by 2025 7 20 Iowa Acts, Senate File 619, section 59, is amended to read as 7 21 follows: 7 22 2.—Any <u>The fee for a criminal history check shall be</u> 7 23 <u>the same as any</u> applicable fee for a criminal history check 7 24 pursuant to section 522B.5A.</p>	<p>Adopts corrective provisions related to 2025 Iowa Acts, Senate File 619 (Disaster Recovery Housing Assistance Act), in Section 59 of this Act.</p> <p>DETAIL: This Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.</p>
<p>7 25 Sec. 18. Section 522F.9, subsection 2, as enacted by 2025 7 26 Iowa Acts, Senate File 619, section 64, is amended to read as 7 27 follows: 7 28 2.—Any <u>The fee for a criminal history check shall be</u> 7 29 <u>the same as any</u> applicable fee for a criminal history check 7 30 pursuant to section 522B.5A.</p>	<p>Adopts corrective provisions related to 2025 Iowa Acts, Senate File 619 (Disaster Recovery Housing Assistance Act), in Section 64 of this Act.</p> <p>DETAIL: This Act was approved by the General Assembly on April 17, 2025, and signed by the Governor on April 22, 2025.</p>
<p>7 31 Sec. 19. CODE EDITOR DIRECTIVE. 2025 Iowa Acts, Senate File 7 32 619, section 29, amends section 515.137A, subsections 3, 4, and 7 33 5, Code 2025, by striking the subsections and inserting in lieu 7 34 thereof new subsections 3, 4, and 5, and, notwithstanding the 7 35 Acts section lead-in, adds new subsections 6, 7, 8, 9, and 10. 8 1 The Code editor is directed to codify 2025 Iowa Acts, Senate 8 2 File 619, section 29, by striking section 515.137A, subsections 8 3 3, 4, and 5, Code 2025, and inserting in lieu thereof new 8 4 subsections 3, 4, and 5, and then by amending section 515.137A, 8 5 Code 2025, by adding new subsections 6, 7, 8, 9, and 10.</p>	<p>Directs the Iowa Code Editor to make changes to the Iowa Code to correspond with changes made by this Act.</p>
<p>8 6 Sec. 20. EFFECTIVE DATE. The following, being deemed of 8 7 immediate importance, takes effect upon enactment: 8 8 The section of this division of this Act amending section 8 9 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File 8 10 782, section 1.</p>	<p>Specifies that Section 11 of this Act, which adopts corrective provisions to Iowa Acts, House File 782 (Electronic Devices in Schools Act), in Section 1, is effective on April 30, 2025.</p> <p>DETAIL: This Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on April 30, 2025.</p>

8 11 Sec. 21. RETROACTIVE APPLICABILITY. The following applies
 8 12 retroactively to April 30, 2025:
 8 13 The section of this division of this Act amending section
 8 14 256.9, subsection 69, as enacted by 2025 Iowa Acts, House File
 8 15 782, section 1.

Specifies that Section 11 of this Act, which adopts corrective provisions to Iowa Acts, [House File 782](#) (Electronic Devices in Schools Act), in Section 1, is applicable retroactively to April 30, 2025, the effective date of House File 782.

DETAIL: This Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on April 30, 2025.

8 16 DIVISION III
 8 17 CRYSTALLINE POLYMORPH PSILOCYBIN

8 18 Sec. 22. Section 124.201, subsection 5, if enacted by 2025
 8 19 Iowa Acts, House File 383, section 1, is amended to read as
 8 20 follows:
 8 21 5. a. Notwithstanding section 124.204, subsection 4, a drug
 8 22 that contains the pharmaceutical composition of crystalline
 8 23 polymorph psilocybin, ~~also known as COMP 360, or any other~~
 8 24 ~~trade name approved by the United States food and drug~~
 8 25 ~~administration,~~ shall be immediately removed from schedule I
 8 26 under section 124.204, subsection 4, paragraph "s", upon its
 8 27 approval by the United States food and drug administration and
 8 28 rescheduled based upon the recommendations of the United States
 8 29 food and drug administration and its listing in the federal
 8 30 Controlled Substances Act, 21 U.S.C.§812, and 21 C.F.R.
 8 31 §1308.14.

CODE: Removes references to a trade name in [House File 383](#) (Controlled Substances, Psilocybin Bill).

DETAIL: The Bill was approved by the General Assembly on April 16, 2025. The Governor vetoed House File 383 on June 11, 2025.

8 32 b. Immediately upon the rescheduling of the drug under
 8 33 paragraph "a", it shall be lawful to prescribe, distribute, and
 8 34 market the pharmaceutical composition of crystalline polymorph
 8 35 psilocybin, ~~also known as COMP 360, or any other trade name~~
 9 1 ~~approved by the United States food and drug administration.~~

9 2 DIVISION IV
 9 3 MEDICAL RESIDENCY AND FELLOWSHIP POSITIONS — RESIDENTS OF IOWA

9 4 Sec. 23. Section 262.9, subsection 39, paragraph e,
 9 5 subparagraph (2), if enacted by 2025 Iowa Acts, House File 516,
 9 6 section 1, is amended to read as follows:
 9 7 (2) An individual who has lived in Iowa for at least four
 9 8 consecutive years immediately preceding the date the individual
 9 9 ~~applies for admission to begins classes at~~ the college of
 9 10 medicine in the doctor of medicine program or the college of

CODE: Changes the definition of "resident of Iowa" related to [HF 516](#) (Residency Enrollment Requirements, Medical and Dental Schools Act).

DETAIL: Changes the definition of "resident of Iowa" from an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual applies

9 11 dentistry at the state university of Iowa, or ~~for~~ begins a
 9 12 residency at the university of Iowa hospitals and clinics.

for admission to the College of Medicine in the Doctor of Medicine Program or the College of Dentistry at the University of Iowa (UI) to an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual begins classes at the College of Medicine in the Doctor of Medicine program or the College of Dentistry at UI.

Changes the definition of "resident of Iowa" from an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual applies for residency at the UI Hospitals and Clinics to an individual who has lived in Iowa for at least four consecutive years immediately preceding the date the individual begins a residency at the UI Hospitals and Clinics.

NOTE: This Act was approved by the General Assembly on April 22, 2025, and signed by the Governor on June 11, 2025.

9 13 DIVISION V
 9 14 STATE MEMBERSHIP — REINSURANCE ASSOCIATION

9 15 Sec. 24. Section 513C.10, subsection 1, paragraph a, Code
 9 16 2025, is amended to read as follows:

9 17 a. All persons that provide health benefit plans in this
 9 18 state including insurers providing accident and sickness
 9 19 insurance under chapter 509, 514, or 514A, whether on an
 9 20 individual or group basis; fraternal benefit societies
 9 21 providing hospital, medical, or nursing benefits under chapter
 9 22 512B; and health maintenance organizations, other entities
 9 23 providing health insurance or health benefits subject to state
 9 24 insurance regulation, and all other insurers as designated
 9 25 by the board of directors of the Iowa comprehensive health
 9 26 insurance association with the approval of the commissioner
 9 27 shall be members of the association. However, the state,
 9 28 including a department, an independent agency, the state board
 9 29 of regents, and an institution under the control of the state
 9 30 board of regents, shall not be a member of the association.

CODE: Prohibits the State, including departments, independent agencies, the State Board of Regents, and institutions under the control of the State Board of Regents, from becoming a member of a health benefit reinsurance association.

<p>9 31 Sec. 25. EFFECTIVE DATE. This division of this Act, being 9 32 deemed of immediate importance, takes effect upon enactment.</p>	<p>Specifies that Division V of this Act related to health benefit reinsurance association membership is effective on June 11, 2025.</p>
<p>9 33 Sec. 26. RETROACTIVE APPLICABILITY. This division of this 9 34 Act applies retroactively to January 1, 2020.</p>	<p>Specifies that Division V of this Act related to health benefit reinsurance association membership is retroactively applicable to January 1, 2020.</p>
<p>9 35 DIVISION VI 10 1 STUDENT ABUSE INVOLVING A SCHOOL EMPLOYEE — DEPARTMENT OF 10 2 HEALTH AND HUMAN SERVICES INVESTIGATIONS</p>	
<p>10 3 Sec. 27. NEW SECTION 232E.1 DEFINITIONS. 10 4 As used in this chapter, unless the context otherwise 10 5 requires: 10 6 1. "Board of educational examiners" means the board created 10 7 in section 256.146. 10 8 2. "Department" means the department of health and human 10 9 services. 10 10 3. "Investigation" means the process by which the department 10 11 responds to all accepted reports of alleged student abuse. 10 12 4. "Nonpublic school" means the same as defined in section 10 13 280.2. 10 14 5. "Public school" means the same as defined in section 10 15 280.2. 10 16 6. "Public school district" means a public school district 10 17 as described in chapter 274, and includes a charter school 10 18 under chapter 256E, or a charter school or an innovation zone 10 19 school under chapter 256F. 10 20 7. "School employee" means any of the following: 10 21 a. A person employed by a public school or a nonpublic 10 22 school. 10 23 b. A vendor, or an employee of a vendor, that provides goods 10 24 or services to a public school or a nonpublic school. 10 25 c. An agent, or an employee of an agent, of a public school 10 26 or a nonpublic school. 10 27 d. A volunteer under the direction and control of any of the 10 28 following: 10 29 (1) The board of directors or any administrator of a public 10 30 school district.</p>	<p>CODE: Provides definitions related to abuse of students by a school employee.</p>

10 31 (2) The board or authorities in control of a nonpublic
 10 32 school.

10 33 (3) The board of directors or administrator of an agency
 10 34 called upon by a school official to provide services to
 10 35 students in an educational capacity.

11 1 8. "Student" means a person enrolled in a public school,
 11 2 a nonpublic school, or a prekindergarten program in a public
 11 3 school or a nonpublic school.

11 4 9. "Student abuse" means any of the following which occur on
 11 5 school grounds during school time, or on or at a school-related
 11 6 curricular or extracurricular activity:

11 7 a. Any nonaccidental physical injury, or an injury which
 11 8 does not match the history provided for how the injury
 11 9 occurred, suffered by a student as the result of an act or
 11 10 omission of a school employee, that is not otherwise excluded
 11 11 by section 280.21, subsection 2.

11 12 b. The commission of a sexual offense under chapter 709,
 11 13 section 726.2, or section 728.12, subsection 1, with or to a
 11 14 student as a result of an act or omission of a school employee.

11 15 c. An act or omission of a school employee which allows,
 11 16 permits, or encourages a student to engage in an act prohibited
 11 17 under section 725.1.

11 18 Sec. 28. NEW SECTION 232E.2 INVESTIGATION OF ALLEGED
 11 19 STUDENT ABUSE BY SCHOOL EMPLOYEES — RULES.

11 20 1. The department shall administer this chapter to provide
 11 21 for the investigation of reports of alleged student abuse by
 11 22 school employees as specified in this chapter.

11 23 2. a. If, during the child abuse intake process under
 11 24 chapter 232, subchapter III, part 2, the department receives
 11 25 a report from an identifiable source and the department
 11 26 determines the report constitutes an allegation of student
 11 27 abuse involving a school employee, the department shall notify
 11 28 the board of directors of the public school district or the
 11 29 authorities in charge of the nonpublic school associated with
 11 30 the school employee, and the board of educational examiners, of

CODE: Requires the Department of Health and Human Services (HHS) to administer and provide for the investigation of reports of alleged student abuse by school employees.

FISCAL IMPACT: Requiring HHS to administer and provide for the investigation of reports of alleged student abuse by school employees will increase costs to HHS by approximately \$755,000 in FY 2026 and approximately \$656,000 in FY 2027 as detailed in the [Fiscal Note](#) for [HF 389](#) (Child Abuse at Schools, Investigating Authority Bill).

CODE: Requires the HHS to notify the board of directors of a public school district (board), or the authority in charge of a nonpublic school (authority), and the Board of Educational Examiners (BOEE) if, during a child abuse intake, the HHS receives a report from an identifiable source and the HHS determines the report constitutes an allegation of student abuse involving a school employee.

11 31 the determination.

11 32 b. Upon notification under paragraph “a”, the board of
 11 33 directors of the public school district or the authorities in
 11 34 charge of the nonpublic school shall place the school employee
 11 35 on administrative leave and shall prohibit the school employee
 12 1 from entering school property until the investigation is
 12 2 completed.

CODE: Requires each board and authority to place an employee on administrative leave and prohibit the employee from entering school property if the employee is the subject of an ongoing student abuse investigation.

12 3 3. If the department determines the alleged student abuse
 12 4 constitutes a criminal act, the department shall do all of the
 12 5 following:

12 6 a. Immediately refer the matter to, and jointly investigate
 12 7 the matter with, the appropriate law enforcement agency.

12 8 b. Notify the board of directors of the public school
 12 9 district, or the authorities in charge of the nonpublic school,
 12 10 associated with the school employee of the referral under
 12 11 paragraph “a”.

12 12 c. If the school employee is licensed, certified, or
 12 13 authorized by the board of educational examiners, or holds
 12 14 an active statement of recognition issued by the board of
 12 15 educational examiners, notify the board of educational
 12 16 examiners of the referral under paragraph “a”.

CODE: Requires the HHS to refer the matter to, and cooperate with, the appropriate law enforcement agency; notify the board or authority; and notify the BOEE if the school employee is licensed, certified, or authorized by the BOEE, or holds an active statement of recognition issued by the BOEE, if the HHS determines the alleged student abuse constitutes a criminal act.

12 17 4. Following receipt of a report of alleged student abuse,
 12 18 the department shall do all of the following:

12 19 a. Commence an investigation within twenty-four hours of
 12 20 receipt of the report.

12 21 b. Complete the investigation within thirty business days of
 12 22 receipt of the report.

CODE: Requires the HHS to commence an investigation within 24 hours, and complete the investigation within 30 business days, of receiving a report of alleged student abuse.

12 23 5. Upon completion of an investigation, the department
 12 24 shall submit a written investigation report to all of the
 12 25 following:

12 26 a. The board of directors of the public school district, or
 12 27 the authorities in charge of the nonpublic school, associated
 12 28 with the school employee subject to the investigation.

12 29 b. The board of educational examiners if the school
 12 30 employee subject to the investigation is licensed, certified,
 12 31 or authorized by the board of educational examiners, or holds
 12 32 an active statement of recognition issued by the board of
 12 33 educational examiners.

CODE: Requires the HHS to submit a written investigation report to the board or authority, and the BOEE if the school employee subject to the investigation is licensed, certified, or authorized by the BOEE, or holds an active statement of recognition issued by the BOEE, upon completion of an investigation.

12 34 6. The department shall adopt rules pursuant to chapter
 12 35 17A, in consultation with the department of education, to
 13 1 administer this chapter. Rules adopted by the department shall
 13 2 include rules regarding the intake and investigation processes,
 13 3 investigation reports, case and investigation record retention
 13 4 and dissemination, and case disposition.

CODE: Requires the HHS to adopt administrative rules, in consultation with the DE, regarding the intake and investigation processes, investigation reports, case and investigation record retention and dissemination, and case disposition.

13 5 7. The department shall maintain information and data
 13 6 regarding student abuse reports, investigations, and
 13 7 dispositions under this chapter separately from information
 13 8 and data regarding child abuse reports, assessments, and
 13 9 dispositions under chapter 232.

CODE: Requires the HHS to maintain information and data regarding student abuse reports, investigations, and dispositions separately from information and data regarding child abuse reports, assessments, and dispositions under Iowa Code chapter [232](#).

13 10 DIVISION VII
 13 11 STUDENT ABUSE INVOLVING A SCHOOL EMPLOYEE — DEPARTMENT OF
 13 12 EDUCATION

13 13 Sec. 29. Section 280.17, Code 2025, is amended by striking
 13 14 the section and inserting in lieu thereof the following:
 13 15 280.17 STUDENT ABUSE INVESTIGATIONS — TERMINATION OF
 13 16 EMPLOYMENT.

CODE: Requires a school district or nonpublic school to cooperate with the HHS during an investigation of student abuse involving a school employee.

13 17 1. The board of directors of a public school district and
 13 18 the authorities in charge of a nonpublic school shall comply
 13 19 with chapter 232E, and shall cooperate with the department of
 13 20 health and human services during an investigation commenced
 13 21 under chapter 232E.

13 22 2. The board of directors of a public school or the
 13 23 authorities in charge of a nonpublic school shall terminate the
 13 24 employment of a school employee if the board of directors or
 13 25 authorities in charge receive a written investigation report
 13 26 under section 232E.2, subsection 5, indicating the department
 13 27 of health and human services has determined the school employee
 13 28 committed student abuse.

CODE: Requires a school district or nonpublic school to terminate the employment of a school employee if an HHS investigation report indicates the school employee committed student abuse.

13 29 3. The department of education, in consultation with the
 13 30 department of health and human services, shall adopt rules
 13 31 pursuant to chapter 17A, and a model policy, for the handling
 13 32 of investigations pursuant to chapter 232E.

CODE: Requires the DE, in consultation with the HHS, to adopt administrative rules and a model policy for handling investigations.

13 33 Sec. 30. Section 321.375, subsection 3, paragraph d, Code
13 34 2025, is amended to read as follows:

13 35 d. The commission of or conviction for a public offense as
14 1 defined by the Iowa criminal code, if the offense is relevant
14 2 to and affects driving ability, or if the offense includes
14 3 sexual involvement with a minor student with the intent to
14 4 commit acts and practices proscribed under sections 709.2
14 5 through 709.4, section 709.8, and sections 725.1 through 725.3,
14 6 ~~or is a violation of the rules of the department of education~~
14 7 ~~adopted to implement section 280.17~~ student abuse as defined
14 8 in section 232E.1.

14 9 DIVISION VIII
14 10 SCHOOL BUDGETS — MODIFIED SUPPLEMENTAL AMOUNTS

14 11 Sec. 31. Section 257.31, subsection 5, paragraph o, Code
14 12 2025, is amended to read as follows:

14 13 o. (1) The percentage of students enrolled in the school
14 14 district as the result of open enrollment under section
14 15 282.18 is equal to or greater than forty-five percent of the
14 16 total number of students enrolled in the school district.
14 17 The committee shall not approve supplemental aid or a
14 18 modified supplemental amount that exceeds an amount equal
14 19 to fifty percent of the product of the net change in the
14 20 school district's expected enrollment due to open enrollment
14 21 multiplied by the sum of the following amounts:

14 22 (a) The difference between the district's regular program
14 23 district cost per pupil minus the regular program state cost
14 24 per pupil.

14 25 ~~—(b) The teacher salary supplement district cost per pupil.~~

14 26 ~~—(e) (b) The professional development supplement district~~
14 27 ~~cost per pupil.~~

14 28 ~~—(d) (c) The early intervention supplement district cost per~~
14 29 ~~pupil.~~

14 30 (2) Prior to filing a request for supplemental aid or a
14 31 modified supplemental amount based on the grounds specified
14 32 in this paragraph, the board of directors shall hold a public
14 33 hearing on the issue and shall publish the notice of the time
14 34 and place of the public hearing. Notice of the time and place
14 35 of the public hearing shall be published not less than ten nor
15 1 more than twenty days before the public hearing in a newspaper

CODE: Corrects a reference to student abuse as defined in this Act.

CODE: Reduces the amount of a modified supplemental amount (MSA) that could be granted by 50.00% of the net change in the teacher salary supplement district cost per pupil resulting from open enrollment, extends the School Budget Review Committee's (SBRC's) authority to grant a school district an MSA related to open enrollment for fiscal years beyond FY 2025, and makes conforming changes.

FISCAL IMPACT: Extending the authority of the SBRC to grant school districts an MSA related to open enrollment beyond FY 2025 will have an unknown fiscal impact on property taxes since it is unknown whether a school district would reduce a levy to allow for an increased levy related to an MSA.

15 2 that is a newspaper of general circulation in the school
 15 3 district.
 15 4 (3) A school district is not eligible for supplemental aid
 15 5 or a modified supplemental amount under this paragraph if a
 15 6 majority of the students enrolled in the school district as
 15 7 the result of open enrollment are students receiving online
 15 8 instruction from a private provider under section 256.43,
 15 9 subsection 2.
 15 10 ~~(4) A school district is only eligible for supplemental~~
 15 11 ~~aid or a modified supplemental amount under this paragraph for~~
 15 12 ~~the budget year beginning July 1, 2024. If a school district is~~
 15 13 ~~granted a modified supplemental amount under this paragraph for~~
 15 14 ~~a budget year beginning on or after July 1, 2025, the school~~
 15 15 ~~district's combined property tax rate per one thousand dollars~~
 15 16 ~~for all school district levies for the succeeding budget year~~
 15 17 ~~shall not exceed the combined property tax rate for all such~~
 15 18 ~~levies for the budget year for which the modified supplemental~~
 15 19 ~~amount was granted.~~

15 20 Sec. 32. REPEAL. 2024 Iowa Acts, chapter 1152, section 45,
 15 21 is repealed.

CODE: Repeals 2024 Iowa Acts (FY 2025 Education Appropriations Act), chapter [1152](#), section 45, School Budget Review Committee Modified Supplemental Amount.

15 22 Sec. 33. EFFECTIVE DATE. This division of this Act, being
 15 23 deemed of immediate importance, takes effect upon enactment.

Specifies that Division III of this Act related to school budget MSAs is effective on June 11, 2025.

15 24 Sec. 34. APPLICABILITY. This division of this Act applies
 15 25 to school budget years beginning on or after July 1, 2025.

Specifies that Division III of this Act related to school budget MSAs is applicable retroactively to school budget years beginning on or after July 1, 2025.

15 26 DIVISION IX
 15 27 WAGERING TAXES

15 28 Sec. 35. Section 99D.15, subsection 4, paragraph b, Code
 15 29 2025, is amended to read as follows:

15 30 b. If wagering on simultaneously telecast horse races and
 15 31 dog races is conducted by a licensee under section 99D.9D,
 15 32 a tax of two percent is imposed on the gross sum wagered by
 15 33 the pari-mutuel method on horse races and dog races which
 15 34 are simultaneously telecast in excess of twenty-five million
 15 35 dollars in a calendar year. ~~Of the tax revenue collected~~

CODE: Redirects the tax imposed on the gross sum wagered in excess of \$25,000,000 in a year on horse races that are simultaneously telecast by a licensee under Iowa Code section [99D.9D](#) to the Iowa Horse Racing Fund created in Section 37 of this Act.

DETAIL: Currently, these taxes are split between the city and county in which the racetrack is located and State funds as

16 1 ~~from simulcast horse races under this paragraph, one-half of~~
 16 2 ~~one percent of the gross sum wagered shall be remitted to~~
 16 3 ~~the treasurer of the county in which a horse racetrack is~~
 16 4 ~~located in this state and licensed under this chapter. The~~
 16 5 ~~tax revenue from simulcast horse races under this paragraph~~
 16 6 ~~shall be deposited in the Iowa horse racing fund created in~~
 16 7 ~~section 99D.27B. The remaining amount of tax revenue shall be~~
 16 8 ~~deposited with the commission.~~

described in Iowa Code section [8.57\(3\)](#). To date, the State has not collected any taxes under Iowa Code section [99D.15\(4\)\(b\)](#), as the annual wagers on simultaneous telecasting conducted by the licensee have been less than \$25,000,000.

16 9 Sec. 36. Section 99D.17, Code 2025, is amended to read as
 16 10 follows:
 16 11 99D.17 USE OF ~~FUNDS~~ MONEYS .
 16 12 ~~—Funds Unless otherwise provided by section 99D.15 or another~~
 16 13 ~~provision of law, moneys~~ received pursuant to sections 99D.14
 16 14 and 99D.15 shall be deposited as provided in section 8.57,
 16 15 subsection 3. These ~~funds~~ moneys shall first be used to the
 16 16 extent appropriated by the general assembly. The commission
 16 17 is subject to the budget requirements of chapter 8 and the
 16 18 applicable auditing requirements and procedures of chapter 11.

CODE: Conforming change.

16 19 Sec. 37. NEW SECTION 99D.27B IOWA HORSE RACING FUND —
 16 20 ADVANCE DEPOSIT WAGERING TAX.

16 21 1. An Iowa horse racing fund is created in the state
 16 22 treasury under the control of the commission.
 16 23 2. The fund shall consist of tax revenue collected and
 16 24 deposited in the fund pursuant to subsection 6 and section
 16 25 99D.15, subsection 4, and such other moneys appropriated to,
 16 26 transferred to, or deposited in the fund.
 16 27 3. a. Moneys in the fund are appropriated to the commission
 16 28 for distribution in a manner and in an amount as determined by
 16 29 the commission to individual entities or a recognized compact
 16 30 of entities tasked with the regulation of the horse racing
 16 31 industry in accordance with the federal Horseracing Integrity
 16 32 and Safety Act of 2020, 15 U.S.C.ch.57A.
 16 33 b. In the event that the federal Horseracing Integrity
 16 34 and Safety Act of 2020, 15 U.S.C.ch.57A, is repealed,
 16 35 moneys in the fund shall be transferred to the rebuild Iowa
 17 1 infrastructure fund created in section 8.57.
 17 2 4. Members of the commission and those acting on behalf of
 17 3 the commission assisting in the distribution of the moneys in
 17 4 the fund shall be held harmless against any claim of liability
 17 5 made by an individual or entity arising out of the distribution

CODE: Establishes an Iowa Horse Racing Fund to be used by the Iowa Racing and Gaming Commission (IRGC) for distribution to entities tasked with federal horse racing regulations, and creates a 2.0% tax on the gross sum wagered by the pari-mutuel method as an advance deposit wager under Iowa Code section [99D.11\(6\)\(c\)](#) in lieu of the tax imposed on the same wagers under Iowa Code section 99D.15. This tax revenue is deposited into the Iowa Horse Racing Fund.

DETAIL: In accordance with Iowa Code section [99D.11\(6\)](#), the IRGC issues advance deposit wagering operator licenses to entities. Advance deposit wagering allows an individual to establish an account, deposit money into the account, and use the account balance to pay for pari-mutuel wagering. Advance deposit wagers may be conducted in person at a licensed racetrack enclosure or from any other location via other electronic means. There are currently four advance deposit wagering operators licensed in the State. These wagers are currently subject to Iowa Code section [99D.15\(4\)\(a\)](#), which imposes a 2.0% tax on the gross sum wagered on horse races and dog races that are simultaneously telecast if wagering is not conducted by a licensee under Iowa Code section

17 6 of the moneys from the fund by the commission.
 17 7 5. Section 8.33 does not apply to moneys in the fund.
 17 8 Notwithstanding section 12C.7, subsection 2, interest or
 17 9 earnings on moneys deposited in the fund shall be credited to
 17 10 the fund.
 17 11 6. A tax of two percent is imposed on the gross sum wagered
 17 12 by the pari-mutuel method as an advance deposit wager under
 17 13 section 99D.11, subsection 6, paragraph "c". The tax imposed
 17 14 under this subsection is in lieu of any tax imposed on such
 17 15 wagers under section 99D.15. The tax revenue generated under
 17 16 this subsection shall be deposited in the fund.

[99D.9D](#). These wagers are deposited with the State through the gambling tax distributions in Iowa Code section [8.57\(3\)](#).

FISCAL IMPACT: In calendar year (CY) 2024, approximately \$521,000 was collected in taxes from simultaneous telecasting not conducted by an in-state licensee that was subject to the distributions under Iowa Code section 8.57(3). Of this \$521,000, \$455,000 was collected from licensed advance deposit wagering operators. For FY 2026 and after, the estimated deposit to the Iowa Horse Racing Fund is \$455,000 and the estimated corresponding decrease to the Rebuild Iowa Infrastructure Fund is \$455,000 due to the change in tax deposit location for advance deposit wagering on simulcast racing.

17 17 DIVISION X
 17 18 STATE FIRE MARSHAL STUDY

17 19 Sec. 38. STATE FIRE MARSHAL — COUNTYWIDE FIRE PROTECTION
 17 20 SERVICES STUDY.

17 21 1. The state fire marshal shall conduct a study of fire
 17 22 protection services in this state to analyze whether a
 17 23 structure of countywide fire protection services would maximize
 17 24 fire protection coverage and emergency response times. The
 17 25 study shall be conducted in consultation with representatives
 17 26 from the following stakeholders:

17 27 a. The department of homeland security and emergency
 17 28 management.

17 29 b. The Iowa association of professional fire chiefs.

17 30 c. The Iowa fire chiefs' association.

17 31 d. The Iowa firefighters association.

17 32 e. The Iowa professional fire fighters.

17 33 f. The Iowa emergency management association.

17 34 g. At least one attorney licensed to practice law in this
 17 35 state with experience representing entities associated with
 18 1 fire protection services.

18 2 h. At least one representative from a city having a
 18 3 population of thirty-seven thousand or more as determined by
 18 4 the 2020 federal decennial census.

18 5 i. At least one representative from a city having a
 18 6 population of less than five thousand as determined by the 2020
 18 7 federal decennial census.

18 8 j. At least one representative from a county having a

Requires the State Fire Marshal to conduct a study of the fire protection services in the State to analyze whether a structure of countywide fire protection services would maximize fire protection coverage and emergency response times. Stakeholders that are required to be consulted for the study are detailed in this Act.

18 9 population of ninety thousand or more as determined by the 2020
 18 10 federal decennial census.
 18 11 k. Four members of the general assembly serving as
 18 12 ex officio, nonvoting members, one representative to be
 18 13 appointed by the speaker of the house of representatives, one
 18 14 representative to be appointed by the minority leader of the
 18 15 house of representatives, one senator to be appointed by the
 18 16 president of the senate after consultation with the majority
 18 17 leader of the senate, and one senator to be appointed by the
 18 18 minority leader of the senate.

18 19 2. The countywide fire protection services study shall
 18 20 include all of the following:
 18 21 a. A cost analysis for upfront and ongoing costs to provide
 18 22 consolidated countywide fire protection services systems. The
 18 23 analysis and recommendations shall include proposed funding
 18 24 mechanisms and potential consolidated funding resources that
 18 25 comply with local, state, and federal law. The analysis shall
 18 26 also include the potential effects countywide fire protection
 18 27 services could have on local authority expenditures and
 18 28 budgets.
 18 29 b. An analysis of current fire protection coverage
 18 30 including current response times and recommendations for
 18 31 placement of service stations to maximize fire protection
 18 32 coverage and emergency response times in the most efficient and
 18 33 cost-effective manner.
 18 34 c. An analysis of current and future staffing needs
 18 35 including a proposed employment structure for countywide
 19 1 fire protection services that focuses on adequate employee
 19 2 pay and volunteer staffing, including benefits, stipends, or
 19 3 other compensation allowed in accordance with local, state, or
 19 4 federal law.
 19 5 d. An analysis of current fire protection services
 19 6 equipment and future fire protection services equipment needs
 19 7 including proposed placement of fire protection services
 19 8 equipment in service stations to maximize fire protection
 19 9 coverage and emergency response times.
 19 10 e. An analysis of current communication and dispatch
 19 11 challenges including proposed recommendations for more
 19 12 efficient and effective communications.
 19 13 f. An analysis of the need for city and township fire
 19 14 protection services in relation to the implementation of a

Requires the countywide fire protection services study to include the following:

- A cost analysis for up-front and ongoing costs to provide consolidated countywide fire protection services systems, including proposed funding mechanisms and potential consolidated funding resources that are in compliance with local, State, and federal law. The analysis is also required to include the potential effects countywide fire protection services could have on local authority expenditures and budgets.
- An analysis of current fire protection coverage, including current response times and recommendations for placement of service stations to maximize fire protection coverage and emergency response times in the most efficient and cost-effective manner.
- An analysis of current and future staffing needs, including a proposed employment structure for countywide fire protection services as detailed in this Act.
- An analysis of current fire protection services equipment and future fire protection services equipment needs, including proposed placement of fire protection services equipment in service stations to maximize fire protection coverage and emergency response times.
- An analysis of current communication and dispatch challenges, including proposed recommendations for more efficient and effective communications.
- An analysis of the need for city and township fire protection services in relation to the implementation of a countywide fire protection service.

19 15 countywide fire protection service.
 19 16 g. An analysis of existing countywide fire protection
 19 17 service programs in this state including outlining current
 19 18 processes and procedures. The analysis under this paragraph
 19 19 must include outlines of any current or proposed fire
 19 20 protection service programs under chapter 28E, 357B, 357F,
 19 21 357G, or 357J, and any other legal agreement, contract, or
 19 22 consolidated effort, including as part of a district.
 19 23 h. An analysis of countywide fire protection services in
 19 24 other states, with an emphasis on midwest states, including an
 19 25 analysis of those fire protection programs in comparison to the
 19 26 fire protection needs of this state.
 19 27 i. Recommendations for the implementation of countywide
 19 28 fire protection services in this state including proposed
 19 29 functionality and an emphasis on the potential impact of
 19 30 implementation on the four most populous counties in this
 19 31 state as determined by the 2020 federal decennial census,
 19 32 along with surrounding counties if a multicounty approach to
 19 33 fire protection services would be more beneficial based on the
 19 34 study's findings.

- An analysis of existing countywide protection service programs in the State, including outlining current processes and procedures.
- An analysis of countywide fire protection services in other states, with an emphasis on midwest states, including an analysis of those fire protection programs in comparison to the fire protection needs of Iowa.
- Recommendations for the implementation of countywide fire protection services in Iowa as detailed in this Act.

19 35 3. The state fire marshal shall submit a report of the
 20 1 study's findings to the general assembly on or before June 30,
 20 2 2026.

Requires the State Fire Marshal to submit a report of the study's findings to the General Assembly by June 30, 2026.

20 3 Sec. 39. EFFECTIVE DATE. This division of this Act, being
 20 4 deemed of immediate importance, takes effect upon enactment.

Specifies that Division X of this Act, which requires the State Fire Marshal to conduct a countywide fire protection services study, is effective on June 11, 2025.

20 5 DIVISION XI
 20 6 INTERIM STUDIES

20 7 Sec. 40. INTERIM STUDY COMMITTEE — ALL-TERRAIN VEHICLES
 20 8 AND OFF-ROAD UTILITY VEHICLES ON HIGHWAYS.

Requests the Legislative Council to establish an interim study committee during the 2025 Legislative interim to examine policy and recommend changes to the operation of all-terrain vehicles (ATVs) and off-road utility vehicles (UTVs).

20 9 1. The legislative council is requested to establish an
 20 10 interim study committee to meet during the 2025 legislative
 20 11 interim to examine policy matters and recommend statutory
 20 12 changes relating to the operation of all-terrain vehicles
 20 13 and off-road utility vehicles on highways, including but not
 20 14 limited to the following:

DETAIL: Under Iowa Code chapter [321I](#), ATVs and UTVs that are operated on public land, public ice, a designated riding trail, or land purchased with ATV registration funds must be registered with the Department of Natural Resources (DNR). The registration fee is \$17.50, with \$2.50 going to the

20 15 a. Requiring registration and a fee for all-terrain
 20 16 vehicles and off-road utility vehicles to be operated on a

20 17 highway, other than the registration required for such vehicles
 20 18 to be operated on public land, public ice, or a designated
 20 19 riding trail of this state.
 20 20 b. Consolidating Code provisions that regulate the
 20 21 operation of all-terrain vehicles and off-road utility
 20 22 vehicles.

county in which the vehicle was registered. The moneys collected from the registrations are deposited into ATV Registration Fees Fund.

20 23 2. The interim study committee shall consist of three
 20 24 members of the senate, two of whom shall be appointed by
 20 25 the majority leader of the senate and one of whom shall be
 20 26 appointed by the minority leader of the senate, and three
 20 27 members of the house of representatives, two of whom shall be
 20 28 appointed by the speaker of the house of representatives and
 20 29 one of whom shall be appointed by the minority leader of the
 20 30 house of representatives.

Establishes the interim study committee membership, consisting of six members, three from the Senate and three from the House of Representatives.

20 31 3. The interim study committee, in consultation with
 20 32 the director of the department of transportation or the
 20 33 director's designee, the commissioner of public safety or the
 20 34 commissioner's designee, and the director of the department of
 20 35 natural resources or the director's designee, shall submit a
 21 1 report with its findings and recommendations to the general
 21 2 assembly no later than January 12, 2026. A proposed bill by
 21 3 the interim study committee may be filed in lieu of submitting
 21 4 a final report.

Requires the interim study committee, in consultation with the Department of Transportation (DOT), Department of Public Safety (DPS), and DNR, to submit a report to the General Assembly by January 12, 2026, or may file a proposed Bill in lieu of a final report.

21 5 Sec. 41. SUBACUTE MENTAL HEALTH CARE SERVICES — INTERIM
 21 6 STUDY COMMITTEE.

Requests that the Legislative Council establish an interim study committee during the 2025 Legislative interim to review the following topics related to subacute mental health care services:

21 7 1. The legislative council is requested to establish an
 21 8 interim study committee during the 2025 legislative interim
 21 9 to review the following topics as related to subacute mental
 21 10 health care services:
 21 11 a. The mental health services that should be available at a
 21 12 subacute level of care.
 21 13 b. Whether subacute mental health care services would be
 21 14 most effectively delivered through a single subacute mental
 21 15 health care facility serving the entire state, several regional
 21 16 subacute mental health care facilities, or local options for
 21 17 subacute mental health care services.
 21 18 c. The mental health care providers that could best provide
 21 19 subacute mental health care services.
 21 20 d. The requirements for an individual's commitment, whether

- The mental health services that should be available at a subacute level of care.
- Whether the delivery of subacute mental health care services is most effective through a single facility serving the entire State, several regional facilities, or local options.
- The mental health care providers that could best provide subacute mental health care services.
- The requirements for an individual's commitment, whether voluntary or involuntary, to a subacute mental health care facility or for subacute mental health care services.
- The changes that may be required to the current commitment process to allow for an individual's

21 21 voluntary or involuntary, to a subacute mental health care
 21 22 facility or for subacute mental health care services.
 21 23 e. The changes that may be required to the current
 21 24 commitment process to allow for an individual's commitment to
 21 25 a subacute mental health care facility or for subacute mental
 21 26 health care services.
 21 27 f. The requirements for an individual's discharge from a
 21 28 subacute mental health care facility or from subacute mental
 21 29 health care services.

commitment to a subacute mental health care facility or for
 subacute mental health care services.
 • The requirements for an individual's discharge from a
 subacute mental health care facility or from subacute
 mental health care services.

21 30 2. The interim study committee shall consist of five members
 21 31 of the senate and five members of the house of representatives.
 21 32 Three members of the senate shall be appointed by the majority
 21 33 leader of the senate and two members of the senate shall be
 21 34 appointed by the minority leader of the senate. Three members
 21 35 of the house of representatives shall be appointed by the
 21 36 speaker of the house of representatives and two members of the
 21 37 house of representatives shall be appointed by the minority
 21 38 leader of the house of representatives.

Requires that the interim study committee be composed of five
 members of the Senate and five members of the House of
 Representatives. Three members of the Senate will be
 appointed by the majority leader of the Senate and two
 members of the Senate will be appointed by the minority leader
 of the Senate. Three members of the House will be appointed
 by the Speaker of the House and two members of the House will
 be appointed by the minority leader of the House.

21 39 3. The interim study committee shall report the committee's
 21 40 findings and recommendations to the general assembly no later
 21 41 than January 12, 2026.

Requires the interim study committee to report the committee's
 findings and recommendations to the General Assembly by
 January 12, 2026.

21 42 DIVISION XII
 21 43 911 EMERGENCY COMMUNICATIONS SERVICES

21 44 Sec. 42. NEW SECTION 34A.12 DELIVERY OF 911 CALLS —
 21 45 REIMBURSEMENT.
 21 46 The program manager may request reimbursement from each
 21 47 joint 911 service board for reasonable costs under section
 21 48 34A.7A related to the delivery of 911 call traffic to public
 21 49 safety answering points. Upon request, each joint 911 service
 21 50 board shall reimburse the department of homeland security and
 21 51 emergency management for such costs within thirty days.

CODE: Allows the 911 program manager to request
 reimbursement from each joint 911 service board for reasonable
 costs under Iowa Code section [34A.7A](#).

DETAIL: Moneys collected from the wireless and prepaid
 wireless 911 surcharge under Iowa Code sections 34A.7A and
[34A.7B](#) are deposited into the 911 Emergency Communications
 Fund, under the control of the program manager, for distribution
 to joint 911 service boards. Iowa Code section 34A.7A(2)
 currently outlines that 60.00% of the total amount of surcharge
 generated per calendar quarter is to be allocated to joint 911
 service boards for use by Public Safety Answering Points
 (PSAPs) for the receipt and disposition of 911 calls.

Unassigned Standings

General Fund

	Actual FY 2024 (1)	Estimated Net FY 2025 (2)	Current Law (3)	Final Action FY 2026 (4)	Net Total (5)
<u>Administrative Services, Department of</u>					
State Accounting Trust Accounts					
Federal Cash Management - Standing	\$ 2,442,390	\$ 54,182	\$ 54,182	\$ 0	\$ 54,182
Unemployment Compensation - Standing	264,937	421,655	421,655	0	421,655
Total Administrative Services, Department of	\$ 2,707,327	\$ 475,837	\$ 475,837	\$ 0	\$ 475,837
<u>Education, Department of</u>					
Education, Dept. of					
State Foundation School Aid	\$ 3,665,805,198	\$ 3,787,626,194	\$ 3,940,370,054	\$ -46,881,303	\$ 3,893,488,751
Nonpublic School Transportation	8,992,784	8,997,091	14,005,269	-5,008,178	8,997,091
Sac and Fox Settlement Education	100,000	100,000	100,000	0	100,000
Instructional Support	0	0	14,800,000	-14,800,000	0
Education Savings Accounts - Standing	129,078,537	218,048,012	314,847,020	0	314,847,020
Charter Schools - Standing	2,437,772	5,200,000	19,682,777	0	19,682,777
Education Support Personnel Salary Supplement	0	14,000,000	0	0	0
Total Education, Department of	\$ 3,806,414,291	\$ 4,033,971,297	\$ 4,303,805,120	\$ -66,689,481	\$ 4,237,115,639
<u>Executive Council</u>					
Executive Council					
Court Costs	\$ 420,288	\$ 56,455	\$ 56,455	\$ 0	\$ 56,455
Public Improvements	0	9,575	9,575	0	9,575
Drainage Assessment	146,375	19,367	19,367	0	19,367
Total Executive Council	\$ 566,662	\$ 85,397	\$ 85,397	\$ 0	\$ 85,397
<u>Legislative Branch</u>					
Legislative Branch					
Legislative Branch	\$ 36,985,580	\$ 40,010,000	\$ 42,062,873		\$ 42,062,873
Total Legislative Branch	\$ 36,985,580	\$ 40,010,000	\$ 42,062,873	\$ 0	\$ 42,062,873
<u>Health and Human Services, Department of</u>					
Health and Human Services					
MHDS Regional Services Fund	\$ 0	\$ 134,421,714	\$ 134,694,168	\$ 0	\$ 134,694,168
Rent Reimbursement	0	13,320,000	13,320,000	0	13,320,000
Health and Human Services	\$ 0	\$ 147,741,714	\$ 148,014,168	\$ 0	\$ 148,014,168
HHS - Assistance Payment					
Rent Reimbursement - Standing	\$ 10,048,687	\$ 0	\$ 0	\$ 0	\$ 0
MHDS Regional Services Fund - Standing	127,723,160	0	0	0	0
HHS - Assistance Payment	\$ 137,771,847	\$ 0	\$ 0	\$ 0	\$ 0
Total Health and Human Services, Department of	\$ 137,771,847	\$ 147,741,714	\$ 148,014,168	\$ 0	\$ 148,014,168

Unassigned Standings

General Fund

	Actual FY 2024 (1)	Estimated Net FY 2025 (2)	Current Law (3)	Final Action FY 2026 (4)	Net Total (5)
<u>Management, Department of</u>					
Management, Dept. of					
State Appeal Board Claims	\$ 20,272,392	\$ 4,501,794	\$ 4,504,630	\$ 0	\$ 4,504,630
Special Olympics Fund	100,000	100,000	100,000	0	100,000
Transportation Equity Fund	30,340,068	31,098,570	32,653,499	0	32,653,499
Total Management, Department of	\$ 50,712,460	\$ 35,700,364	\$ 37,258,129	\$ 0	\$ 37,258,129
<u>Public Defense, Department of</u>					
Public Defense, Dept. of					
Compensation and Expense	\$ 11,301	\$ 342,556	\$ 342,556	\$ 0	\$ 342,556
Total Public Defense, Department of	\$ 11,301	\$ 342,556	\$ 342,556	\$ 0	\$ 342,556
<u>Public Safety, Department of</u>					
Public Safety, Dept. of					
DPS - POR Unfunded Liabilities	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000
Total Public Safety, Department of	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 0	\$ 5,000,000
<u>Revenue, Department of</u>					
Revenue, Dept. of					
Homestead Tax Credit Aid - GF	\$ 149,044,155	\$ 154,176,435	\$ 162,524,423	\$ 0	\$ 162,524,423
Elderly & Disabled Tax Credit	4,252,292	4,327,772	4,327,772	0	4,327,772
Ag Land Tax Credit - GF	39,097,596	39,100,000	39,100,000	0	39,100,000
Military Service Tax Exemption	1,482,073	1,580,000	0	0	0
Comm & Industrial Prop Tax Replacement	64,871,194	50,770,846	36,667,901	0	36,667,901
Business Property Tax Credit	122,350,000	122,350,000	122,350,000	0	122,350,000
Barrel Tax Refunds	3,032,599	2,000,000	2,000,000	0	2,000,000
Total Revenue, Department of	\$ 384,129,909	\$ 374,305,053	\$ 366,970,096	\$ 0	\$ 366,970,096
Total Unassigned Standings	\$ 4,424,299,377	\$ 4,637,632,218	\$ 4,904,014,176	\$ -66,689,481	\$ 4,837,324,695