

Miscellaneous Acts – Fiscal Notes

[HF 190](#) – Online Schools, Remote Testing (LSB1245HV)

Staff Contact: Lora Vargason (515.725.1286) lora.vargason@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 190](#) allows a school district, accredited nonpublic school, or charter school providing instruction primarily over the Internet to administer the required State summative assessment in an online setting pursuant to conditions detailed in the Act. The State Board of Education is required to adopt administrative rules to implement the provisions of the Act.

Background

The Iowa Statewide Assessment of Student Progress (ISASP) is the summative accountability assessment for all Iowa students that meets the requirements of the federal [Every Student Succeeds Act \(ESSA\)](#). 2018 Iowa Acts, chapter [1037](#) (Student Academic Achievement Assessments Act), named Iowa Testing Programs (ITP) within the University of Iowa as the test administrator for the statewide assessment. Iowa Testing Programs partners with Pearson to deliver, support, and provide training for the ISASP. Assessments for English language arts and mathematics are administered in grades 3 through 11. Assessments for science are administered in grades 5, 8, and 10.

State assessments administered to students in different educational settings may use a parallel testing format. Parallel testing is when different versions of a test are administered to students at the same time with each version covering the same content and difficulty level but using different questions. By using a second set of questions, test security concerns can be minimized. If parallel testing is not used, an additional option for supporting test security is to offer the virtual remote administration of the assessment after the in-person administration is completed.

The Department of Education (DE) currently receives a \$3.0 million annual appropriation for the [Statewide Student Assessment](#) that partially offsets the cost of the assessment to school districts and accredited nonpublic schools. Schools are charged additional [fees](#) per test based on whether an online version or paper-and-pencil version is used.

Assumptions

- To support changes to the administration of the ISASP, Pearson will need to make design and software changes to support remote proctoring, which are estimated to cost \$200,000.
- Pearson and ITP will provide training to support remote proctoring, which is estimated to cost \$25,000 annually.
- If the ISASP is administered using a parallel testing format, ITP will be required to create a second set of dedicated forms per grade for remote test taking, necessitating 4.50 full-time equivalent (FTE) positions, which are estimated to cost \$600,000 annually for the following:
 - 0.75 FTE position for a math specialist.

- 0.75 FTE position for a reading specialist.
 - 0.50 FTE position for a language specialist.
 - 0.50 FTE position for a science specialist.
 - 0.50 FTE position for an editor.
 - 0.50 FTE position for a program coordinator.
 - 1.0 FTE position for a psychometrician.
- The current \$3.0 million appropriation for the Statewide Student Assessment will continue to be used to partially offset the cost of the assessment for school districts and accredited nonpublic schools.
 - The United States Department of Education will approve the online administration of the test to virtual students in the students' home settings.
 - Any necessary hardware or security monitoring software will be available or provided to the student to meet the proctoring requirements of the Act.

Fiscal Impact

If parallel testing is used, ITP estimates the first-year implementation costs to be \$825,000. Annual recurring costs are estimated to be \$625,000. Iowa Testing Programs estimates an increase in fees charged to all schools to be \$1.00 per test, per student, to cover the estimated increase in costs.

If parallel testing is not used, ITP estimates the first-year implementation costs to be \$225,000. Annual recurring costs are estimated to be \$25,000.

Effective Date

This Act is effective on July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 15, 2025, and signed by the Governor on June 11, 2025.

Sources

Department of Education
Iowa Testing Programs

[HF 306](#) – Dissemination of Obscene Material to Minors, Penalty (LSB1165HV.3)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 306](#) increases penalties for a person 18 years of age or older who disseminates or exhibits obscene material to a minor. The Act maintains a serious misdemeanor for a first offense. A second offense is an aggravated misdemeanor with a mandatory minimum term of confinement of one year. A third or subsequent offense is a Class D felony with a mandatory minimum term of confinement of three years. No portion of the mandatory minimum sentence may be deferred or suspended.

Under the Act, a person under the age of 18 who knowingly distributes obscene material to another minor commits a serious misdemeanor.

Background

Under Iowa Code section [728.2](#), the dissemination or exhibition of obscene material to a minor is a serious misdemeanor.

A serious misdemeanor is punishable by up to one year of confinement and a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by up to two years in confinement and a fine of at least \$855 but not more than \$8,540. A Class D felony is punishable by up to five years of confinement and a fine of at least \$1,025 but not more than \$10,245. A violation of Iowa Code section 728.2 is a Tier I sex offense, and a person convicted of this offense is required to register as a sex offender for a period of 10 years.

In FY 2024, there were 13 individuals convicted under Iowa Code section 728.2, none of whom had a prior conviction dating back to FY 2020.

Assumptions

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

Correctional Impact

House File 306 increases the penalty for an existing offense under Iowa Code section 728.2. It is not known how many additional convictions may result from the changes under the Act. However, due to the low number of convictions for the existing offense, the correctional impact is anticipated to be minimal. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a

serious misdemeanor, aggravated misdemeanor, and Class D felony. 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.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY24 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY24 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony (Non-Persons)	83.9%	13.1	\$24.51	69.5%	39.0	\$7.68	\$18.37	\$50.00	16.5	\$7.68
Aggravated Misdemeanor (Non-Persons)	30.5%	8.7	\$24.51	46.4%	26.1	\$7.68	\$18.37	\$50.00	19.7	\$7.68
Serious Misdemeanor	2.4%	N/A	\$24.51	53.4%	18.8	\$7.68	\$18.37	\$50.00	N/A	\$7.68

Minority Impact

House File 306 increases the penalty for an existing offense under Iowa Code section 728.2. The minority impact cannot be estimated due to the low number of convictions for the existing offense. 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.

Fiscal Impact

The fiscal impact for HF 306 cannot be determined, but is anticipated to be minimal. **Figure 2** shows the average State cost per offense for a serious misdemeanor, aggravated misdemeanor, and Class D felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Serious Misdemeanor	\$420 to \$5,000
Aggravated Misdemeanor	\$6,800 to \$11,800
Class D Felony	\$11,900 to \$19,100

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 14, 2025, and signed by the Governor on May 27, 2025.

Sources

Department of Corrections
 Department of Management (DOM) Criminal Justice Planning

[HF 310](#) – Assaults on Health Care Providers (LSB1156HV.2)

Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 310](#) modifies the definition of “health care provider” under Iowa Code section [708.3A\(5\)](#) (assaults on persons engaged in certain occupations). Under the Act, a health care provider would include anyone who is working, volunteering, or participating in an educational course of instruction at a hospital or rural emergency hospital as defined in Iowa Code chapter [135B](#) or at a nursing facility as defined in Iowa Code chapter [135C](#).

Background

Iowa Code chapter [708](#) establishes the penalties for assault, and assault is defined under Iowa Code section [708.1](#). Under Iowa Code section [708.3A\(5\)](#), a health care provider means an emergency medical provider as defined in Iowa Code chapter [147A](#) or a person licensed or registered under Iowa Code chapter [148](#) (medicine, surgery, and osteopathic medicine and surgery), [148C](#) (physician assistants), [148D](#) (resident physicians), or [152](#) (nursing) who is providing emergency medical services or who is providing or attempting to provide health services as defined in Iowa Code section [10A.711](#) in a hospital.

A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but no more than \$10,245. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$865 but no more than \$8,540. A serious misdemeanor is punishable by confinement for up to one year and a fine of \$430 but no more than \$2,560.

Assumptions

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

Correctional Impact

House File 310 modifies the definition of “health care provider” in regard to the assault of persons engaged in certain occupations. It is not known how many additional convictions of assault under Iowa Code section [708.3A](#) would result from the expanded definition. Therefore, the correctional impact cannot be estimated.

Figure 1 shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class D felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 13, 2025, for information related to the correctional system.

Figure 1 — Sentencing Estimate and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day	Percent Ordered to Probation	FY 2024 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2024 Field Avg LOS on Parole	Marginal Cost Per Day Parole
D Felony (Persons)	82.0%	18.7	\$24.51	44.2%	36.8	\$7.68	\$18.37	\$50.00	15.1	\$7.68
Aggravated Misdemeanor (Persons)	48.9%	9.5	\$24.51	58.9%	26.0	\$7.68	\$18.37	\$50.00	22.5	\$7.68
Serious Misdemeanor	2.4%	31.8	\$24.51	53.4%	18.8	\$7.68	\$18.37	\$50.00	NA	\$7.68

Minority Impact

House File 310 modifies the definition of an offense. The minority impact cannot be determined since it is not known how many additional convictions would result from the changes to the definition. 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.

Fiscal Impact

House File 310 may increase the number of offenders admitted to prison under Iowa Code section 708.3A. However, the extent of the increase in costs to the Department of Corrections (DOC) is unknown. **Figure 2** shows the average State cost per offense for a Class D felony, an aggravated misdemeanor, and a serious misdemeanor. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class D Felony	\$11,900 to \$19,100
Aggravated Misdemeanor	\$6,800 to \$11,800
Serious Misdemeanor	\$420 to \$5,000

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on May 28, 2025.

Sources

Department of Corrections

Department of Management (DOM) Criminal Justice Planning

[HF 437](#) – Academic Center, Center of Intellectual Freedom (LSB1206HV.2)
Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 437](#) establishes a Center of Intellectual Freedom as an independent academic center under the Board of Regents (BOR) at the University of Iowa. The Act authorizes the Center to offer courses; develop certificates, minor, and major programs, as well as graduate programs; and offer degrees. The Act also outlines the governance, faculty hiring requirements, funding restrictions, and reporting obligations for the Center.

The Act requires the Board of Regents to establish an advisory council no later than December 31, 2025, to assist in the selection of a Director for the Center. The Director will be responsible for faculty hiring, curriculum development, and oversight of the Center's operations in consultation with the Dean of the College of Liberal Arts and Sciences. The Act requires up to five tenure-eligible faculty members must be employed to provide instruction. The Center may accept private and external donations, although all funds, including State appropriations, must be used solely for direct operational costs. Additionally, the Director must submit an annual report by December 31 to the Governor, the General Assembly, and the Board of Regents.

Assumptions

- The center will require the hiring of a Director at an estimated annual salary and benefits cost of \$400,000.
- Up to five tenure-eligible faculty members may be required to support the Center's academic programming, based on market research and student demand, at an estimated annual salary and benefits cost of \$175,000 per faculty member, totaling \$875,000.
- The Center will require at least two administrative staff members at an estimated annual salary and benefits cost of \$87,000 each, totaling \$174,000.
- A minimum of \$50,000 per year will be needed for programming expenses related to the undergraduate and graduate programs.
- Additional one-time start-up costs for establishing the Center, hiring faculty, and setting up administrative structures cannot be determined at this time and are not included in this estimate.

Fiscal Impact

The estimated minimum annual cost for establishing and maintaining the Center of Intellectual Freedom is approximately \$1.5 million per year.

Effective Date

This Act is effective on July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 15, 2025, and signed by the Governor on June 11, 2025.

Sources

Board of Regents
University of Iowa

[HF 516](#) – Residency Enrollment Requirements, Medical and Dental Schools (LSB1695HV.1)

Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 516](#) requires the Board of Regents (BOR) to adopt a policy which requires that no less than 80.0% of students admitted to the University of Iowa [College of Medicine](#) and [College of Dentistry](#) are Iowa residents or individuals who were enrolled at an Iowa postsecondary institution prior to application. The University of Iowa Hospitals and Clinics (UIHC) must meet the following requirements:

- Prioritize the award of federal residency positions and fellowships to residents of Iowa or applicants who have earned an undergraduate degree or medical degree from an Iowa college, university, or school.
- Provide the opportunity to participate in a rural rotation to those awarded a residency position.
- Offer an interview for an available medical residency position to any applicant who is a resident of Iowa or who has earned an undergraduate degree or medical degree from an Iowa college, university, or school.

The University of Iowa, in collaboration with the UIHC, must submit an annual report to the General Assembly regarding the residency of graduates and medical residents in the year following their completion of education or training. Additionally, by January 15, the UIHC must submit an annual report to the General Assembly and Governor with an overview on the interviews conducted for the various medical programs.

Background

The University of Iowa College of Medicine and College of Dentistry are the only public institutions in Iowa offering M.D. and D.D.S. degrees. The UIHC also operates primary care and specialty residency programs, which provide training for newly graduated physicians. The College of Medicine admitted 153 medical students in academic year (AY) 2024, and the College of Dentistry admitted 80 students.

The BOR votes on the following academic year's tuition rate increases in June of each year. An example of the Proposed 2024-2025 Tuition and Mandatory Fees is on the Board of Regents [website](#).

Assumptions

- The AY 2024 Iowa resident enrollment was 70.0% for the College of Medicine. The College of Dentistry is also estimated at 70.0%.
- The FY 2026 nonresident tuition for the College of Medicine is \$59,000 per year, compared to \$38,000 for resident students.
- The FY 2026 nonresident tuition for the College of Dentistry is \$84,000 per year, compared to \$59,000 for resident students.
- Tuition is estimated to increase by 3.4% per year based on the last 10 years of tuition increases.
- The number of total students is expected to remain constant compared to FY 2026.
- Nonresident students will decrease from 30.0% to 20.0% of annual admissions over four years.

Fiscal Impact

House File 516 is estimated to reduce revenues to the University of Iowa Colleges of Medicine and Dentistry by \$529,000 in FY 2027, \$1.1 million in FY 2028, \$1.7 million in FY 2029, and \$2.3 million in FY 2030. **Figure 1** shows estimated tuition revenue decreases.

Figure 1 — Decreased Annual Tuition Revenue

<u>College of Medicine Revenues</u>						
<u>Year</u>	<u>Resident Tuition</u>	<u>Nonresident Tuition</u>	<u>Difference</u>	<u>Students</u>	<u>Difference</u>	
FY 2026	\$ 38,200	\$ 58,900	\$ -20,700	0	\$ 0	
FY 2027	39,500	60,900	-21,400	15	-321,000	
FY 2028	40,800	63,000	-22,200	30	-666,000	
FY 2029	42,200	65,100	-22,900	45	-1,030,500	
FY 2030	43,600	67,300	-23,700	60	-1,422,000	

<u>College of Dentistry Revenues</u>						
<u>Year</u>	<u>Resident Tuition</u>	<u>Nonresident Tuition</u>	<u>Difference</u>	<u>Students</u>	<u>Difference</u>	
FY 2026	\$ 58,900	\$ 84,000	\$ -25,100	0	\$ 0	
FY 2027	60,900	86,900	-26,000	8	-208,000	
FY 2028	63,000	89,900	-26,900	16	-430,400	
FY 2029	65,100	93,000	-27,900	24	-669,600	
FY 2030	67,300	96,200	-28,900	32	-924,800	

Effective Date

This Act is effective on July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 22, 2025, and signed by the Governor on June 11, 2025.

Sources

Board of Regents
University of Iowa

[HF 649](#) – Human Trafficking, Definitions (LSB2616HV.3)

Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[House File 649](#) modifies and expands definitions under Iowa Code sections [710A.1](#) and [725.1\(2\)\(b\)](#).

The Act expands the term “human trafficking” under Iowa Code section 710A.1(4)(b) to include purchasing or attempting to purchase services involving commercial sexual activity from a law enforcement officer or agent posing as a person engaged in human trafficking.

The Act modifies the term “services” under Iowa Code section 710A.1(10) to mean performing activities under the supervision of or for the benefit of an actor, including commercial sexual activity and sexually explicit performances.

The Act expands the term “victim” under Iowa Code section 710A.1(13) to include the following:

- A person who is identified as being subjected to or targeted for human trafficking.
- A law enforcement officer or agent posing as a person subjected to or a target for human trafficking.

The Act expands Iowa Code section 725.1(2)(b) to include the purchase or offer to purchase services as a partner in a sex act from an individual who is reasonably believed to be under the age of 18, including a law enforcement officer or agent posing as a minor under the age of 18.

Background

Iowa Code section 710A.1(10) currently defines “services” as “an ongoing relationship between a person and the actor in which the person performs activities under the supervision of or for the benefit of the actor, including commercial sexual activity and sexually explicit performances.”

“Human trafficking” is defined under Iowa Code section 710A.1(4)(a) and 710A.1(4)(b). Iowa Code section 710A.1(4)(b) currently defines “human trafficking” as knowingly purchasing or attempting to purchase services involving commercial sexual activity from a victim or another person engaged in human trafficking.

Iowa Code section 710A.1(13) currently defines “victim” as a person subjected to human trafficking.

Under Iowa Code section 725.1(2)(b), a person who purchases or offers to purchase services as a partner in a sex act from a person who is under the age of 18 commits a Class D felony.

Penalties under Iowa Code chapters [710A](#) and [725](#) range from a Class D felony to a Class A felony. A Class A felony is punishable by confinement for life in prison without possibility for parole. A Class B felony is punishable by up to 25 years of confinement and a fine of at least \$85,000 but not more than \$100,000. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but no more than \$13,660. A Class D felony is punishable by up to five years of confinement and a fine of at least \$1,025 but not more than \$10,245.

In FY 2024, there were four convictions under Iowa Code chapter 710A and there were six convictions under Iowa Code section 725.1(2)(b).

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A delay of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- At a minimum, Class A felonies require two indigent defense attorneys at a combined cost of approximately \$44,000 and include court time and jury trial costs ranging from \$10,000 to \$14,000.

Correctional Impact

House File 649 modifies and expands definitions under Iowa Code chapters 710A and 725. The correctional impact cannot be determined due to a lack of existing conviction data, and it is unknown how many additional convictions would result from the changes to the definition. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class B, Class C, and Class D felonies. A Class A felony is punishable by confinement for life in prison without possibility for parole. 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.

Figure 1 — Sentencing Estimate and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY24 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY24 Field Avg LOS on Parole	Marginal Cost Per Day Parole
B Felony (Persons)	97.9%	80.1	\$24.51	14.7%	45.5	\$7.68	\$18.37	\$50.00	39.3	\$7.68
C Felony (Persons)	89.8%	37.8	\$24.51	35.9%	43.4	\$7.68	\$18.37	\$50.00	21.3	\$7.68
D Felony (Persons)	82.0%	18.7	\$24.51	44.2%	36.8	\$7.68	\$18.37	\$50.00	15.1	\$7.68
D Felony (Non-Persons)	83.9%	13.1	\$24.51	69.5%	39.0	\$7.68	\$18.37	\$50.00	16.5	\$7.68

Minority Impact

House File 649 modifies and expands definitions under Iowa Code chapters 710A and 725. The minority impact cannot be determined since it is not known how many additional convictions would result from the changes to the definition. 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.

Fiscal Impact

The fiscal impact of HF 649 cannot be determined since it is not known how many additional convictions would result from the changes to the definitions under Iowa Code chapters 710A and 725. **Figure 2** shows the average State cost per offense for a Class B, Class C, and Class D felony. The average State cost for a Class A felony ranges between \$199,000 and \$204,000. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The costs would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class B Felony	\$17,600 to \$47,300
Class C Felony	\$14,900 to \$25,600
Class D Felony	\$11,900 to \$19,100

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 23, 2025, and signed by the Governor on May 19, 2025.

Sources

Department of Corrections
Department of Management (DOM) Criminal Justice Planning

[HF 879](#) – Critical Infrastructure Sabotage, Broadband (LSB2540HV.3)
Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov
Fiscal Note Version – Final Action

Description

[House File 879](#) relates to critical infrastructure sabotage. The Act expands the definition of “critical infrastructure” under Iowa Code section [716.11\(1\)\(c\)](#) to include a telecommunications service, information service, or cable service as defined in [47 U.S.C. §153](#) or a wireless service as defined in Iowa Code section [8C.2](#).

Background

A person who overtly, intentionally, and without authorization causes or has the means to cause, and in substantial furtherance of causing, a substantial and widespread interruption or impairment of a fundamental service rendered by critical infrastructure commits critical infrastructure sabotage, a Class B felony.

In FY 2024, there were no convictions and no individuals were admitted to prison or probation under Iowa Code section 716.11.

A Class B felony is punishable by up to 25 years of confinement and a fine of at least \$85,000 but not more than \$100,000.

Assumptions

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

Correctional Impact

House File 879 expands the definition of critical infrastructure. The correctional impact cannot be determined due to a lack of existing conviction data, and it is unknown how many additional convictions would result from the changes to the definition. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class B felonies. 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.

Figure 1 — Sentencing Estimate and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2024 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2024 Field Avg LOS on Parole	Marginal Cost Per Day Parole
B Felony Non-Persons	94.1%	25.5	\$24.51	24.8%	63.4	\$7.68	\$18.37	\$50.00	33.4	\$7.68

Minority Impact

House File 879 expands the definition of critical infrastructure. The minority impact cannot be determined since it is not known how many additional convictions would result from the changes to the definition. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 13, 2025, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of HF 879 cannot be determined since it is not known how many additional convictions would result from the changes to the definition. **Figure 2** shows the average State cost per offense for a Class B felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class B Felony	\$17,600 to \$47,300

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 14, 2025, and signed by the Governor on May 1, 2025.

Sources

Department of Corrections
 Department of Management (DOM) Criminal Justice Planning

[HF 889](#) – State Employees, Paid Parental Leave (LSB1096HV.2)

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Fiscal Note Version – Final Action

Description

[House File 889](#) provides that certain State employees in their first four years of employment who have accumulated 10 days of sick leave, and who do not use sick leave during a full month of employment, may choose to convert that month's sick leave time for one-half day of additional vacation time.

The Act provides that a State employee parent who gives birth or adopts a child is entitled to four weeks of paid leave. A State employee parent who does not give birth is entitled to one week of paid leave. The Department of Administrative Services (DAS) is required to adopt administrative rules to implement the paid parental leave benefits.

Background

Under current law, certain State employees who have accumulated 30 days of sick leave, and who do not use sick leave during a full month of employment, may choose to convert that month's sick leave time for one-half day of additional vacation time.

To qualify for the paid parental leave benefits established in the Act, employees must meet the eligibility requirements established by the federal [Family and Medical Leave Act of 1993 \(FMLA\)](#). These requirements include working for a covered employer for at least 12 months, having at least 1,250 hours of service with the employer during the 12 months before FMLA leave starts, and working at a location where the employer has at least 50 employees within 75 miles. Family and Medical Leave Act leave is job-protected, unpaid leave. Employees may use accrued paid leave while they take FMLA leave. Both the birth of a child and the placement of a child for adoption are covered under FMLA leave. Leave can be taken any time in the 12 months following the birth or adoption of a child. The State of Iowa allows up to 12 weeks of leave (paid or unpaid) for the birth or adoption of a child.

According to State of Iowa Central Payroll data, there are 20,507 male and 29,088 female State employees. Based on birth rates from the 2022 [Centers for Disease Control and Prevention \(CDC\) National Vital Statistics Reports](#), it is estimated that approximately 551 male and 879 female employees may be eligible to take paid parental leave each year.

Assumptions

- The amount of sick leave converted to vacation leave under the Act is unknown.
- The future use rates of sick leave and vacation leave are unknown.
- State agencies' response to employees taking paid parental leave is unknown. To cover for employees on paid parental leave, agencies may absorb the workload within existing resources, hire temporary employees, or require existing employees to work overtime.

Fiscal Impact

House File 889 may have a fiscal impact, but it cannot be determined.

The fiscal impact from expanding eligibility to convert sick leave to vacation leave cannot be determined because the amount of sick leave converted and its impact on the future use of leave is unknown.

The fiscal impact from the creation of paid parental leave cannot be determined because it is unknown which employees will take leave and how State agencies will respond to those absences.

Effective Date

This Act is effective on July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on May 14, 2025, and signed by the Governor on May 27, 2025.

Sources

Department of Administrative Services
Board of Regents
Department of Corrections
Department of Transportation
Centers for Disease Control and Prevention

[HF 969](#) – 411 Retirement System, Cancer Presumptions (LSB1613HV.4)

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Fiscal Note Version – Final Action

Description

[House File 969](#) expands the definition of “cancer” in Iowa Code chapters [97A](#) and [411](#) to include all types of cancer. “Cancer,” as defined in this Act, means “a group of diseases involving abnormal cell growth with the potential to invade or spread to other parts of the body.”

This Act expands the availability of accidental disability and death benefits to members of the Peace Officers’ Retirement, Accident, and Disability System (PORS); the Municipal Fire and Police Retirement System of Iowa (MFPRSI), also called the 411 System; and the Iowa Public Employees’ Retirement System (IPERS) who are Protection Occupation or Sheriffs and Deputy Sheriff members who have a cancer diagnosis.

House File 969 permits the IPERS to adopt emergency administrative rules to implement the changes in contribution rates as required by this Act. The rules are to be effective immediately upon filing unless otherwise specified. The section of this Act authorizing the IPERS to adopt emergency administrative rules takes effect upon enactment.

This Act increases the 411 System’s maximum employee contribution rate from 11.350% to 11.475%, a 0.125% increase, beginning July 1, 2025. This Act adjusts the contribution rate for affected members of the retirement systems as shown in **Figure 1**.

**Figure 1 — FY 2026 Contribution Rates by Retirement System,
Current Law, Proposed Law, and Difference**

		Current	Proposed	Difference
411 System	Employer Contribution Rate	22.680%	22.555%	-0.125%
	Employee Contribution Rate	9.550%	9.675%	0.125%
	Total	32.230%	32.230%	0.000%
		Current	Proposed	Difference
PORS	Employer Contribution Rate	37.000%	36.875%	-0.125%
	Employee Contribution Rate	11.400%	11.525%	0.125%
	Total*	48.400%	48.400%	0.000%
		Current	Proposed	Difference
IPERS, Protection Occupation	Employer Contribution Rate	9.310%	9.185%	-0.125%
	Employee Contribution Rate	6.210%	6.335%	0.125%
	Total	15.520%	15.520%	0.000%
		Current	Proposed	Difference
IPERS, Sheriffs and Deputy Sheriffs	Employer Contribution Rate	12.090%	11.965%	-0.125%
	Employee Contribution Rate	12.090%	12.215%	0.125%
	Total	24.180%	24.180%	0.000%

*Note: In addition to the employer contribution for the PORS, there is also an annual \$5.0 million standing limited appropriation from the General Fund established in Iowa Code section [97A.11A](#).

Background — Municipal Fire and Police Retirement System of Iowa (411 System)

Effective July 1, 1992, 87 local fire and police retirement systems in 49 cities were consolidated into a single statewide system, commonly referred to as either the 411 System or the MFPRSI. The MFPRSI is governed by a nine-member Board of Trustees and four legislative members as required by Iowa Code section [411.36](#). The voting members of the Board include two fire and two police representatives, four city representatives, and a private citizen.

Based on the July 1, 2024, actuarial valuation, the MFPRSI covers approximately 4,253 active members, 1,236 disabled members, 3,276 retired members and beneficiaries, and 485 vested terminated members. The current funded ratio is 84.47%. The current actuarial accrued liability is \$3.972 billion, the actuarial value of assets is \$3.355 billion, and the unfunded actuarial accrued liability (UAAL) is \$616.9 million.

For FY 2026, the MFPRSI’s members’ estimated contributions at the current rate of 9.550% total \$37.3 million, and the cities’ estimated contributions at 22.680% total \$88.6 million. Total covered payroll is an estimated \$390.7 million.

Per Iowa Code section [411.8](#), the MFPRSI member contribution rate will be increased for any statutory changes, if the increase cannot be absorbed within the current contribution rates, to a current maximum of 11.350%. Costs would then be applied in a 60.0% to 40.0% distribution between the employer and employee.

Cities are responsible for the payment of all medical costs related to MFPRSI claims under Iowa Code section [411.15](#). Cities cannot use workers' compensation to cover short-term indemnity or medical cost exposure. Iowa Code section [85.1\(4\)](#) states that workers' compensation does not apply to "persons entitled to benefits pursuant to Iowa Code chapters [410](#) and [411](#)."

As of July 1, 2023, and since adoption of the MFPRSI's current definition of cancer on July 1, 2009, there have been three ordinary disabilities and one ordinary death that would qualify as an accidental disability or accidental death under this Act.

Background — Peace Officers' Retirement, Accident, and Disability System (PORS)

Peace Officers in the Divisions of the Iowa State Patrol, Criminal Investigation, Narcotics Enforcement, Capitol Police, and the State Fire Marshal are members of the PORS, except as provided in Iowa Code section [97A.3](#).

Based on the July 1, 2024, actuarial valuation, the PORS covers approximately 583 active members; 687 retired members, beneficiaries, and disabled members; 44 inactive vested members; and 12 inactive nonvested members. The current funded ratio is 77.70%. The current actuarial accrued liability is \$989.0 million, the actuarial value of assets is \$768.4 million, and the UAAL is \$220.6 million.

For FY 2026, PORS members' estimated contributions at the current rate of 11.40% total \$6.7 million, and the employer's estimated contributions at 37.00% total \$21.8 million, not including the annual \$5.0 million standing limited appropriation from the General Fund. Total covered payroll is an estimated \$58.9 million.

Iowa Code section [97A.8\(1\)\(e\)\(8\)\(vi\)](#) states that cancer is presumed to have been contracted while on active duty as a result of that duty. Payment of medical costs related to PORS claims is derived from the PORS Fund. Therefore, medical costs related to the expanded definition of cancer provided would be covered by the PORS Fund.

Background — Iowa Public Employees' Retirement System (IPERS) — Protection Occupation

The Protection Occupation membership group of the IPERS is comprised of a range of occupations, including fire fighters and police officers not covered by Iowa Code chapter 411, correctional officers, conservation officers, county attorney investigators, emergency medical service (EMS) providers, high-risk unit officers, insurance fraud investigators, and, dependent on their years of service, select Department of Transportation (DOT) peace officers.

Iowa Code section [97B.50A\(2\)](#) refers to the definition of cancer established in Iowa Code section [411.1](#). House File 969 expands the definition of cancer as used in Iowa Code section 97B.50A for purposes of in-service disability retirement allowance for special service members under the IPERS.

Based on the June 30, 2024, actuarial valuation, the IPERS Protection Occupation membership group covers approximately 7,822 active members and 4,184 retired members. The current funded ratio is 103.65%. The current actuarial accrued liability is \$2.262 billion, the actuarial value of assets is \$2.344 billion, and the UAAL is \$-82.5 million.

For FY 2026, the IPERS Protection Occupation membership group's estimated contributions at the current rate of 15.520% of payroll total \$79.8 million, split 60.0% for the employer and 40.0% for the members.

In the past five years and for the IPERS Special Service members (Protection Occupation and Sheriffs and Deputies), there have been two ordinary disabilities that would qualify as an accidental disability under this Act.

Background — IPERS — Sheriffs and Deputy Sheriffs

The Sheriffs and Deputy Sheriffs membership group of the IPERS is comprised of county sheriffs and deputy sheriffs.

Iowa Code section 97B.50A(2) refers to the definition of cancer established in Iowa Code section 411.1. House File 969 expands the definition of cancer as used in Iowa Code section 97B.50A for purposes of in-service disability retirement allowance for special service members under the IPERS.

Based on the June 30, 2024, actuarial valuation, the IPERS Sheriffs and Deputy Sheriffs membership group covers approximately 1,738 active members and 1,272 retired members. The current funded ratio is 91.81%. The current actuarial accrued liability is \$1.072 billion, the actuarial value of assets is \$984.3 million, and the UAAL is \$87.8 million.

For FY 2026, the IPERS Sheriffs and Deputy Sheriffs membership group's estimated contributions at the current law rate of 24.180% of payroll total \$40.0 million, split 50.0% for the employer and 50.0% for the members.

Figure 2 shows the contribution rates for FY 2022 through FY 2026.

Figure 2 — Contribution Rates Under Current Law by System, FY 2022 – FY 2026

411 Retirement System					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Employer Contribution Rate	26.18%	23.90%	22.98%	22.66%	22.68%
Employee Contribution Rate	9.40%	9.40%	9.40%	9.55%	9.55%
Total	<u>35.58%</u>	<u>33.30%</u>	<u>32.38%</u>	<u>32.21%</u>	<u>32.23%</u>
Peace Officer Retirement System					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Employer Contribution Rate	37.00%	37.00%	37.00%	37.00%	37.00%
Employee Contribution Rate	11.40%	11.40%	11.40%	11.40%	11.40%
Total*	<u>48.40%</u>	<u>48.40%</u>	<u>48.40%</u>	<u>48.40%</u>	<u>48.40%</u>
Iowa Public Employees' Retirement System, Protection Occupation					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Employer Contribution Rate	9.31%	9.31%	9.31%	9.31%	9.31%
Employee Contribution Rate	6.21%	6.21%	6.21%	6.21%	6.21%
Total	<u>15.52%</u>	<u>15.52%</u>	<u>15.52%</u>	<u>15.52%</u>	<u>15.52%</u>
Iowa Public Employees' Retirement System, Sheriffs and Deputy Sheriffs					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Employer Contribution Rate	9.01%	8.76%	8.51%	8.51%	12.09%
Employee Contribution Rate	9.01%	8.76%	8.51%	8.51%	12.09%
Total	<u>18.02%</u>	<u>17.52%</u>	<u>17.02%</u>	<u>17.02%</u>	<u>24.18%</u>

*Note: In addition to the employer contribution for the PORS, there is also an annual \$5.0 million standing limited appropriation from the General Fund established in Iowa Code section [97A.11A](#).

Assumptions

- According to the actuarial cost study commissioned by the MFPRSI using the FY 2023 valuation report, expanding the number of disabilities eligible for an accidental disability would have increased the UAAL by approximately \$552,000.
- While the results of the actuarial cost study cannot be directly applied to the FY 2024 valuation report to arrive at an updated fiscal impact, the cost study can be broadly applied to anticipate a similar impact.
- Based on the most recent MFPRSI actuarial valuation report as of July 1, 2024, no increase in costs can be absorbed within the existing contribution rates for FY 2026. The FY 2026 employee contribution rate would need to increase from 9.55% to 9.56%, an increase of 0.01%, to pay for the expanded definition of cancer.
- FY 2026 payroll levels are assumed to stay the same as the most recent fiscal year's payroll projection provided in the actuarial report for each system.
- All other actuarial assumptions going forward will be met.
- The MFPRSI does not expect to see an increase in administrative costs related to medical exams.
- Expanding the definition of cancer may result in additional medical and administrative costs and short-term wages being covered by public employers.
- The PORS will require an actuarial study to determine the impact of this Act on the members of the PORS and the PORS Fund. It is estimated that expanding the number of disabilities eligible for an accidental disability would increase the UAAL.
- It is not known how many ordinary disabilities or deaths would qualify as an accidental disability or death for the PORS under this Act.
- The IPERS Protection Occupation and Sheriffs and Deputy Sheriffs membership groups may increase costs to the IPERS Trust Fund or medical costs for the employers of the membership groups.

Fiscal Impact — Municipal Fire and Police Retirement System of Iowa

The actuarial cost study used to estimate the costs associated with the cancer presumption provisions of HF 969 provided the following estimates and used the FY 2023 valuation report:

- An estimated \$552,000 increase in the UAAL
- A decrease in the funded ratio of 0.01%
- An increase in the employee contribution rate of 0.01% for the MFPRSI.

It is estimated that a 25-year amortization of the increased accrued liability would cost \$46,000 annually.

According to the FY 2024 valuation report, the UAAL was \$616.9 million, the funded ratio was 84.47%, and the contribution rate was 32.230% (split 22.680% employer and 9.550% employee) for the MFPRSI.

A \$46,000 increase to the employee contribution rate would cost approximately \$11 per employee. In subsequent fiscal years, this cost may increase based on covered payroll.

Figure 3 shows the fiscal impact for 411 System employers and employees under HF 969.

Figure 3 — 411 System Fiscal Impact of Contribution Rate Change for Employers and Employees

		<u>Change</u>	<u>Cost</u>	<u>Cost Per Member</u>
411 System	Employer Contribution Rate	-0.125%	\$ -488,000	\$ -115
	Employee Contribution Rate	0.125%	488,000	115
	Total	<u>0.000%</u>	<u>\$ 0</u>	<u>\$ 0</u>

Cities under the MFPRSI are required to provide hospital care, nursing care, and medical attention for members of the police and fire departments. The fiscal impact of HF 969 on cities for additional medical costs and short-term wages cannot be determined at this time but may be significant.

Fiscal Impact — Peace Officers’ Retirement, Accident, and Disability System

House File 969 may increase the UAAL of the PORS Fund and may increase the contribution rates, but any fiscal impact associated with the cancer presumption cannot be estimated at this time.

Figure 4 shows the fiscal impact for PORS employers and employees under HF 969.

Figure 4 — PORS Fiscal Impact of Contribution Rate Change for Employers and Employees

		<u>Change</u>	<u>Cost</u>	<u>Cost Per Member</u>
PORS	Employer Contribution Rate	-0.125%	\$ -74,000	\$ -126
	Employee Contribution Rate	0.125%	74,000	126
	Total	<u>0.000%</u>	<u>\$ 0</u>	<u>\$ 0</u>

Fiscal Impact — Iowa Public Employees’ Retirement System

House File 969 may increase the IPERS Protection Occupation and Sheriffs and Deputy Sheriffs membership groups’ costs to the IPERS Trust Fund or the cost for medical expenses for the groups’ employers, but any increase is estimated to be minimal.

Figure 5 shows the fiscal impact of HF 969 for IPERS employers and employees by membership group.

**Figure 5 — Fiscal Impact of Contribution Rate Change for Employers and Employees,
By IPERS Membership Group**

		Change	Cost	Cost Per Member
IPERS, Protection Occupation	Employer Contribution Rate	-0.125%	\$ -642,000	\$ -82
	Employee Contribution Rate	0.125%	642,000	82
	Total	0.000%	\$ 0	\$ 0
		Change	Cost	Cost Per Member
IPERS, Sheriffs and Deputy Sheriffs	Employer Contribution Rate	-0.125%	\$ -207,000	\$ -119
	Employee Contribution Rate	0.125%	207,000	119
	Total	0.000%	\$ 0	\$ 0

Effective Date

Section 8 of this Act, which authorizes the IPERS to adopt emergency rules, is effective on June 6, 2025. The remainder of the Act is effective on July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 15, 2025, and signed by the Governor on June 6, 2025.

Sources

[Municipal Fire and Police Retirement System of Iowa Actuarial Valuation Report](#)

Municipal Fire and Police Retirement System of Iowa

[Peace Officers' Retirement, Accident, and Disability System Actuarial Valuation Report](#)

Iowa Public Employees' Retirement System

[Iowa Public Employees' Retirement System Actuarial Valuation Report](#)

League of Cities

Legislative Services Agency analysis

[SF 150](#) – Sexual Exploitation of a Minor (LSB1081SV.2)

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Fiscal Note Version – Final Action

Description

[Senate File 150](#) amends Iowa Code section [728.12](#)(3)(b) to provide that knowingly purchasing or possessing multiple visual depictions containing pictorial representations of the same minor engaging in prohibited sexual acts or the simulation of prohibited sexual acts are to be prosecuted and punished as separate offenses.

Background

Iowa Code section 728.12(3) prohibits knowingly purchasing or possessing a visual depiction of a minor engaging in a prohibited sexual act or the simulation of a prohibited sexual act. Under current law, a person who violates this Iowa Code section commits a Class D felony for a first offense and a Class C felony for a second or subsequent offense.

Under Iowa Code section 728.12(3)(b), visual depictions containing representations of different minors are prosecuted and punished as separate offenses for each representation of a different minor in the visual depiction. However, violations of this Iowa Code section involving multiple visual depictions of the same minor are prosecuted and punished as one offense.

In FY 2024, 59 individuals were convicted of the sexual exploitation of a minor under Iowa Code section 728.12(3). In the same fiscal year, 10 individuals were admitted to prison and 29 individuals were admitted to probation on the most serious offense under Iowa Code section 728.12(3).

A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245.

A violation of Iowa Code section 728.12(3) is a Tier II sex offense and a person convicted of this offense is required to register as a sex offender. A person convicted of the offense is also subject to a 10-year special sentence imposed in addition to any other sentence.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A delay of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.

- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Correctional Impact

The correctional impact cannot be estimated because it is not known how many additional convictions would result from treating each depiction as a separate offense. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class C felonies and Class D felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 13, 2025, for information related to the correctional system.

Figure 1 — Sentencing Estimate and Length of Stay (LOS)

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY24 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY24 Field Avg LOS on Parole	Marginal Cost Per Day Parole
C Felony (Sex)	96.9%	55.6	\$24.51	25.1%	37.4	\$7.68	\$18.37	\$50.00	14.3	\$7.68
D Felony (Sex)	89.5%	24.0	\$24.51	37.4%	31.4	\$7.68	\$18.37	\$50.00	10.7	\$7.68

Minority Impact

The minority impact cannot be determined since it is not known how many additional convictions would result from the changes under the Act. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 13, 2025, for information related to minorities in the criminal justice system.

Fiscal Impact

Senate File 150 may increase the number of convictions under Iowa Code section 728.12(3); however, the extent of the increase in costs to the Department of Corrections (DOC) is unknown.

Figure 2 shows the average State cost per offense for a Class D and Class C felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Class C Felony	\$14,900 to \$25,600
Class D Felony	\$11,900 to \$19,100

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 23, 2025, and signed by the Governor on May 6, 2025.

Sources

Department of Corrections

Department of Management (DOM) Criminal Justice Planning

[SF 167](#) – Supplemental State Aid Act (LSB2403SV.3)

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Fiscal Note Version – Final Action

Description

[Senate File 167](#) relates to public school funding by establishing the State percent of growth and the categorical State percent of growth for the budget year beginning July 1, 2025 (FY 2026), modifying provisions relating to the property tax replacement payments (PTRP) and transportation equity payments, modifying provisions relating to the regular program State cost per pupil (SCPP) and funding for shared operational functions, establishing a school district funding supplement, making appropriations, and including effective date provisions.

Division I — State and Categorical Percent of Growth and Property Tax Replacement Payments

The Act modifies and establishes provisions related to the funding of school districts, including establishing a State supplemental aid (SSA) amount based on a State percent of growth rate and the categorical State percent of growth rate for the budget year beginning July 1, 2025 (FY 2026), and provides for other changes to the school aid formula.

Division I has three provisions with a fiscal impact, as follows:

- Establishes a 2.00% State percent of growth rate to be applied to the SCPP for FY 2026, for an SSA increase of \$157 per pupil.
- Establishes a 2.00% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2026, with the exception of Transportation Equity that will increase by 5.00%.
- Provides additional property tax replacement funding based on the per pupil increase that results from the establishment of the State percent of growth in FY 2026. The Act freezes the additional levy portion of the FY 2026 SCPP at \$685 per pupil, regardless of the per pupil increase for FY 2026.

The Act specifies that the current requirements that allowable growth rates must be enacted within 30 days of the transmission of the Governor's budget submission, which is required by February 1 during the regular legislative session, do not apply to the Act.

Division I takes effect on May 19, 2025.

Division II — State Cost Per Pupil

Division II provides an additional increase of \$5 to the FY 2026 regular program SCPP and the special education SCPP, separate from the SSA.

Division II takes effect on May 19, 2025.

Division III — Supplementary Weighting for Shared Operational Functions

Division III increases the maximum amount of additional weighting for which a school district is eligible in a budget year from 21.0 additional pupils to 25.0 additional pupils beginning in FY 2026.

Division III takes effect on May 19, 2025.

Background

State Cost Per Pupil. The school aid formula provides funding to school districts and Area Education Agencies (AEAs) through a mix of State aid and property taxes. In general, funding is generated on a per pupil basis, with the per pupil amounts providing an overall budget limitation (or spending authority). Five SCPP funding levels will be increased by a 2.00% State percent of growth for FY 2026 effective on May 19, 2025.

Figure 1 provides the SSA amounts (also referred to as per pupil growth amounts) and SCPP amounts for FY 2026 based on a 2.00% growth rate. The SSA amounts will be applied to all corresponding district and AEA cost per pupil amounts.

Figure 1 — SF 167

FY 2026 State Cost Per Pupil Calculations

	FY 2025 State Cost Per Pupil	FY 2026 State Percent of Growth	FY 2026 Supplemental State Aid	FY 2026 Additional SCPP Dollars	FY 2026 State Cost Per Pupil
Regular Program	\$ 7,826	2.00%	\$ 157	\$ 5	\$ 7,988
Special Education Program	7,826	2.00%	157	5	7,988
AEA Special Education Services	333.59	2.00%	6.67	-	340.26
AEA Media Services	62.19	2.00%	1.24	-	63.43
AEA Education Services	68.63	2.00%	1.37	-	70.00

In addition to the State percent of growth and SSA amounts for FY 2026, enrollments, weightings, and taxable valuations within each school district have an impact on total school aid funding, including the amount of State aid and local property tax required to generate the total funding.

State Categorical Supplements. The State categorical supplements are funded entirely through State aid and generate funds for each school district and AEA through the school aid formula on a per pupil basis. The FY 2026 SCPP funding levels for the teacher salary supplement (district and AEA), professional development supplement (district only), early intervention supplement (district only), and Teacher Leadership and Compensation (TLC) supplement (district only) will be increased by a 2.00% State percent of growth for FY 2026.

Figure 2 provides the per pupil growth amounts and SCPP amounts for FY 2026 based on the Act.

Figure 2 — SF 167

FY 2026 State Categorical Cost Per Pupil Calculations

	FY 2025 State Cost Per Pupil	FY 2026 State Percent of Growth	FY 2026 Supplemental State Aid	FY 2026 State Cost Per Pupil
Teacher Salary – Districts	\$ 654.68	2.00%	\$ 13.09	\$ 667.77
Professional Development – Districts	74.15	2.00%	1.48	75.63
Early Intervention – Districts	80.76	2.00%	1.62	82.38
Teacher Leadership and Compensation – Districts	368.53	2.00%	7.37	375.90
Teacher Salary – AEAs	34.26	2.00%	0.69	34.95
Professional Development – AEAs	4.00			

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

Property Tax Replacement Payment (PTRP). 2013 Iowa Acts, chapter [121](#) (Education Reform Act), included the creation of the PTRP provision to replace local property tax amounts with State aid. The provision froze the additional levy portion of the SCPP at \$750. Based on the State percent of growth enacted during the intervening fiscal years, this provision created \$15 per pupil in property tax relief in FY 2014 and up to \$175 per pupil in FY 2023. The continual growth is a result of the requirement that the per pupil property tax relief of previous fiscal years carry forward into future fiscal years. The Act will freeze the additional levy portion of the SCPP at \$685 for FY 2026. The per pupil property tax relief amount will be based on the State percent of growth enacted for FY 2026. **Figure 3** provides details regarding the SCPP funding levels as provided by a 2.00% growth rate for FY 2026 in the Act.

Figure 3 — SF 167
FY 2026 Property Tax Replacement Payment Calculation

	FY 2025	Increase Due to Supplemental State Aid Rate	Increase Due to Additional Dollars to the SCPP	FY 2026
Regular Program	\$ 7,826	\$ 157	\$ 5	\$ 7,988
Unadjusted Additional Levy	908.00	18	1	927.00
PTRP Portion	223	18	1	242
Fixed Additional Levy Portion	685	0	0	685

Pursuant to Iowa Code section [257.11](#), a school district that shares one or more specified operational functions with another political subdivision is assigned a supplementary weighting for each shared operational function. The maximum additional weighting that a school district may receive in one year is 21.0 additional pupils. Iowa Code section 257.11(5) allows for supplementary weighting for school districts and AEAs that share Iowa Code-specified job positions for at least 20.00% of the school year. Iowa Code section 257.11(5) sunsets the availability of supplementary weighting following the school budget year beginning July 1, 2034 (FY 2035).

Iowa Code section 257.11(5) establishes a list of operational functions and positions eligible for a supplementary weighting for school districts. Legislation in 2021 established a reduction in the number of pupils assigned for certain functions and positions, and 2023 Iowa Acts, [House File 68](#) (Education Savings Accounts Act), extended the Program until the end of the school budget year beginning July 1, 2034. For school budget years beginning on or after July 1, 2022, until the end of the school budget year beginning July 1, 2034, each operational function assigned a supplementary weighting of five pupils will be assigned four pupils, and each operational function assigned a supplementary weighting of three pupils will be assigned two pupils. Iowa Code section 257.11(5)(d) specifies that college and career transition counselors or coordinators do not count toward this maximum amount.

Based on preliminary FY 2026 data, of the 325 school districts, 11 school districts exceed the 21.0-pupil additional weighting maximum, of which 5 exceed the 25.0-pupil additional weighting maximum. The remaining 314 school districts are utilizing 21.0 or fewer additional weightings, including 24 school districts that are not currently participating in operational sharing and 85 school districts that are at the 21.0-pupil additional weightings maximum.

Transportation Equity Program. Iowa Code section [257.16C](#) establishes the Transportation Equity Program. The Program was created to provide additional funding to school districts for public school transportation costs that exceed a statewide adjusted average cost per pupil. Unless otherwise provided, the appropriation increases at the categorical State percent of growth. Transportation equity payments may buy down transportation costs to the statewide average cost per pupil for providing transportation to public schools. If funding permits, school districts with transportation costs per pupil below the statewide average will receive transportation base funding payments on a per capita basis. The Act provides for a growth of 5.00%, instead of the 2.00% categorical State percent of growth.

Assumptions

- Supplementary shared operational functions funding for eligible school districts will begin in FY 2026 and end after FY 2035.
- School districts that are not at or under the 21.0-pupil additional weighting maximum will not utilize the additional weighting authorized by the Act.
- If a school district is not utilizing a weighting, it will not utilize the additional weighting authorized by the Act.
- School districts using additional weighting will utilize all the additional weighting authorized by the Act, subject to the overall cap.
- Any legislative changes to the SCPP will alter the fiscal impact.
- The FY 2026 SCPP is \$7,988, with \$7,061 funded from the State General Fund, \$244 funded from Property Tax Replacement Payments funded from the State General Fund, and \$685 funded from local property tax. The amount by which the district cost per pupil (DCPP) exceeds the SCPP is funded from local property tax.
- Estimates are based on October 2024 certified enrollments and supplementary weightings for estimated FY 2025, which were approved by the School Budget Review Committee (SBRC) in December 2024.
- A statewide taxable valuation growth rate of 3.64% for FY 2026 was previously agreed upon by the Legislative Services Agency (LSA) and the Department of Management. Based on this assumed rate, the statewide total for the uniform levy is estimated to account for an increase of \$42.9 million (3.71%) toward the school foundation property tax change in FY 2026. The estimated increase in the uniform levy amount is not affected by the establishment of the State percent of growth rate. Property tax adjustment aid amounts are based on the statewide taxable valuation growth factor applied to each school district's FY 2026 taxable valuation amount.
- Total State aid includes funding from the State General Fund and other funds appropriated to or deposited in the Property Tax Equity and Relief (PTER) Fund, which is used to provide additional property tax relief through the school aid formula.
- Establishing an FY 2026 State percent of growth will also affect the amount of funding generated for the Statewide Voluntary Preschool Program. Funding for the Program is provided by State General Fund dollars and is included in the overall State aid total.
- Districts eligible for the 101.00% budget adjustment will approve the use of that provision.
- Other legislation may have an impact on the amount of State aid and property tax generated through the school aid formula.
- The General Fund appropriation to the Transportation Equity Fund will increase by approximately \$1.6 million. The appropriation may grow at the same rate as the State categorical cost per pupil rate in subsequent years.

Fiscal Impact

The estimated fiscal impact of SF 167, by division, is as follows:

Division I — State and Categorical Percent of Growth and Property Tax Replacement Payments relates to the State categorical percent of growth and PTRP.

Figure 4 provides the estimated fiscal impact of **Division I**. These provisions include the following:

- A \$7.5 million reduction¹ in State aid to the AEAs (current statute).
 - \$137.3 million in PTRP funding, an increase of \$10.5 million (8.29%) compared to estimated FY 2025.
 - \$747.5 million for the State categorical supplements for school districts and AEAs, an increase of \$59.3 million (8.61%) compared to estimated FY 2025. This includes the following:
 - \$468.9 million for the teacher salary supplement at the district and AEA levels.
 - \$39.4 million for the professional development supplement at the district level.
 - \$42.8 million for the early intervention supplement.
 - \$196.3 million for the TLC supplement.
 - \$91.1 million for preschool formula funding, a decrease of \$276,000 compared to estimated FY 2025. The preschool formula funding is included in the State aid amount but is not included in the combined district cost total.
 - \$24.3 million in budget adjustment funding for 157 qualifying districts, an increase of \$8.8 million (56.99%) compared to estimated FY 2025. The budget guarantee adjustment is calculated at the school district level so that school districts receive 101.00% of their previous year's regular budgeted funding. The budget guarantee adjustment is funded entirely through property taxes.
 - The total property tax funds generated through the school aid formula are estimated to be \$1,803.3 million, an increase of \$56.8 million (3.25%) compared to estimated FY 2025.
 - The total State aid from the General Fund (reflecting the total school aid funding level for school districts and AEAs generated through the school aid formula) is estimated to be \$3,940.4 million, an increase of \$152.8 million (4.03%) compared to estimated FY 2025.
- Figure 4** also includes the FY 2026 General Fund appropriation of \$32.7 million to the Transportation Equity Fund, which is not included in the total State aid estimate.

Additionally, any variations in the assumptions noted may result in changes in the FY 2026 estimates provided in **Figure 4**.

¹ Since FY 2018, the General Assembly has further reduced funding to AEAs by an additional amount per year. Historically, the additional reductions have been included in the annual Standing Appropriations Act.

The total General Fund appropriation in **Figure 4** includes the following additional fiscal impacts:

- An increase for Teacher Salary Supplement (TSS).
- A transfer of \$21.9 million from excess Economic Emergency Fund moneys to the General Fund in FY 2025 to replace an equal amount to pay FY 2026 State School Foundation Aid as described in Iowa Code section [257.16](#) and specified in [SF 659](#) (FY 2026 Standing Appropriations Act). This is no change in funding compared to last year's combined \$8.0 million transfer from the Economic Emergency Fund and \$13.9 million transfer from the Taxpayer Relief Fund to the General Fund to replace an equal amount to pay State School Foundation Aid. Senate File 659 was sent to the Governor May 23, 2025, and signed by the Governor June 11, 2025.
- An additional \$25.0 million reduction in State aid to the AEAAs as specified in SF 659 for a total reduction of \$32.5 million in State aid to the AEAAs.

Figure 4 — SF 167

Legislative Services Agency: FY 2026 School Aid Estimates (Statewide Dollars in Millions)

2.00% Set a State Percent of Growth	State Supplemental Aid (SSA)	\$	157
5 Set additional dollars to SCPP separate from the SSA	Additional Dollars	\$	5
Yes Select if the PTRP is renewed ("No" is current law)	Total Change	\$	162
\$ 25,000,000 Select AEA reduction in addition to current law (\$7,500,000)	FY 2026 State Cost Per Pupil (SCPP)	\$	7,988
\$ 21,881,303 Transfer from Taxpayer Relief Fund FY 2026	Total AEA Reduction	\$	32,500,000

Program Funding:	FY 2025	Est. FY 2026	Est. Change	% Change
Regular Program District Cost	\$ 3,790.5	\$ 3,844.0	\$ 53.5	1.41%
Regular Program Budget Adjustment	15.5	24.3	8.8	56.99%
Supplementary Weighting (District)	129.7	141.8	12.1	9.34%
Special Education Instruction (District)	536.7	552.7	16.0	2.99%
Teacher Salary Supplement (District)	401.1	450.1	48.9	12.19%
Professional Development Supplement (District)	38.0	39.4	1.4	3.75%
Early Intervention Supplement (District)	41.3	42.8	1.5	3.75%
Teacher Leadership Supplement (District)	189.2	196.3	7.1	3.74%
AEA Special Ed Support District Cost	188.9	191.8	2.9	1.55%
AEA Special Ed Support Adjustment	0.8	1.2	0.3	40.50%
AEA Media Services	33.1	33.6	0.5	1.39%
AEA Ed Services	36.6	37.1	0.5	1.40%
AEA Sharing	0.2	0.2	-0.0	-0.48%
AEA Teacher Salary Supplement	18.6	18.9	0.3	1.72%
AEA Professional Development Supplement	0.0	0.0	0.0	
AEA Statewide State Aid Reduction	-32.5	-32.5	0.0	0.00%
Dropout and Dropout Prevention	149.5	149.5	0.0	0.00%
Combined District Cost	\$ 5,536.3	\$ 5,691.2	\$ 154.9	2.80%
Statewide Voluntary Preschool Program	\$ 91.4	\$ 91.1	\$ -0.3	-0.30%

State Aid:	FY 2025	Est. FY 2026	Est. Change	% Change
Regular Program	\$ 1,989.4	\$ 2,025.4	\$ 36.0	1.81%
Supplementary Weighting	108.4	119.6	11.2	10.36%
Special Education Weighting	473.8	488.0	14.2	3.01%
Property Tax Adjustment Aid (1992)	6.4	6.2	-0.2	-3.64%
Property Tax Replacement Payment (PTRP)	126.8	137.3	10.5	8.29%
Adjusted Additional Property Tax - General Fund	24.0	24.0	0.0	0.00%
Statewide Voluntary Preschool Program	91.4	91.1	-0.3	-0.30%
Minimum State Aid	1.3	1.2	-0.1	-7.69%
State Aid from General Fund	\$ 3,787.6	\$ 3,893.5	\$ 105.9	2.79%
Transfer from Taxpayer Relief Fund	\$ 13.9	\$ 21.9	\$ 8.0	57.63%
Transfer from Economic Emergency Fund	8.0	0	-8.0	-100.00%
*Adjusted Additional Property Tax - SAVE Fund	29.0	31.6	2.6	9.06%
Foundation Base Supplement (FBS)	9.7	10.2	0.5	5.66%
Total State Aid (Includes Non-General Fund)	\$ 3,848.2	\$ 3,957.2	\$ 109.0	2.83%

Local Property Tax:	FY 2025	Est. FY 2026	Est. Change	% Change
Uniform Levy Amount	\$ 1,156.5	\$ 1,199.3	\$ 42.9	3.71%
Additional Levy	590.1	604.0	14.0	2.37%
Total Levy to Fund Combined District Cost	\$ 1,746.5	\$ 1,803.4	\$ 56.8	3.25%
Comm/Ind - Uniform Levy Adjustments	23.9	19.3	-4.7	-19.56%
Comm/Ind - Additional Levy Adjustments	10.1	0.0	-10.1	-100.00%

Miscellaneous Information:	FY 2025	Est. FY 2026	Est. Change	% Change
Budget Enrollment	483,699	480,665	-3,033	-0.63%
Number of Districts with Budget Adjustment	140	157	17	12.14%
Percentage of Districts with Budget Adjustment	43.08%	48.31%		
Statewide Categoricals Total	\$ 688.2	\$ 747.5	\$ 59.3	8.61%
Property Tax Relief Payment Per Pupil	223	242	19	8.52%
Foundation Base Supplement Per Pupil	5	10	5	100.00%
Statewide AEA Funding	245.7	250.3	4.6	1.85%
Transportation Equity Program	31.1	32.7	1.6	5.00%

Notes:

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

Professional Development Supplement (PDS)

Area Education Agency (AEA)

*Secure an Advanced Vision for Education (SAVE) Fund

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

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

Figure 4 does not include the following:

- General Fund appropriation for Education Savings Accounts (ESAs). The ESAs are estimated to have a General Fund cost of \$314.8 million in FY 2026, an increase of \$135.7 million compared to estimated FY 2025.
- An appropriation of \$14.0 million, provided for in [SF 660](#) (Sports Wagering Receipts Act), from the Sports Wagering Receipts Fund (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. There was a \$14.0 million appropriation from the General Fund in FY 2025 for this purpose in 2024 Iowa Acts, chapter [1154](#) (FY 2025 Standing Appropriations Act). Senate File 660 was passed by the General Assembly on May 14, 2025, and signed by the Governor June 11, 2025.

Division II — State Cost Per Pupil provides an additional increase of \$5 to the FY 2026 regular program SCPP, separate from the SSA. This results in an increase in appropriations from the General Fund totaling an estimated \$2.9 million, beginning with FY 2026. The expenditure will result in an estimated additional \$1.5 million being expended for additional support for pupils and an estimated \$1.4 million property tax reduction. These amounts are included in **Figure 4**.

Division III — Supplementary Weighting for Shared Operational Functions is estimated to increase the operational function sharing supplementary weighting by a total of approximately 129 pupils for 46 school districts at a total annual cost of \$1.0 million beginning with FY 2026 and ending after FY 2035. The estimated increase will be funded with an appropriation from the General Fund of approximately \$942,000 and \$91,000 from local property tax through the school aid formula. These amounts are not included in **Figure 4**.

Effective Dates

The Act is effective May 19, 2025.

Enactment Date

The Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on May 19, 2025.

Sources

Department of Education, Certified Enrollment and Enrollment Projections File
Department of Management, School Aid File
Department of Revenue
LSA analysis and calculations

[SF 266](#) – Theft, Crimes Involving Gift Card (LSB2221XS.2)

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Fiscal Note Version – Final Action

Description

[Senate File 266](#) creates new criminal offenses and establishes new penalties for theft, forgery, and fraud involving a gift card. The penalties are as follows:

- Any person who, with intent to defraud, acquires or retains possession of a gift card or gift card redemption information without the consent of the cardholder, card issuer, or gift card seller commits theft and is guilty of an aggravated misdemeanor.
- Any person who, with intent to defraud, alters or tampers with a gift card commits forgery and is guilty of an aggravated misdemeanor.
- Any person who, with intent to defraud, devises a scheme to obtain a gift card or gift card redemption information from a card holder, card issuer, or gift card seller by means of false or fraudulent pretenses, representations, or promises engages in a fraudulent practice and is guilty as follows:
 - A Class C felony if the amount of money or value of property or services involved exceeds \$5,000.
 - A Class D felony if the amount of money or value of property or services involved exceeds \$1,000 but does not exceed \$5,000.
 - An aggravated misdemeanor if the amount of money or value of property or services involved exceeds \$500 but does not exceed \$1,000.
 - A serious misdemeanor if the amount of money or value of property or services involved is \$500 or less.
- Any person who, with intent to defraud, uses, for the purpose of obtaining money, goods, services, or anything else of value, a gift card or gift card redemption information that has been obtained in violation of this section commits theft and is guilty of the following:
 - A Class C felony if the value of the property stolen exceeds \$5,000.
 - A Class D felony if the value of the property stolen exceeds \$1,000 but does not exceed \$5,000.
 - An aggravated misdemeanor if the value of the property stolen exceeds \$500 but does not exceed \$1,000.
 - A serious misdemeanor if the value of the property stolen is \$500 or less.

The Act provides that the value of the retail merchandise received by a person in violation of the Act within any six-month period may be aggregated and the defendant will be charged accordingly.

Background

A serious misdemeanor is punishable by up to one year of confinement and a fine of at least \$430 but not more than \$2,560. An aggravated misdemeanor is punishable by up to two years in confinement and a fine of at least \$855 but not more than \$8,540. A Class D

felony is punishable by up to five years of confinement and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but no more than \$13,660.

Assumptions

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

Correctional Impact

Senate File 266 creates a new criminal offense, and the correctional impact cannot be estimated due to a lack of existing conviction data. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor, an aggravated misdemeanor, a Class D felony, and a Class C felony. 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.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY24 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY24 Field Avg LOS on Parole	Marginal Cost Per Day Parole
C Felony (Non-Persons)	84.5%	16.9	\$24.51	59.3%	48.0	\$7.68	\$18.37	\$50.00	21.5	\$7.68
D Felony (Non-Persons)	83.9%	13.1	\$24.51	69.5%	39.0	\$7.68	\$18.37	\$50.00	16.5	\$7.68
Aggravated Misdemeanor (Non-Persons)	30.5%	8.7	\$24.51	46.4%	26.1	\$7.68	\$18.37	\$50.00	19.7	\$7.68
Serious Misdemeanor	2.4%	N/A	\$24.51	53.4%	18.8	\$7.68	\$18.37	\$50.00	N/A	\$7.68

Minority Impact

Senate File 266 creates a new criminal offense. As a result, the Department of Management (DOM) Criminal Justice Planning cannot use existing data to estimate the minority impact of the 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.

Fiscal Impact

Senate File 266 may increase the number of convictions under Iowa Code chapter [714](#), but the extent of the increase in costs to the Department of Corrections (DOC) is unknown. **Figure 2** shows the average State cost per offense for a serious misdemeanor, an aggravated misdemeanor, a Class D felony, and a Class C felony. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Serious Misdemeanor	\$420 to \$5,000
Aggravated Misdemeanor	\$6,800 to \$11,800
Class D Felony	\$11,900 to \$19,100
Class C Felony	\$14,900 to \$25,600

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on March 19, 2025, and signed by the Governor on April 18, 2025.

Sources

Department of Corrections
Department of Management (DOM) Criminal Justice Planning

[SF 383](#) – Regulation of Pharmacy Benefit Managers (LSB1492SV.4)

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Fiscal Note Version – Final Action

[Senate File 383](#) relates to pharmacy benefits managers (PBMs), pharmacies, prescription drugs, and pharmacy services administrative organizations (PSAOs) and includes applicability provisions.

Division I — Pharmacy Benefits Managers

Description

Division I relates to PBMs, pharmacies, and prescription drugs and does the following:

- Prohibits PBMs, health carriers, health benefit plans, and third-party payors from discriminating against a pharmacy or a pharmacist with respect to listed actions in this Act.
- Prohibits certain conduct by a PBM.
- Requires third-party payors to perform certain actions as described in this Act.
- Prohibits the Iowa Insurance Commissioner (Commissioner) from certifying a PBM or licensing an insurance producer that is not in compliance with new Iowa Code section 510B.4B and permits a covered person or pharmacy injured by a violation of this section to maintain a cause of action to enjoin the continuation of the violation.
- Requires 100.0% of all rebates received by a PBM to be passed through to the health carrier or to the employee plan sponsor as permitted by the federal [Employee Retirement Income Security Act of 1974 \(ERISA\)](#).
- Sets additional cost-sharing requirements regarding a covered person's contribution and deductible calculations.
- Sets applicability for qualifying high-deductible health plans as defined in [26 U.S.C. §223](#) of the Internal Revenue Code (IRC) to apply only after the covered person satisfies the minimum deductible, except for preventive care as defined in the IRC.
- Establishes the following requirements; however, the requirements do not apply to a pharmacy that operates in a State-owned facility:
 - PBMs must reimburse retail pharmacies according to the National Average Drug Acquisition Cost (NADAC) or, if unavailable, the wholesale acquisition cost on the date the prescription drug is administered or dispensed.
 - PBMs must reimburse retail pharmacies a professional dispensing fee of \$10.68.
 - PBMs must submit to the Commissioner a quarterly report of all drugs reimbursed at 10.0% or more below the NADAC and at 10.0% or more above the NADAC. The report must include the information laid out in this Act and must be available on the PBM's website for 24 months.
- Requires all contracts as of FY 2026 that apply to prescription drug benefits for CY 2026 or after between a third-party payor and either a person or a PBM to include the following requirements:
 - The PBM must use pass-through pricing.

- Payments received by a PBM for services provided to a third-party payor or a pharmacy shall be distributed pursuant to the relevant contract or as otherwise specified by law.
- Unless otherwise prohibited by law, these requirements will supersede any contractual terms to the contrary in the above contracts.
- Requires a PBM to provide a reasonable process to appeal any matter.
- Includes requirements for the appeal process. If the PBM grants a pharmacy’s appeal related to a reimbursement rate, the PBM must adjust the reimbursement rate for the appealing pharmacy and select additional pharmacies. If the PBM denies a pharmacy’s appeal, the PBM must direct the pharmacy where to purchase the prescription drug at or below the NADAC or adjust the reimbursement rate above the pharmacy’s pharmacy acquisition cost.

The provisions of **Division I** of this Act are severable pursuant to Iowa Code section [4.12](#).

Division I of this Act is applicable to PBMs, health carriers, third-party payors, and health benefit plans that manage a prescription drug benefit in the State on or after July 1, 2025.

Background

Iowa Code chapter [510B](#) regulates PBMs; sets standards of conduct; provides requirements for contacting covered persons, substituting prescription drugs, and establishing various cost-control mechanisms; and establishes the Commissioner as the enforcement body for the chapter.

Currently, Iowa Code section [510B.8B](#) requires PBMs to calculate the pharmacy reimbursement on a per unit basis based on the same generic product identifier or generic code number.

Figure 1 shows pharmacy spend in 2024 by plan. The State of Iowa costs were provided by Wellmark and exclude claims incurred but unpaid as of February 11, 2025. The Regents universities’ costs were provided by the Board of Regents (BOR) and are current as of February 17, 2025.

Figure 1 — CY 2024 Pharmacy Spend by Plan

State University of Iowa	\$	113,900,000
Iowa State University		23,500,000
University of Northern Iowa		8,200,000
University Total	\$	145,600,000
State of Iowa		97,600,000
Total	\$	243,200,000

Assumptions

- Provisions of this Act related to the NADAC requirements are estimated to decrease annual costs to the State of Iowa plan by between \$780,000 and \$1.6 million.
- The increased cost associated with higher dispensing fees will be split 65/35 between the State of Iowa plan and the member.
- Requiring a \$10.68 professional dispensing fee is estimated to cost the State of Iowa plan between \$2.6 million and \$3.0 million annually. An additional \$742,000 to \$970,000 is estimated to be paid in the form of higher copays by plan members for a portion of the \$10.68 professional dispensing fee cost due to low-cost generic medications that are currently reimbursed below the member copay level rising above that threshold.
- The prohibition of exclusive pharmacy relationships is estimated to increase the cost of specialty drugs by 6.0%. It is estimated that this may cost the State of Iowa plan between \$2.5 million and \$3.0 million annually.
- According to Wellmark, it is unclear whether the provisions of this Act related to copay coupons apply to the State's self-funded plan. If the provisions do apply, it is estimated that the copay coupon provisions may increase annual costs to the State of Iowa plan by between \$1.7 million and \$2.5 million.
- According to the Iowa Insurance Division (IID), the provisions of this Act will require the IID to hire 4.0 additional full-time equivalent (FTE) positions with an estimated annual cost of \$600,000.
 - It is unknown whether the IID will need additional office space and supplies for these positions.
 - According to the IID, it is unknown what the job classifications of these positions will be.
 - Each of these positions will begin at the start of FY 2026. The positions will be focused on PBM-related duties within the Company Regulation Bureau and the Market Regulation Bureau of the IID.
- The provisions related to rebate pass-through by PBMs will not have a fiscal impact for the State of Iowa plan.
- According to Wellmark, a high-end estimate of \$900,000 may be paid by the State of Iowa plan for prescription drugs currently reimbursed under the NADAC that may be appealed for an increased reimbursement rate to reach NADAC levels.
- According to Wellmark, the utilization of the NADAC and dispensing fee requirements are paired, higher utilization of the NADAC increases both NADAC savings and dispensing fee costs, as shown on the low-end estimate of **Figure 2**. Conversely, lower utilization of the NADAC decreases both NADAC savings and dispensing fee costs.

Fiscal Impact — State of Iowa Plan

Senate File 383 is estimated to increase annual costs to the State of Iowa plan between \$3.9 million and \$8.2 million beginning in FY 2026. An additional \$742,000 to \$970,000 is estimated to be paid annually in the form of higher copays by plan members for a portion of the \$10.68 professional dispensing fee cost.

Figure 2 below shows the low-end and high-end estimated annual fiscal impact of Senate File 383 on the State of Iowa plan. It does not include the \$742,000 to \$970,000 anticipated to be paid by plan members in the form of higher copays. The high-end estimate assumes the copay coupons provisions apply to the State of Iowa plan, while the low-end estimate assumes these provisions do not apply.

Figure 2 — Low-End and High-End Estimated Annual Fiscal Impact of Senate File 383 on the State of Iowa Plan

	State of Iowa Plan	
	Low-End	High-End
NADAC Requirements	\$ -1,580,000	\$ -780,000
Dispensing Fees	2,958,000	2,581,000
Preferred/Tiered Pharmacies	2,538,000	3,000,000
Copay Coupons	0	2,518,000
Appeal	0	900,000
Total	\$ 3,916,000	\$ 8,219,000

Fiscal Impact — Iowa Insurance Division (IID)

This Act is estimated to increase annual costs to the IID by \$600,000 and 4.0 FTE positions. According to the IID, the positions will be focused on PBM-related duties within the Company Regulation Bureau and the Market Regulation Bureau, but the job classification of these positions is unknown.

Fiscal Impact — Board of Regents (BOR)

According to the BOR, the fiscal impact is indeterminable at this time.

Sources

Iowa Insurance Division, Department of Insurance and Financial Services
 Legislative Services Agency
 Board of Regents
 Wellmark

Division II — Pharmacy Services Administrative Organizations and Wholesale Distribution — Report

Description

Division II requires the Commissioner or the Commissioner’s designee to review PSAOs and the wholesale distribution of prescription drugs and submit a report to the General Assembly before January 1, 2026, containing findings and recommendations based on the review. The report must include each of the following:

- A description and analysis of the prescription drug wholesale distribution supply chain, including focuses on the market concentration for, margins in, and competition in the wholesale distribution of prescription drugs.

- A description of the role that PSAOs serve in the prescription drug supply chain.
- A description and analysis of the relationships between PSAOs, prescription drug wholesalers, and retail pharmacies, including standard contracting terms, fees charged to pharmacies, and contractual restrictions and limitations applicable to retail pharmacies.

Division II includes confidentiality requirements for the report.

Background

PSAOs are collective bargaining groups that leverage their membership to negotiate contracts with other parties in the pharmaceutical supply and payment chain. PSAOs provide a range of business services to pharmacies. PSAOs typically serve independent and small chain pharmacies.

Assumptions

The IID will need to hire a contractor to conduct the report required by this Division of this Act.

Fiscal Impact

The IID estimates the cost of hiring a contractor in FY 2026 to complete the report required by **Division II** of this Act to be approximately \$225,000.

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on May 12, 2025, and signed by the Governor on June 11, 2025.

Source

Iowa Insurance Division, Department of Insurance and Financial Services

[SF 397](#) – Assaults, Persons Engaged in Certain Occupations and by Inmates (LSB1057SV.2)

Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 397](#) expands occupations under Iowa Code section [708.3A](#) related to assault to include juvenile detention staff and employees of the Department of Inspections, Appeals, and Licensing (DIAL) who conduct investigations or inspections. The Act elevates the penalties for assault against persons engaged in certain occupations as follows:

- Assaults under Iowa Code section 708.3A(1) would become a Class C felony.
- Assaults under Iowa Code section 708.3A(2) would become a Class C felony.
- Assaults under Iowa Code section 708.3A(3) would become a Class D felony.
- Assaults under Iowa Code section 708.3A(4) would become an aggravated misdemeanor. A person who violates that Iowa Code section would be required to serve a minimum term of seven days of the sentence imposed by law and would not be eligible for suspension of the minimum sentence.

The Act also provides that a person who, while confined in a jail, institution, or facility under the control of the Department of Corrections (DOC), ejects saliva in a manner intending to cause pain or injury, or to be insulting or offensive, commits an act of assault.

Background

Assault as it relates to the Act is defined in Iowa Code section [708.1](#). To commit assault under Iowa Code section 708.3A, the person committing the assault must know that the person against whom the assault is committed is engaged in an occupation detailed in Iowa Code sections 708.3A(1) through 708.3A(4).

- Iowa Code section 708.3A(1) relates to assaults with the intent to inflict a serious injury and establishes such assaults as a Class D felony under current law.
- Iowa Code section 708.3A(2) relates to assaults with the use or display of a dangerous weapon in connection with an assault and establishes such assaults as a Class D felony under current law.
- Iowa Code section 708.3A(3) relates to assault causing bodily injury or mental illness and establishes such assaults as an aggravated misdemeanor under current law.
- Iowa Code section 708.3A(4) relates to all other forms of assault and establishes such assaults as a serious misdemeanor under current law.

Under Iowa Code section [708.3B](#), a person who, while confined in a jail, institution, or facility under the control of the DOC, assaults or commits an act that is intended to cause pain or injury, or be insulting or offensive, to an employee of the jail, institution, or facility, and that

results in the employee coming into contact with blood, seminal fluid, urine, or feces, commits a Class D felony. The Act adds saliva to this list of bodily excretions.

A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but no more than \$13,660. A Class D felony is punishable by confinement for up to five years and a fine of at least \$1,025 but no more than \$10,245. An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but no more than \$8,540. A serious misdemeanor is punishable by confinement for up to one year and a fine of at least \$430 but no more than \$2,560.

According to the Office of the State Public Defender (SPD), in FY 2024, 630 claims totaling \$411,000 under Iowa Code sections 708.3A(1) through 708.3A(4) were paid from the Indigent Defense Fund.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A delay of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- The expansion of the definition of assault will increase the number of prosecutions.
- There will be an increase in the average claim cost under Iowa Code sections 708.3A(1) through 708.3A(4) to the SPD, and those costs will be paid from the Indigent Defense Fund.
- Contract attorney pay will remain at the current hourly rates.
- The increased level of offense would increase the total estimated claim costs to the SPD by \$119,000 per year.
- The addition of the excretion of saliva as a form of assault is estimated to increase claim costs to the SPD by \$5,000 per year.

Correctional Impact

Senate File 397 increases penalties under Iowa Code section 708.3A and expands definitions to include assaults in which a person employed in certain occupations comes into contact with saliva. It is not known how many additional convictions under Iowa Code sections 708.3A or 708.3B would result from the expanded definitions; therefore, the correctional impact cannot be estimated for that provision of the Act.

In FY 2024, there were 27 individuals admitted to prison, 9 individuals admitted to parole, and 125 individuals admitted to probation for the most serious offense under Iowa Code section 708.3A. Under the Act, the DOC estimates that prison and parole admissions and LOS would be increased. The probation counts would be redistributed given the enhancements, since some individuals would be ordered to prison under the Act.

Figure 1 shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for Class C and D felonies and aggravated misdemeanors. 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.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2024 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2024 Field Avg LOS on Parole	Marginal Cost Per Day Parole
C Felony (Persons)	89.8%	37.8	\$24.51	35.9%	43.4	\$7.68	\$18.37	\$50.00	21.3	\$7.68
D Felony (Persons)	82.0%	18.7	\$24.51	44.2%	36.8	\$7.68	\$18.37	\$50.00	15.1	\$7.68
Aggravated Misdemeanor (Persons)	48.9%	9.5	\$24.51	58.9%	26.0	\$7.68	\$18.37	\$50.00	22.5	\$7.68

Minority Impact

Senate File 397 increases the penalties for assaults on persons in certain occupations. Senate File 397 may disproportionately impact Black individuals if trends remain constant. According to Department of Management (DOM) Criminal Justice Planning, of the 752 individuals convicted under Iowa Code section 708.3A in FY 2024, 68.4% were White, 24.4% were Black, and 7.1% were other races. Iowa’s population is 85.6% White, 3.8% Black, and 10.5% other races. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 13, 2025, for information related to minorities in the criminal justice system.

Fiscal Impact

Senate File 397 is anticipated to increase prison admissions and LOS, which would increase costs to the DOC by approximately \$948,000 per group per year over the LOS. **Figure 2** breaks down these costs by penalty. These costs would recur for each annual group of admissions and would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Cost to the DOC Under SF 397

Iowa Code Section	Current Cost	Cost Under SF 397	Fiscal Impact
708.3A(1)	\$ 126,177	\$ 329,893	\$ 203,716
708.3A(2)	99,136	222,019	122,883
708.3A(3)	484,933	998,642	513,710
708.3A(4)	273,883	381,314	107,431
Total Fiscal Impact			\$ 947,740

In addition, Senate File 397 enforces a minimum sentence and increases the level of offense, which is anticipated to increase costs to the SPD by approximately \$124,000 per year. Costs for the SPD are paid from the Indigent Defense Fund.

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on March 27, 2025, and signed by the Governor on April 18, 2025.

Sources

Department of Corrections
Department of Management (DOM) Criminal Justice Planning
Office of the State Public Defender

[SF 460](#) – Registration of Home Inspectors (LSB2328SV.2)

Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 460](#) relates to home inspections, including persons authorized to perform home inspections and requirements for independent home inspection reports, and does the following:

- Establishes regulations for home inspectors, including requiring home inspectors to adhere to industry standards and a national code of ethics.
- Prohibits conflicts of interest for home inspectors.
- Establishes penalties for violations of the Act, which are considered unfair practices and may result in civil penalties up to \$40,000.
- Requires home inspection reports to be in writing and to include specific elements, such as the scope of the inspection and a list of material defects. Failure to meet these requirements may result in a simple misdemeanor, punishable by a fine of up to \$500.
- Restricts the disclosure of home inspection reports and limits cost estimates to repair a defect found during an inspection unless the estimate includes a specified source, a range of costs, and a statement that an estimate from a specialized contractor should be considered.
- Requires home inspectors to maintain liability insurance with minimum coverage of \$100,000 per occurrence and \$500,000 in total. Failure to meet this requirement or falsely claiming to be a home inspector may result in a simple misdemeanor for a first offense and a serious misdemeanor for subsequent offenses. Penalties may range from fines to confinement.

Background

Home inspectors are not currently required to be licensed in Iowa, although they may receive certification from a national inspector association.

A simple misdemeanor is punishable by up to 30 days and a fine of at least \$105 but not more than \$855. A serious misdemeanor is punishable by up to one year of confinement and a fine of at least \$430 but not more than \$2,560.

Assumptions

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

- According to the Department of Corrections (DOC), crimes involving professionals are rare, and it is anticipated that home inspectors would comply with the legislation.

Correctional Impact

Senate File 460 creates new criminal offenses; however, crimes involving professionals are rare. As a result, the correctional impact cannot be estimated due to a lack of existing conviction data but is expected to be minimal. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor. 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.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day	Percent Ordered to Probation	FY24 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost CBC Per Day	Marginal Cost Per Day Jail	FY24 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.4%	N/A	\$24.51	53.4%	18.8	\$7.68	\$18.37	\$50.00	N/A	\$7.68

Minority Impact

Senate File 460 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 the 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.

Fiscal Impact

Senate File 460 establishes new criminal offenses. Although the fiscal impact cannot be estimated, it is not anticipated to be significant. **Figure 2** shows the average State cost per offense for a simple misdemeanor and a serious misdemeanor. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC.

Figure 2 — Average State Cost Per Offense

Offense Class	Average Cost
Simple Misdemeanor	\$40 to \$420
Serious Misdemeanor	\$420 to \$5,000

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 8, 2025, and signed by the Governor on April 18, 2025.

Sources

Department of Management (DOM) Criminal Justice Planning

Department of Corrections

Department of Inspections, Appeals, and Licensing

[SF 462](#) – Weapons Background Checks, Information Sharing (LSB2487SV.1)

Staff Contact: Nathan Moore (515.725.0155) nathan.moore@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 462](#) modifies the penalties for and applies a mandatory minimum sentence to the control, possession, receipt, or transportation of a firearm or offensive weapon by a felon. The penalty is increased from a Class D felony to the following:

- For a first offense, a Class D felony with a mandatory minimum sentence of two years.
- For a second offense, a Class D felony with a mandatory minimum sentence of four years.
- For a third offense, a Class C felony with a mandatory minimum sentence of seven years.
- For a fourth or subsequent offense, a Class C felony with a mandatory minimum sentence of 10 years.

This Act provides that the court cannot defer judgment or sentencing or suspend the execution of a mandatory minimum sentence for this offense, except that the court may suspend execution of the sentence upon recommendation by the county attorney. Accrued time earned by a person convicted is not applied to reduce any imposed mandatory minimum sentencing.

This Act repeals current Iowa Code section [724.31A](#). Currently, the Iowa Code requires the clerk of the district court to provide to the Department of Public Safety (DPS) identifying information of persons who are prohibited from acquiring a pistol or revolver under Iowa Code section [724.15\(2\)](#). The DPS shall then forward the information to the Federal Bureau of Investigation (FBI) for the purpose of inclusion in the national instant criminal background check system (NICS) database. The clerk of the district court shall also notify the persons of the prohibitions imposed under Iowa Code section [724.31A\(1\)](#).

A person who is no longer prohibited from acquiring a pistol or revolver under Iowa Code section [724.15\(2\)\(d\)](#) will provide a written request to the DPS, and as soon as is practicable after receiving the request, the DPS will update, correct, modify, or remove the person's record in any database made available to the NICS and shall notify the United States Department of Justice.

Background

Under Iowa Code section [724.26\(1\)](#), a person who is convicted of a felony in a State or federal court, or who is adjudicated delinquent based on conduct that would constitute a felony if committed by an adult, and who knowingly has under the person's dominion and control or possession receives, transports, or causes to be transported a firearm or offensive weapon is guilty of a Class D felony. A Class D felony under Iowa Code section [902.9](#) is punishable by confinement for up to five years and a fine of at least \$1,025 but not more than \$10,245. A Class C felony is punishable by confinement for up to 10 years and a fine of at least \$1,370 but not more than \$13,660.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Act to the date of first entry of affected offenders into the correctional system.
- Admissions include only individuals admitted to Department of Corrections (DOC) supervision whose most serious offense is the control, possession, receipt, or transportation of a firearm or offensive weapon by a felon.
- Although the statutory mandatory minimum for a first offense under Senate File 462 is two years, not all individuals will be released precisely at the minimum threshold. A Class D felony has a statutory maximum term of 5 years, and using the midpoint, the projected average length of stay (LOS) is approximately 36 months. This is consistent with the DOC estimates for mandatory minimum offenses, where the average time served exceeds the stated minimum.
- The marginal cost per day in prison is \$24.51. The marginal cost per day on probation and parole is \$7.68.

Correctional Impact

In FY 2024, there were 65 individuals admitted to prison and 172 individuals admitted to Community-Based Corrections (CBC) under Iowa Code section 724.26(1). If all conditions of convictions and sentencing remain unchanged, under this Act, all 65 individuals would be admitted to prison. The estimated LOS for individuals admitted to prison for this offense would increase from approximately 13.1 months to a minimum of 24.0 months. 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.

Minority Impact

Senate File 462 increases the penalty for the control, possession, receipt, or transportation of a firearm or offensive weapon by a felon and may disproportionately impact Black individuals if trends remain constant. Of the 428 convictions under Iowa Code section 724.26(1) in FY 2024, 51.7% were White, 42.7% were Black, and 5.6% were other races. Iowa's population is 85.6% White, 3.8% Black, and 10.6% other races. 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.

Fiscal Impact

Senate File 462 is estimated to increase costs to the DOC by approximately \$529,000 for the minimum sentence, and up to \$1.1 million, for each group of individuals annually admitted to DOC supervision for an offense under Iowa Code section 724.26(1). This cost is incurred across the entire LOS or multiple fiscal years. Because the distribution of admissions among a first, second, third, and fourth or subsequent offense cannot be estimated, **Figure 1** estimates the cost to the DOC if all individuals were admitted to DOC supervision on a first offense in one year. This cost would recur for each annual group of admissions.

Figure 1 — Minimum Cost Increase to DOC Under SF 462

Supervision Status	Annual Admissions	Cost Per Day	LOS (Days)	Total Cost
Current Penalties				
Prison	65.0	\$ 24.51	398.2	\$ 634,392
Parole Admits	42.0	7.68	501.6	161,796
Probation Admits	130.0	7.68	1,185.6	1,183,703
Total	<u>237.0</u>			<u>\$ 1,979,891</u>
24 Month LOS				
Prison (1st Offense)	65.0	\$ 24.51	730.0	\$ 1,163,000
Parole Admits	42.0	7.68	501.6	161,796
Probation Admits	130.0	7.68	1,185.6	1,183,703
Total	<u>237.0</u>			<u>\$ 2,508,499</u>
36 Month LOS				
Prison (1st Offense)	65.0	\$ 24.51	1,095.0	\$ 1,744,499
Parole Admits	42.0	7.68	501.6	161,796
Probation Admits	130.0	7.68	1,185.6	1,183,703
Total	<u>237.0</u>			<u>\$ 3,089,998</u>

The cost per individual admitted for a second, third, or fourth or subsequent offense will be higher than the cost per individual admitted for a first offense due to higher mandatory minimum sentences, as shown in **Figure 2**.

Figure 2 — Total Prison Supervision Cost Per Person Under SF 462

Offense Category	Cost Per Day	LOS (Days)	Total Cost Per Person
1st Offense	\$24.51	730	\$ 17,892
2nd Offense	24.51	1,460	35,785
3rd Offense	24.51	2,555	62,623
4th or Subsequent Offense	24.51	3,650	89,462

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on May 13, 2025, and signed by the Governor on May 27, 2025.

Sources

Department of Corrections

Department of Management (DOM) Criminal Justice Planning

[SF 491](#) – Drone Regulations, Farmland (LSB2916SV.3)

Staff Contact: Justus Thompson (515.725.2249) justus.thompson@legis.iowa.gov

Fiscal Note Version – Final Action

Description

[Senate File 491](#) modifies the offenses of intrusion by use of remotely piloted aircraft (RPA) under Iowa Code section [715E.3\(1\)\(b\)](#) and surveillance by use of RPA under Iowa Code section [715E.4\(1\)\(b\)](#) by replacing the term “secure farmstead area” with the term “farmstead.” The Act defines the term “farmstead” as real property that is owned or leased by a farmer and is used by the farmer for farming, including the production of a farm commodity. The real property must also have generated at least \$15,000 from the sale of farm commodities produced on the real property in the last calendar year. The Act establishes a secured area of 400 feet from certain types of property located on the farmstead, which include a farm animal, farm equipment, or a farm structure. An RPA is prohibited from entering into this space, subject to the exceptions that apply to a homestead.

The Act removes the definitions of “agricultural animal,” “animal feeding operation,” and “secure farmstead area.” The Act adds new definitions under Iowa Code section [715E.1](#) for the terms “farm animal,” “farm commodity,” “farm crop,” “farm equipment,” “farm structure,” “farmer,” and “farmstead” and amends the definition of the term “surveillance device.”

Background

Iowa Code chapter [715E](#) establishes the following offenses, provides penalties, and provides for exceptions to the offenses:

- Intrusion by the use of an RPA.
- Surveillance by the use of an RPA.

A person commits intrusion by the use of an RPA if the person knowingly controls the flight of an RPA over a homestead or a secure farmstead area, if the homestead or secure farmstead area is not owned or leased by the RPA operator, and if the RPA remains over the homestead or secure farmstead area. The penalty is a simple misdemeanor, or a serious misdemeanor if the person has previously been convicted of this offense or surveillance by the use of an RPA.

A person commits surveillance by the use of an RPA if the person knowingly controls the flight of an RPA equipped with a surveillance device over a homestead or secure farmstead area, if the homestead or secure farmstead area is not owned or leased by the RPA operator, and if the RPA remains over the homestead or secure farmstead area. The penalty is a serious misdemeanor, or an aggravated misdemeanor if the person has previously been convicted of this offense or intrusion by the use of an RPA.

In FY 2024, there were no convictions and no individuals admitted to prison or probation under Iowa Code sections 715E.3 and 715E.4.

An aggravated misdemeanor is punishable by confinement for up to two years and a fine of at least \$855 but not more than \$8,540. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$430 but not more than \$2,560. A simple misdemeanor is punishable by confinement for up to 30 days and a fine of at least \$105 but not more than \$855.

Assumptions

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

Correctional Impact

The correctional impact of the Act cannot be determined since the definition changed but is anticipated to be minimal. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor and an aggravated misdemeanor. 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.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2024 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2024 Field Avg LOS on Probation	Avg Cost Per Day on Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2024 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Aggravated Misdemeanor Non-Persons	30.5%	8.7	\$24.51	46.4%	26.1	\$7.68	\$18.37	\$50.00	19.7	\$7.68
Serious Misdemeanor	2.4%	N/A	\$24.51	53.4%	18.8	\$7.68	\$18.37	\$50.00	N/A	\$7.68

Minority Impact

The minority impact cannot be determined due to a lack of existing data. 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.

Fiscal Impact

The fiscal impact cannot be determined but is anticipated to be minimal. **Figure 2** shows the average State cost per offense for a serious misdemeanor and aggravated misdemeanor. The estimated impact to the General Fund includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Figure 2 — Average State Costs per Offense

Offense Class	Average Cost
Aggravated Misdemeanor	\$6,800 to \$11,800
Serious Misdemeanor	\$420 to \$5,000

Effective Date

This Act is effective July 1, 2025.

Enactment Date

This Act was approved by the General Assembly on April 28, 2025, and signed by the Governor on May 6, 2025.

Sources

Department of Corrections

Department of Management (DOM) Criminal Justice Planning