

**EIGHTY-EIGHTH GENERAL ASSEMBLY
2020 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

March 2, 2020

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
HF 2270	H-8052		EHLERT of Linn
HF 2372	H-8053		MAXWELL of Poweshiek
HF 2493	H-8054		DEYOE of Story
HF 2518	H-8055		SEXTON of Calhoun
HF 2518	H-8057		HUNTER of Polk
HF 2523	H-8056		BERGAN of Winneshiek
SF 537	H-8051		COMMITTEE ON NATURAL RESOURCES, et al
SF 2259	H-8050		ISENHART of Dubuque, et al

Fiscal Notes

- [HF 2259](#) — [Human Trafficking Training, Hotels](#) (LSB5728YH)
- [HF 2338](#) — [Eluding Law Enforcement](#) (LSB5317HV)
- [HF 2357](#) — [Property Tax Credits Application Date](#) (LSB6096YH)
- [HF 2492](#) — [Iowa Health and Wellness Plan, Reenrollment](#) (LSB5801HV)
- [HF 2554](#) — [Continuous Sexual Abuse of a Child](#) (LSB5316HV)

[HF 2575](#) — [Broadband Grant Award Tax Exemption](#) (LSB5246HV)

[HF 2588](#) — [Tobacco and Vaping, Minimum Age](#) (LSB5507HV)

HOUSE FILE 2270

H-8052

1 Amend House File 2270 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 237A.13, Code 2020, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 3A. Child care providers whose
7 reimbursement rate is below the fiftieth percentile of the most
8 recent statewide reimbursement rate survey shall be set by
9 the department at the fiftieth percentile of the most recent
10 statewide reimbursement rate survey. The department shall also
11 adjust child care quality rating system bonuses to reflect the
12 increased child care reimbursement rates as appropriate.>

By EHLERT of Linn

H-8052 FILED MARCH 2, 2020

HOUSE FILE 2372

H-8053

1 Amend House File 2372 as follows:

2 1. Page 1, line 3, by striking <help> and inserting <help,
3 who is eighteen years of age or older,>

By MAXWELL of Poweshiek

H-8053 FILED MARCH 2, 2020

HOUSE FILE 2493

H-8054

- 1 Amend House File 2493 as follows:
- 2 1. Page 1, line 8, by striking <section> and inserting
- 3 <subsection>

By DEYOE of Story

H-8054 FILED MARCH 2, 2020

HOUSE FILE 2518

H-8055

1 Amend House File 2518 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 331.907, Code 2020, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 2A. *a.* If the board of supervisors adopts
7 a compensation schedule that annually compensates a supervisor
8 in an amount greater than the median annual household income
9 for the county based on the most recently published United
10 States census bureau median household income statistics, the
11 adopted compensation schedule shall not take effect until all
12 of the following occur:

13 (1) The board of supervisors directs the county
14 commissioner of elections to submit to the registered voters of
15 the county at the next general election the question of whether
16 the adopted compensation schedule shall be approved.

17 (2) A majority of those voting approve the adopted
18 compensation schedule.

19 *b.* The compensation of a supervisor shall be the same as
20 provided in the most recently adopted compensation schedule
21 that took effect until a new compensation schedule takes
22 effect.>

By **SEXTON** of Calhoun

H-8055 FILED MARCH 2, 2020

HOUSE FILE 2518

H-8057

1 Amend House File 2518 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 331.907, subsections 1 and 3, Code 2020,
5 are amended to read as follows:

6 1. The annual compensation of the auditor, treasurer,
7 recorder, sheriff, and county attorney,~~and supervisors~~
8 shall be determined as provided in this section. The county
9 compensation board annually shall review the compensation
10 paid to comparable officers in other counties of this state,
11 other states, private enterprise, and the federal government.
12 In setting the salary of the county sheriff, the county
13 compensation board shall consider setting the sheriff's salary
14 so that it is comparable to salaries paid to professional
15 law enforcement administrators and command officers of the
16 state patrol, the division of criminal investigation of the
17 department of public safety, and city police agencies in
18 this state. The county compensation board shall prepare
19 a compensation schedule for the specified elective county
20 officers for the succeeding fiscal year. A recommended
21 compensation schedule requires a majority vote of the
22 membership of the county compensation board.

23 3. The board of supervisors shall determine the
24 compensation paid to supervisors. The board of supervisors
25 shall consider current market factors when determining the
26 compensation paid to supervisors. The board of supervisors
27 shall hold a public hearing regarding a proposed compensation
28 schedule for supervisors before the board of supervisors may
29 vote to approve the proposed compensation schedule. The board
30 of supervisors may adopt a decrease in compensation paid to
31 supervisors irrespective of ~~the county compensation board's~~
32 ~~recommended compensation schedule or other~~ approved changes in
33 compensation paid to other elected county officers. A decrease
34 in compensation paid to supervisors shall be adopted by the
35 board of supervisors no less than thirty days before the county

H-8057 (Continued)

1 budget is certified under section 24.17.>

By HUNTER of Polk

H-8057 FILED MARCH 2, 2020

HOUSE FILE 2523

H-8056

- 1 Amend House File 2523 as follows:
- 2 1. Page 1, by striking lines 1 through 6 and inserting:
- 3 <Section 1. FREE CLINICS — ELECTRONIC PRESCRIPTION
- 4 EXEMPTION.>
- 5 2. Page 1, line 7, by striking <2.>

By BERGAN of Winneshiek

H-8056 FILED MARCH 2, 2020

SENATE FILE 537

H-8051

1 Amend Senate File 537, as amended, passed, and reprinted by
2 the Senate, as follows:

- 3 1. Page 1, line 1, by striking <2019> and inserting <2020>
- 4 2. Page 1, line 7, by striking <muzzleloader> and inserting
5 <muzzleloader, bow,>

By COMMITTEE ON NATURAL RESOURCES

BACON of Story, Chairperson

H-8051 FILED MARCH 2, 2020

SENATE FILE 2259

H-8050

- 1 Amend Senate File 2259, as passed by the Senate, as follows:
- 2 1. Page 1, line 6, by striking <agency> and inserting
- 3 <agency, except that a fire department, emergency medical
- 4 services provider, or law enforcement agency shall not donate
- 5 equipment containing a perfluoroalkyl or polyfluoroalkyl
- 6 substance>
- 7 2. Page 1, line 7, after <of> by inserting <a vehicle or>
- 8 3. Page 1, line 20, by striking <agency> and inserting
- 9 <agency, unless such equipment contains a perfluoroalkyl or
- 10 polyfluoroalkyl substance>
- 11 4. Page 1, line 29, by striking <agency> and inserting
- 12 <agency, unless such equipment contains a perfluoroalkyl or
- 13 polyfluoroalkyl substance>

By ISENHART of Dubuque
KACENA of Woodbury

H-8050 FILED MARCH 2, 2020



[HF 2259](#) – Human Trafficking Training, Hotels (LSB5728YH)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2259](#) relates to human trafficking prevention training and reporting for employees of Iowa-based lodging providers as defined Iowa Code section [423A.2](#). The Bill requires the Office to Combat Human Trafficking (OCHT), in collaboration with other government agencies, non-governmental agencies and community organizations that have expertise in the area of human trafficking prevention, to develop a human trafficking prevention training program. Lodging providers within the State may choose to voluntarily participate in the training beginning January 1, 2022. The training must focus on accurate and prompt identification and reporting of, or response to, suspected human trafficking. At a minimum, the training must include the following:

- A general overview of human trafficking.
- A general of overview of State law on human trafficking.
- The definition of human trafficking and the commercial exploitation of children.
- Guidance on the difference between labor trafficking and sex trafficking.
- Guidance on how to recognize potential human trafficking victims.
- Guidance on how to recognize potential human traffickers.
- Guidance on how to identify activities commonly associated with human trafficking.
- Safe and effective responses to human trafficking situations, including but not limited to how to report suspected human trafficking to proper law enforcement officials.

The training must be approved by the Commissioner of the Department of Public Safety (DPS), who is also tasked with adopting rules to implement and administer the training as necessary under Iowa Code chapter [17A](#).

[House File 2259](#) also requires that no later than December 31, 2021, the Commissioner must develop and maintain all of the following to certify a lodging provider's voluntary completion of the human trafficking prevention training:

- A certificate issued by the Commissioner that the lodging provider may display in an area visible to the public. Certification is valid for three years from the time of award of the certificate.
- An internet site available to the public that identifies all certified lodging providers in the State. This website is to be maintained by the DPS.
- It is likely that costs related to management of the database containing all certified lodging providers will decrease during the second year of implementation, but this cost cannot be d

The Bill also specifies that a public employer as defined under Iowa Code section [20.3](#) or an employee of a public employer must confirm a lodging provider's current certification status on the DPS internet site prior to expending or committing public funds to the lodging provider for certain purposes such as procuring lodging, procuring space or services for a conference, meeting, or banquet located at a site where lodging is available, or hosting a conference, meeting, or banquet located at such a site. If a lodging provider is not certified as having

completed human trafficking prevention training, a public employer or employee thereof cannot use public funds for the purposes as listed above. This applies to all public funds expended for these purposes on or after January 1, 2022.

[House File 2259](#) provides that a lodging provider’s employee who acts in good faith is immune from civil liability for reporting suspected human trafficking activities to any law enforcement official.

Background

The OCHT was established as a unit under the DPS in 2016. The OCHT serves as the point of contact for anti-human trafficking activity within the State, consulting and collaborating with other agencies and organizations that have expertise in dealing with the crime of human trafficking. The OCHT is tasked with developing a strategy to collect and maintain criminal history data on incidents related to human trafficking, as well as sharing victim and offender data with other governmental agencies.

Human trafficking is defined under the federal [Victims of Trafficking and Violence Protection Act of 2000](#) as the recruitment, harboring, transporting, or obtaining of a person by means of force, fraud, or coercion for purposes of servitude, debt bondage, slavery, or participation in the sex trade. It may include, but does not require, physical movement of the victims. Human trafficking may also include other crimes such as drug trafficking, larceny, and money laundering, as traffickers are frequently involved in other illegal activities.

Assumptions

- The DPS estimates that more than 1,000 lodging providers located in the State would be eligible to participate in human trafficking prevention training.
- In order to ensure and maintain efficient communication and Statewide compliance, the DPS would need to hire one additional full-time equivalent (FTE) position.

Fiscal Impact

Estimated Costs, House File 2259

<u>Category</u>	<u>Est. Cost</u>	
	<u>FY 2021</u>	<u>FY 2022</u>
Salary and Benefits		
Senior Criminal Intelligence Analyst	\$ 65,000	\$ 65,000
Certificate/Publication Printer	\$ 9,000	N/A
Webmaster Vendor	\$ 40,000	\$ 40,000
Video Production	\$ 15,000	\$ 15,000
Database Management	\$ 25,000	\$ 15,000
Publications	\$ 2,000	\$ 2,000
Total	\$ 156,000	\$ 137,000

Additionally, the DPS would need to initiate a Request for Proposal (RFP) process to find a suitable vendor to provide the webmaster content for the public internet site that is intended to identify lodging providers certified by the Department as having successfully completed the human trafficking prevention training. The cost related to initiating an RFP is not included in the table above, and would likely require additional funding in the first year of implementation. Funding for the FTE position and related costs for the establishment and implementation of human trafficking prevention training by the OCHT of the DPS would likely be appropriated from the General Fund.

Sources

Legislative Services Agency
Department of Public Safety

February 28, 2020

Doc ID 1132114

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



[HF 2338](#) – Eluding Law Enforcement (LSB5317HV)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – Revised Fiscal Estimate

Description

[House File 2338](#) relates to the criminal offense of eluding or attempting to elude a pursuing law enforcement vehicle. The Bill enhances penalties in Iowa Code section [321.279](#), specifically for a second or subsequent criminal offense of eluding or attempting to elude a law enforcement vehicle. Under [HF 2338](#), a driver of a motor vehicle who is convicted of a second or subsequent violation of Iowa Code section [321.279](#)(1) is guilty of an aggravated misdemeanor. The driver of a motor vehicle who is convicted of a second or subsequent violation of Iowa Code section [321.279](#)(2) is guilty of a Class D felony, and a driver of a motor vehicle who is convicted of a second or subsequent violation of Iowa Code section [321.279](#)(3) is guilty of a Class C felony.

Additionally, [HF 2338](#) prohibits a court from ordering a deferred sentence or deferred judgment for the driver of a motor vehicle convicted of eluding or attempting to elude a pursuing law enforcement vehicle while exceeding the speed limit by 25 miles per hour or more and while violating Iowa Code section [321J.2](#) by operating a motor vehicle while intoxicated (OWI).

Background

Under current law, a driver of a motor vehicle who commits a violation of Iowa Code section [321.279](#)(1) by willfully failing to bring a motor vehicle to a stop or otherwise eluding or attempting to elude a marked law enforcement vehicle is, upon conviction, guilty of a serious misdemeanor. Iowa Code section [321.279](#)(2) states that a driver of a motor vehicle who willfully fails to bring a motor vehicle to a stop or otherwise eludes or attempts to elude a marked law enforcement vehicle, and in doing so, exceeds the speed limit by 25 miles per hour or more, is, upon conviction, guilty of an aggravated misdemeanor. Additionally, a driver of a motor vehicle is, upon conviction of violating Iowa Code section [321.279](#)(3), guilty of a Class D felony. A violation of Iowa Code section [321.279](#)(3) occurs when the driver of a motor vehicle willfully fails to bring a motor vehicle to a stop or otherwise eludes or attempts to elude a marked law enforcement vehicle, and in doing so, exceeds the speed limit by 25 miles per hour or more, and any of the following also occur:

- The driver participates in a public offense as defined in Iowa Code section [702.13](#) that is classified as a felony.
- The driver violates Iowa Code section [321J.2](#) by operating a motor vehicle while under the influence of alcohol or a drug or while having a blood alcohol concentration of .08 or more, or while committing a controlled substance violation under Iowa Code section [124.401](#).
- The offense results in bodily injury to a person other than the driver.

In FY 2019, there were 35 convictions newly admitted to prison as a result of the most serious violations of Iowa Code section [321.279](#). Of these new convictions, 12 were classified as aggravated misdemeanors, and 23 were classified as Class D felonies. Additionally, in FY 2019 there were 31 individuals who entered prison as a result of probation revocation for a most serious offense of Iowa Code section [321.279](#). Of these 31 probation revocations, three were classified as aggravated misdemeanors, and 28 were classified as Class D felonies.

In FY 2019, a total of 135 offenders entered probation for a most serious offense of Iowa Code section [321.279](#), and a total of 25 offenders entered parole.

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315, but no more than \$1,875.

An aggravated misdemeanor is punishable by confinement for no more than two years and a fine of at least \$650, but no more than \$6,500.

A Class D felony is punishable by confinement for no more than five years and a fine of at least \$750, but no more than \$7,500.

A Class C felony is punishable by confinement for no more than 10 years and a fine of at least \$1,000, but no more than \$10,000.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill 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.
- In order to extrapolate length of stay cost per month using daily cost data, it is assumed that the average length of one month is 30.4 days.

Correctional Impact

The correctional impact of [HF 2338](#) on new admissions to the correctional system cannot be determined. The Bill enhances penalties for all second or subsequent offenses of Iowa Code section [321.279](#), and the number of new convictions, as well as the number of any potentially redistributed convictions, cannot be determined. The Department of Corrections (DOC) expects that the proposed enhanced penalties will likely increase costs for the Department, as the redistribution of convictions into a higher crime class will result in an increase in the number of prison admissions and the average length of stay per offender. See the Fiscal Impact at the end of this Fiscal Note.

Table 1 provides estimates for sentencing to State prison, parole, probation, or Community Based Corrections (CBC) residential facilities; length of stay under those supervisions; and supervision marginal costs per day for all serious misdemeanor, aggravated misdemeanor, Class D felony, and Class C felony convictions. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Table 1 — Sentencing and Length of Stay Estimates

Conviction Offense Class	Percent to Prison	FY 19 Avg Length of Stay Prison (months)	FY 19 Marginal Cost/Day Prison	FY 19 Avg Length of Stay Parole (months)	FY 19 Marginal Cost/Day Parole	Percent to Probation	FY 19 Avg Length of Stay Probation (months)	FY 19 Avg Cost/Day Probation	Percent to CBC Residential Facility	FY 19 CBC Marginal Cost/Day	Percent to County Jail	Avg Length of Stay in County Jail	Marginal Cost per Day
Class C Felony (Non-Persons)	77.0%	15.6	\$20.38	18.7	\$6.12	64.0%	35.6	\$6.12	13.0%	\$12.58	30.0%	N/A	\$50.00
Class D Felony (Non-Persons)	76.0%	12.2	\$20.38	13.0	\$6.12	64.0%	31.8	\$6.12	12.0%	\$12.58	29.0%	N/A	\$50.00
Aggravated Misdemeanor (Non-Persons)	32.0%	6.9	\$20.38	5.9	\$6.12	51.0%	19.3	\$6.12	3.0%	\$12.58	68.0%	N/A	\$50.00
Serious Misdemeanor	2.0%	5	\$20.38	2.4	\$6.12	56.0%	13.4	\$6.12	1.0%	\$12.58	69.0%	N/A	\$50.00

Minority Impact

The minority impact of [HF 2338](#) is as follows: African Americans comprised 3.6% of the adult population of the State in FY 2019 and 19.6% of the convictions for Iowa Code section [321.279](#) offenses in FY 2019. This exceeds the population proportion of the State, which would lead to a racial impact if trends remain constant. Due to low numbers of other minority populations, the impact on those populations cannot be assessed. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system. **Table 2** provides a breakdown of the demographics of FY 2019 convictions under Iowa Code section [321.279](#) in relation to the percentage of the State’s population.

Table 2 — FY 2019 Convictions and Population Percentage

Demographic	Percentage of FY 2019 Convictions under Iowa Code section 321.279	Demographic Percentage of Iowa's Total Population
White	66.9%	90.2%
African American	19.6%	3.6%
Hispanic	3.2%	6.2%
Other/Unknown	2.7%	3.0%

Fiscal Impact

The change in the number of admissions that will result from [HF 2338](#) cannot be determined. However, if the same number of admissions occur in FY 2021 that occurred in FY 2019, and those offenses reclassified to the new offenses under [HF 2338](#), there would be an estimated cost increase to the DOC of \$164,500 in FY 2021 and \$329,000 in subsequent fiscal years.

Table 3 shows estimates for the average State cost per offense class type. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one additional conviction. The cost for prison and parole supervision would be incurred across multiple fiscal years.

Table 3 — Average State Cost per Offense Type

Offense	Total Minimum Cost	Total Maximum Cost
Class C Felony	\$ 11,600	\$ 19,400
Class D Felony	\$ 10,000	\$ 14,700
Aggravated Misdemeanor	\$ 5,600	\$ 8,000

Table 4 shows the costs to the DOC associated with the FY 2019 admissions and **Table 5** shows the estimated cost for FY 2021 based on the reclassification of offenses under [HF 2338](#). Both tables utilize the sentencing and length of stay data provided in **Table 2**.

Table 4 — Supervision Costs, FY 2019 Admissions for a Most Serious Violation of Iowa Code Section 321.279 Offenses (Current Law)

Admission Type (Current Law)	Crime Class (Current Law)	Admission Count	Fiscal Estimate (Current Law)
New Prison Admission	Class D Felony	23	\$ 173,846
	Aggravated Misdemeanor	12	\$ 51,299
Prison Admission - Probation Revocation	Class D Felony	28	\$ 211,639
	Aggravated Misdemeanor	3	\$ 12,285
Probation Admission	Class D Felony	76	\$ 449,641
	Aggravated Misdemeanor	48	\$ 172,355
	Serious Misdemeanor	11	\$ 45,433
Parole Admission	Class D Felony	21	\$ 50,791
	Aggravated Misdemeanor	4	\$ 18,977
		Total	\$ 1,186,266

Table 5 — Supervision Costs and Admissions for a Most Serious Violation of Iowa Code Section 321.279 Offenses (Proposed Law)

Admission Type (Proposed Law)	Crime Class (Proposed Law)	Admission Count	Fiscal Estimate (Proposed Law)
New Prison Admission	Class C Felony	23	\$ 222,295
	Class D Felony	12	\$ 90,702
Prison Admission - Probation Revocation	Class C Felony	28	\$ 270,620
	Class D Felony	3	\$ 22,676
Probation Admission	Class C Felony	76	\$ 503,371
	Class D Felony	48	\$ 283,984
	Aggravated Misdemeanor	11	\$ 39,293
Parole Admission	Class C Felony	21	\$ 73,061
	Class D Felony	4	\$ 9,674
		Total	\$ 1,515,678

Sources

Criminal & Juvenile Justice Planning Division, Department of Human Rights
Department of Corrections
Department of Public Safety
Legislative Services Agency

/s/ Holly M. Lyons

March 2, 2020

Doc ID 1130483

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2357](#) – Property Tax Credits Application Date (LSB6096YH)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2357](#) provides an additional seven days for a home purchaser to apply for a current-year Homestead Tax Credit (Iowa Code section [425.2](#)) in situations where the purchase is on any of the dates from June 25 through June 30. If a purchaser of a homestead that closes on any of those dates applies within seven days of the closing, the homestead application will be effective for the current assessment year. If the purchase closes on any of those dates and the purchaser does not apply within seven days of the closing, the homestead credit will first apply for the next assessment year. A similar change is made for the Business Property Tax Credit (Iowa Code section [426C.3](#)) and the Military Tax Exemption (Iowa Code section [426A.13](#)) application process.

The changes are effective for assessment year 2020 and after (taxes due in FY 2022 and after).

Assumptions

- Based on sales data published by the Iowa Realtors Association, 4,500 single-family, townhouse, and condominium sales closed during the month of June 2019. This number is assumed to represent June sales for all future years.
- It is assumed that 40.0% of home closings for a month occur during the final six days of the month.
- Not all homes sales qualify as a homestead, and not all purchasers who close on homes during the additional application window will apply during the seven days provided. It is assumed that 70.0% of the sales on June 25 through June 30 are eligible for the Homestead Tax Credit and purchasers will also take advantage of the additional application window provided in the Bill.
- Based on the previous three assumptions, the projected number of properties benefiting from the additional application period provided in the Bill each year is 1,260.
- The Statewide average residential property tax rate for FY 2020 is \$34.45 per \$1,000 of taxed valuation, and the credit applies to \$4,850 of taxed valuation. Therefore, the average tax credit equals \$167 and the projected aggregate property tax reduction for all additional claimants is \$210,000 each year.
- Homestead Tax Credit claims are paid through the State's Homestead Credit Fund, which is financed through an annual State General Fund standing unlimited appropriation.
- The number of Military Tax Exemption claimants for FY 2020 is 137,730 and the number of Homestead Tax Credit claimants is 753,338. This means that 18.3% of homestead credit claims also include a claim for the Military Tax Exemption. With the assumed 1,260 homestead claims impacted by the Bill, 231 Military Tax Exemption claims will also benefit each year. For most claimants, that [exemption](#) is equal to the tax on \$1,852 of taxed value. For the Military Tax Exemption, the Military Tax Credit (Iowa Code section [426A.2](#)) reimburses the local government property tax system \$6.92 per \$1,000 of exempted value and the school aid formula also reimburses the property tax system \$5.40 per \$1,000 of exempted value. With an assumed \$34.45 average residential property tax rate, \$22.13 per

\$1,000 of exempted tax value remains as a property tax revenue reduction for local governments. Therefore, the average tax exemption equals \$64, and the projected aggregate property tax reduction for all additional claimants is \$15,000 each year. The projected government finance implications of the exemption are as follows:

- A \$3,000 increase in the Military Tax Credit State General Fund standing unlimited appropriation.
- A \$2,400 increase in the State General Fund appropriation for school aid.
- A \$9,600 decrease in local property tax revenue.
- The Business Property Tax Credit is funded through an annual State General Fund standing limited appropriation of \$125.0 million that is divided among all eligible properties based on property values and tax rates. The Bill will make additional properties eligible for the credit one year earlier than would be the case under current law. The fiscal impact of this will be a reduction in the credit value for some of the other properties that are receiving the credit that year. There is no impact on the State General Fund or local government finance.

Fiscal Impact

The extended application window for the Homestead Tax Credit, the Business Property Tax Credit, and the Military Tax Exemption provided in the Bill is projected to increase the annual General Fund standing unlimited appropriation to the Homestead Credit Fund by \$0.2 million beginning with FY 2022. The Bill will also increase the State General Fund standing unlimited appropriation for the Military Service Credit by a minor amount and reduce local property tax revenue by a minor amount.

Sources

Iowa Realtors Association Monthly Indicators ([December 2019](#))
Legislative Services Agency Analysis
Department of Management Property Tax Files

/s/ Holly M. Lyons

February 28, 2020

Doc ID 1132204

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2492](#) – Iowa Health and Wellness Plan, Reenrollment (LSB5801HV)
Staff Contact: Jess Benson (515.281.4611) jess.benson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2492](#) requires the Department of Human Services (DHS) to seek approval of an amendment to the section 1115 demonstration waiver for the Iowa Health and Wellness Plan (IHAWP) from the Centers for Medicare and Medicaid Services (CMS). The amendment would require IHAWP members who are subject to monthly contributions, and who have been disenrolled for failure to pay those contributions, to repay those before reenrolling after their second disenrollment. Members would not be required to repay monthly contributions after being disenrolled the first time for failure to pay.

Background

The IHAWP covers individuals below 133.0% of the federal poverty level (FPL). Members are not required to pay monthly contributions in the first year on the program or in subsequent years if their income is below 50.0% of FPL or if they complete what are known as “Healthy Behaviors.” Healthy Behaviors are health risk assessments and dental or medical wellness exams. Members subject to monthly contributions are required to pay either \$5 or \$10 based on their income and may be disenrolled for nonpayment of contributions after 90 days. Members may contact the DHS and claim financial hardship to avoid payment of monthly contributions, but they must do so before the payment is due.

Assumptions

- Significant system work would be necessary for the Eligibility Integrated Application Solution (ELIAS), data warehouse, and medical systems to provide notification to members and allow for additional system interfaces for DHS field staff.
- The match rate for the IHAWP is 88.30% federal and 11.70% State, and for systems changes is 75.55% federal and 24.45% State.
- An average of 749 individuals were disenrolled per month in FY 2019 for failure to pay monthly contributions and not all those individuals will choose to reenroll.
- Revenues from repayment of monthly contributions will be minimal with an estimated average debt of \$30 and with the 88.30% federal share returned to the federal government.
- Requiring repayment of monthly contributions to regain eligibility would likely result in fewer members being enrolled in IHAWP, but the number of members who would choose not to reenroll cannot be estimated. The savings is not expected to be significant because it is assumed that members needing coverage are likely to reapply or go to a hospital for care, and the hospital will assist them in reenrolling.

Fiscal Impact

[House File 2492](#) is estimated to have one-time costs to the DHS of \$216,000 in FY 2021 for systems changes. The impact for repayment of monthly contributions and fewer IHAWP members cannot be determined but is likely to be minimal due to the State match rate and because it is assumed individuals will reenroll when they need coverage.

Sources

Department of Human Services

/s/ Holly M. Lyons

February 27, 2020

Doc ID 1131984

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2554](#) – Continuous Sexual Abuse of a Child (LSB5316SV)
Staff Contact: Laura Book (515.205.9275) laura.book@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2554](#) creates a new criminal offense of continuous sexual abuse of a child. Under the Bill, a person 18 years of age or older commits continuous sexual abuse of a child when the victim is a child (under the age of 14), at least 30 days have elapsed between the first and last acts of sexual abuse, and the person engages in three or more acts of sexual abuse in violation of:

- Iowa Code section [709.2](#) (1st degree Sexual Abuse),
- Iowa Code section [709.3](#) (2nd degree Sexual Abuse),
- Iowa Code section [709.4](#) (3rd degree Sexual Abuse),
- Iowa Code section [709.8](#) (Lascivious Acts with a Child), or
- Iowa Code section [709.12](#) (Indecent Contact with a Child)

Background

A person who commits a violation of this Bill is guilty of a Class B felony. The Bill allows a court to sentence a person guilty of continuous sexual abuse to maximum confinement of 50 years, if the combination of three acts includes a violation of sexual abuse in the second degree or sexual abuse in the third degree. The default sentence for a Class B felony is maximum confinement of 25 years.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill 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 average marginal cost for prison is \$20.38 per day.
- The average length of stay of an individual convicted of continuous sexual abuse of a child will be 176.6 months.

Correctional Impact

[House File 2554](#) creates a new criminal offense and the correctional impact is unknown. In FY 2019, there were 156 individuals who were admitted to prison on at least one of the offenses listed under this Bill. Sixty-one of these individuals were convicted of an offense which specified a child victim was involved.

It is estimated that some of those who are admitted annually to prison for similar offenses and serving Class C or D felonies will receive sentence enhancements under this Bill. In FY 2019, the current average length of stay for those exiting prison under those sentences was 54.3

months for a Class C felony and 25.0 months for a Class D felony. It is estimated that the average length of stay for those convicted of this offense would increase to 176.6 months. The extent of the increase cannot be calculated due to unavailable data relating to the duration of abuse.

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

[House File 2554](#) creates a new criminal offense and the minority impact cannot be estimated due to a lack of data.

Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of [HF 2554](#) cannot be estimated due to the unknown correctional impact. Given that the average length of stay would increase to 176.6 months, the estimated cost for an admission to prison for a violation of this Bill would be approximately \$109,000 per offender.

Currently, the cost to incarcerate an individual convicted of a Class C or D felony listed in this Bill is approximately \$34,000 and \$15,000, respectively. It is estimated that some of these admissions will become Class B felonies under this Bill. The increased cost for those previously admitted to prison as a Class C or D felony would be \$76,000 and \$94,000, respectively.

Sources

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

/s/ Holly M. Lyons

February 27, 2020

Doc ID 1132075

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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Fiscal Note

Fiscal Services Division

HF 2575 – Broadband Grant Award Tax Exemption (LSB5246HV)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2575](#) exempts federal, state, and local grants awarded to communication service providers from Iowa individual and corporate income taxes. The change is effective retroactively to January 1, 2019. A refund of taxes paid on calendar year 2019 grants is allowed, provided that the refund claim is filed before October 1, 2020.

Background

The taxation status of government grants is established in federal Internal Revenue Code (IRC) section [118\(b\)\(2\)](#). Iowa's tax law couples with this IRC section, therefore a broadband grant that is taxable for federal tax purposes is also taxable for Iowa income tax purposes.

Assumptions

- Federal financing programs for broadband infrastructure totaled \$620.0 million nationally in calendar year (CY) 2019, and that amount is assumed for future years. The Iowa share of the national annual total is assumed to equal 1.1% (\$6.8 million).
- State broadband infrastructure grants are assumed to have equaled \$1.3 million for CY 2019, \$5.0 million for CY 2020, and are assumed to equal \$15.0 million in CY 2021 and future years.
- Grants from local government sources are assumed to be minimal.
- Some grant situations will not result in Iowa income tax liability. An amount equal to 75.0% of the assumed grant total is assumed to be subject to Iowa individual or corporate income tax under current law.
- The combination of the four preceding assumptions results in \$6.1 million in taxable grants during CY 2019, \$8.9 million in CY 2020, and \$16.4 million in CY 2020 and succeeding years. Of these amounts, 20.0% is assumed to be taxed as individual income and 80.0% as corporate income.
- The marginal individual income tax rate for tax year (TY) 2019 through TY 2022 is 8.53%, and 6.5% for TY 2023 and after.
- The average marginal corporate income tax rate is assumed to equal 11.5% for TY 2019 and TY 2020, and 9.0% for TY 2021 and after.
- The individual income tax reduction for TY 2019 grants is assumed to occur in FY 2020, with the same pattern for succeeding years.
- Fifty percent of the corporate income tax reduction for TY 2020 grants is assumed to occur in FY 2020 and 50.0% in FY 2021, with the same pattern for succeeding years.
- The tax refunds for CY 2019 grants are assumed to be all corporate income tax refunds and issued during FY 2021.

Fiscal Impact

Exempting federal, state, and local grants awarded to communication service providers from Iowa individual and corporate income taxes is projected to reduce net individual and corporate income tax by the amounts in the following table.

Estimated Net General Fund Revenue Reduction

In Millions

	Individual Income	Corporate Income	General Fund
FY 2020	\$ 0.1	\$ 0.2	\$ 0.3
FY 2021	0.2	1.5	1.7
FY 2022	0.3	1.2	1.5
FY 2023	0.3	1.2	1.5
FY 2024	0.2	1.2	1.4
FY 2025	0.2	1.2	1.4

The annual revenue reductions are projected to continue at similar levels in future fiscal years.

Sources

Department of Revenue

National Telecommunications and Information Administration [Broadband Funding Guide](#)

Office of the Chief Information Officer [Broadband Grants](#)

Legislative Services Agency analysis

/s/ Holly M. Lyons

March 2, 2020

Doc ID 1128657

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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[HF 2588](#) – Tobacco and Vaping, Minimum Age (LSB5507HV)
Staff Contact: Kenneth Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2588](#) changes the legal age for purchasing and using any cigarette, tobacco, tobacco products, alternative nicotine products, and vapor products from 18 to 21 years of age.

Background

The federal Further Consolidated Appropriations Act for FFY 2020 (Public Law No. 116-[94](#)), passed in December 2019, changed the minimum age for smoking from 18 to 21 years of age under federal law. Therefore, this fiscal estimate could be treated as the estimated impact of the federal law on Iowa tax revenue, assuming that Iowa would enforce the federal law, and that retailers were complying with federal law by January 1, 2020.

Furthermore, this estimate addresses only the primary fiscal impact of this law associated with reducing smoking by individuals between the ages of 18 and 21. Secondary impacts such as lowering the likelihood of those smoking after turning 21, decreased sales to individuals through illegal purchases, or these consumers spending their money on something else that is subject to the sales and use tax are not included in the methodology or impacts.

Iowa cigarette and tobacco tax revenue is deposited in the Health Care Trust Fund (HCTF). Cigarettes, tobacco, tobacco products, alternative nicotine products, and vapor products are subject to the sales tax, which is deposited in the General Fund and the Secure an Advanced Vision for Education (SAVE) Fund, and distributed to local governments via the Local Option Sales Tax (LOST).

Assumptions

Cigarette and Tobacco Taxes

- Consumption by Iowa adults from the age of 18 through 20 is estimated to be 4.9% of all cigarettes purchased. It is further assumed that all other tobacco and tobacco products are consumed at this same rate for this age cohort.
- The five-year forecast of cigarette and tobacco receipts revenue completed by the Department of Revenue in December 2019 is used as the baseline of cigarette and tobacco sales.

Cigarettes and Tobacco Products — Sales Tax Impact

- The cigarette and tobacco tax on a pack of cigarettes is \$1.36. Based on the estimated impact on cigarette and tobacco taxes, the estimated number of cigarette packs sold will decrease by 3.3 million in FY 2020 and 6.6 million in FY 2021 and each year thereafter.
- The average price of a cigarette pack is \$5.83, which is estimated to grow with the rate of inflation.

Alternative Nicotine Products and Vapor Products — Sales Tax Impact

- National sales on vaping products in 2018 totaled \$3.6 billion.
- Since [Iowa's population](#) is approximately 1.0% of the national population, it is assumed that portion of sales was to Iowa consumers.
- Consumption by Iowa adults from the age of 18 through 20 is estimated to be 7.5% of all vaping products purchased.
- Annual growth rate of vaping product sales will be 8.3%.

Enforcement Assumptions

- The Alcoholic Beverages Division (ABD) will need to update current online retailer training materials.

Fiscal Impact

The fiscal impact across funds is presented in the following table.

Estimated Revenue Change				
In Millions				
Fiscal Year	HCTF	General Fund	SAVE Fund	LOST
2020	\$ -5.0	\$ -1.2	\$ -0.2	\$ -0.2
2021	-10.0	-2.4	-0.5	-0.5
2022	-10.0	-2.5	-0.5	-0.5
2023	-9.9	-2.5	-0.5	-0.5
2024	-9.8	-2.5	-0.5	-0.5

A decrease in revenue to the HCTF will decrease total funds available for the Medicaid Program. This would then require an increase in the General Fund appropriation to Medicaid by that same amount to meet the [Medicaid Forecasting Group](#) estimate.

The costs for the ABD to update online retailer training will range from \$19,000 to \$50,000. Other associated costs with personnel time and other application changes are estimated to be minimal.

Sources

Department of Revenue
Department of Commerce, Alcoholic Beverages Division
LSA Analysis and Calculations

/s/ Holly M. Lyons

March 2, 2020

Doc ID 1132187

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.