

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

March 6, 2020

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
HF 2413	H-8103		ISENHART of Dubuque
HF 2589	H-8101		BRECKENRIDGE of Jasper
HF 2589	H-8104		BRECKENRIDGE of Jasper
HF 2593	H-8100		JAMES of Dubuque
HF 2594	H-8099		JAMES of Dubuque
HF 2595	H-8098		JAMES of Dubuque
HF 2600	H-8102		WINCKLER of Scott

Fiscal Notes

[HF 2601](#) — [Property Tax Credits Application Date](#) (LSB6096HV)

HOUSE FILE 2413

H-8103

1 Amend House File 2413 as follows:

2 1. Page 1, before line 1 by inserting:

3 <DIVISION I
4 CONTROLLED SUBSTANCES>

5 2. Page 6, after line 26 by inserting:

6 <DIVISION II
7 DRUG PARAPHERNALIA AND SYRINGE SERVICES PROGRAM

8 Sec. _____. Section 124.414, subsection 1, paragraph b, Code
9 2020, is amended to read as follows:

10 *b.* *"Drug paraphernalia"* does not include hypodermic needles
11 or syringes if manufactured, delivered, sold, or possessed for
12 a lawful purpose. "Lawful purpose" includes hypodermic needles
13 or syringes delivered, sold, or possessed through an approved
14 syringe services program established pursuant to rules adopted
15 by the department of public health.

16 Sec. _____. Section 135.19, Code 2020, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 3. The department shall establish and
19 implement a syringe services program for persons who unlawfully
20 inject controlled substances and who are at an increased risk
21 for exposure to hepatitis B or hepatitis C. The program
22 shall include hepatitis C testing, referrals for treatment
23 of substance use disorders, and training for opioid overdose
24 prevention and reversal.

25 Sec. _____. Section 141A.3, subsection 2, Code 2020, is
26 amended by adding the following new paragraph:

27 NEW PARAGRAPH. *g.* Establish and implement a syringe
28 services program for persons who unlawfully inject controlled
29 substances and who are at risk of HIV infection. The program
30 shall include testing for HIV infection, referrals for
31 treatment of substance use disorders, and training in opioid
32 overdose prevention and reversal.

33 DIVISION III
34 EFFECTIVE DATE>

35 3. Title page, line 1, after <substances> by inserting <and

H-8103 (Continued)

1 drug paraphernalia>

2 4. Title page, line 3, after <marijuana,> by inserting

3 <establishing a syringe services program,>

4 5. By renumbering as necessary.

By ISENHART of Dubuque

H-8103 FILED MARCH 6, 2020

HOUSE FILE 2589

H-8101

1 Amend House File 2589 as follows:

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

4 <Section 1. Section 124E.2, subsection 2, paragraph i, Code
5 2020, is amended to read as follows:

6 *i. ~~Untreatable~~ Chronic pain.*

7 Sec. 2. Section 124E.2, subsections 5 and 6, Code 2020, are
8 amended to read as follows:

9 5. "*Health care practitioner*" means an individual licensed
10 under chapter 148 to practice medicine and surgery or
11 osteopathic medicine and surgery, a physician assistant
12 licensed under chapter 148C, a podiatrist licensed pursuant to
13 chapter 149, an advanced registered nurse practitioner licensed
14 under chapter 152, or an advanced practice registered nurse
15 under chapter 152E, who is a patient's primary care provider.

16 ~~"Health care practitioner" shall not include a physician~~
17 ~~assistant licensed under chapter 148C or an advanced registered~~
18 ~~nurse practitioner licensed pursuant to chapter 152 or 152E.~~

19 6. "*Medical cannabidiol*" means any pharmaceutical
20 grade cannabinoid found in the plant *Cannabis sativa* L. or
21 *Cannabis indica* or any other preparation thereof ~~that has~~
22 ~~a tetrahydrocannabinol level of no more than three percent~~
23 ~~and that is delivered in a form recommended by the medical~~
24 ~~cannabidiol board, approved by the board of medicine, and~~
25 ~~adopted by the department pursuant to rule.~~

26 Sec. 3. Section 124E.2, Code 2020, is amended by adding the
27 following new subsection:

28 NEW SUBSECTION. 7A. "*Total tetrahydrocannabinol*" means
29 eighty-seven and seven-tenths percent of the amount of
30 tetrahydrocannabinol plus the amount of tetrahydrocannabinolic
31 acid.

32 Sec. 4. Section 124E.4, subsection 1, unnumbered paragraph
33 1, Code 2020, is amended to read as follows:

34 Subject to subsection 7, the department may ~~approve the~~
35 ~~issuance of~~ issue a medical cannabidiol registration card by

1 ~~the department of transportation~~ to a patient who:

2 Sec. 5. Section 124E.4, subsection 1, paragraph d,
3 unnumbered paragraph 1, Code 2020, is amended to read as
4 follows:

5 Submits an application to the department, on a form created
6 by the department, ~~in consultation with the department of~~
7 ~~transportation~~, that contains all of the following:

8 Sec. 6. Section 124E.4, subsection 1, paragraph f, Code
9 2020, is amended by striking the paragraph.

10 Sec. 7. Section 124E.4, subsection 2, unnumbered paragraph
11 1, Code 2020, is amended to read as follows:

12 A medical cannabidiol registration card issued to a patient
13 by the department ~~of transportation~~ pursuant to subsection 1
14 shall contain, at a minimum, all of the following:

15 Sec. 8. Section 124E.4, subsection 2, paragraph b, Code
16 2020, is amended by striking the paragraph.

17 Sec. 9. Section 124E.4, subsection 3, unnumbered paragraph
18 1, Code 2020, is amended to read as follows:

19 For a patient in a primary caregiver's care, subject to
20 subsection 7, the department may ~~approve the issuance of~~ issue
21 a medical cannabidiol registration card ~~by the department of~~
22 ~~transportation~~ to the primary caregiver who:

23 Sec. 10. Section 124E.4, subsection 3, paragraph b,
24 unnumbered paragraph 1, Code 2020, is amended to read as
25 follows:

26 Submits an application to the department, on a form created
27 by the department, ~~in consultation with the department of~~
28 ~~transportation~~, that contains all of the following:

29 Sec. 11. Section 124E.4, subsection 3, paragraph c, Code
30 2020, is amended by striking the paragraph.

31 Sec. 12. Section 124E.4, subsection 4, unnumbered paragraph
32 1, Code 2020, is amended to read as follows:

33 A medical cannabidiol registration card issued by the
34 department ~~of transportation~~ to a primary caregiver pursuant to
35 subsection 3 shall contain, at a minimum, all of the following:

1 Sec. 13. Section 124E.4, subsection 4, paragraph b, Code
2 2020, is amended by striking the paragraph.

3 Sec. 14. Section 124E.4, subsection 6, Code 2020, is amended
4 by striking the subsection.

5 Sec. 15. Section 124E.5, subsection 2, Code 2020, is amended
6 to read as follows:

7 2. The medical cannabidiol board shall convene at least
8 twice ~~but no more than four times~~ per year.

9 Sec. 16. Section 124E.5, subsection 6, Code 2020, is amended
10 to read as follows:

11 6. ~~The medical cannabidiol board may recommend a statutory~~
12 ~~revision to the definition of medical cannabidiol contained in~~
13 ~~this chapter that increases the tetrahydrocannabinol level to~~
14 ~~more than three percent, however, any such recommendation shall~~
15 ~~be submitted to the general assembly during the regular session~~
16 ~~of the general assembly following such submission.~~ The general
17 assembly shall have the sole authority to revise the definition
18 of medical cannabidiol for purposes of this chapter.

19 Sec. 17. Section 124E.9, Code 2020, is amended by adding the
20 following new subsections:

21 NEW SUBSECTION. 13. A medical cannabidiol dispensary
22 shall employ a pharmacist or pharmacy technician licensed or
23 registered pursuant to chapter 155A for the purpose of making
24 dosing recommendations.

25 NEW SUBSECTION. 14. A medical cannabidiol dispensary shall
26 not dispense more than a combined total of twenty-five grams
27 of total tetrahydrocannabinol to a patient and the patient's
28 primary caregiver in a ninety-day period, except as provided in
29 subsection 15. The department may decrease this limit by rule
30 as provided in section 124E.11, subsection 2, paragraph "c".

31 NEW SUBSECTION. 15. A medical cannabidiol dispensary
32 may dispense more than a combined total of twenty-five grams
33 of total tetrahydrocannabinol to a patient and the patient's
34 primary caregiver in a ninety-day period if any of the
35 following apply:

1 *a.* The health care practitioner who certified the patient to
2 receive a medical cannabidiol registration card certifies that
3 patient's debilitating medical condition is a terminal illness
4 with a life expectancy of less than one year. A certification
5 issued pursuant to this paragraph shall include a total
6 tetrahydrocannabinol cap deemed appropriate by the patient's
7 health care practitioner.

8 *b.* The health care practitioner who certified the patient to
9 receive a medical cannabidiol registration card certifies that
10 the patient has participated in the medical cannabidiol program
11 and that the health care practitioner has determined that
12 twenty-five grams of total tetrahydrocannabinol in a ninety-day
13 period is insufficient to treat the patient's debilitating
14 medical condition. A certification issued pursuant to this
15 paragraph shall include a total tetrahydrocannabinol cap deemed
16 appropriate by the patient's health care practitioner.

17 Sec. 18. Section 124E.11, subsection 1, paragraph b,
18 subparagraph (1), subparagraph division (a), Code 2020, is
19 amended to read as follows:

20 (a) To authorized employees or agents of the department ~~and~~
21 ~~the department of transportation~~ as necessary to perform the
22 duties of the department ~~and the department of transportation~~
23 pursuant to this chapter.

24 Sec. 19. Section 124E.11, subsection 1, paragraph b,
25 subparagraph (1), subparagraph division (c), Code 2020, is
26 amended to read as follows:

27 (c) To authorized employees of a medical cannabidiol
28 dispensary, but only for the ~~purpose~~ purposes of verifying that
29 a person is lawfully in possession of a medical cannabidiol
30 registration card issued pursuant to this chapter and that a
31 person has not purchased total tetrahydrocannabinol in excess
32 of the amount authorized by this chapter.

33 Sec. 20. Section 124E.11, subsection 1, paragraph b,
34 subparagraph (1), Code 2020, is amended by adding the following
35 new subparagraph division:

1 NEW SUBPARAGRAPH DIVISION. (e) To a health care
2 practitioner for the purpose of determining whether a patient
3 seeking a written certification pursuant to section 124E.3 has
4 already received a written certification from another health
5 care practitioner.

6 Sec. 21. Section 124E.12, subsection 7, Code 2020, is
7 amended to read as follows:

8 7. Notwithstanding any law to the contrary, the department,
9 ~~the department of transportation,~~ the governor, or any employee
10 of any state agency shall not be held civilly or criminally
11 liable for any injury, loss of property, personal injury, or
12 death caused by any act or omission while acting within the
13 scope of office or employment as authorized under this chapter.

14 Sec. 22. NEW SECTION. **124E.20 Observational effectiveness**
15 **study.**

16 The department may conduct an observational effectiveness
17 study in cooperation with patients and health care
18 practitioners and pursuant to rules of the department in order
19 to study the effectiveness of medical cannabidiol in the
20 treatment of debilitating medical conditions.

21 Sec. 23. PROTECTION OF FEDERAL FUNDING. The department
22 of public health shall request guarantees from the agencies
23 of the federal government providing funding to educational
24 and long-term care facilities that facilities with policies
25 allowing patients to possess medical cannabidiol on the grounds
26 of the facilities consistent with chapter 124E or allowing
27 facility staff to administer medical cannabidiol to a patient
28 shall not lose eligibility for any federal funding due to such
29 policies.

30 Sec. 24. TRANSITION PROVISIONS. A medical cannabidiol
31 registration card issued prior to July 1, 2020, remains
32 effective and continues in effect as issued for the
33 twelve-month period following its issuance.>

By BRECKENRIDGE of Jasper

H-8101 (Continued)

H-8101 FILED MARCH 6, 2020

HOUSE FILE 2589

H-8104

1 Amend the amendment, H-8101, to House File 2589 as follows:

2 1. By striking page 1, line 4, through page 5, line 33, and
3 inserting:

4 <<Section 1. Section 124E.2, subsection 2, paragraph i,
5 Code 2020, is amended to read as follows:

6 *i. ~~Untreatable~~ Severe or chronic pain.*

7 Sec. 2. Section 124E.2, subsections 5 and 6, Code 2020, are
8 amended to read as follows:

9 5. "*Health care practitioner*" means an individual licensed
10 under chapter 148 to practice medicine and surgery or
11 osteopathic medicine and surgery, a physician assistant
12 licensed under chapter 148C, or an advanced registered nurse
13 practitioner licensed under chapter 152 or 152E, who is a
14 patient's primary care provider. ~~"Health care practitioner"~~
15 ~~shall not include a physician assistant licensed under chapter~~
16 ~~148C or an advanced registered nurse practitioner licensed~~
17 ~~pursuant to chapter 152 or 152E.~~

18 6. "*Medical cannabidiol*" means any pharmaceutical
19 grade cannabinoid found in the plant *Cannabis sativa* L. or
20 *Cannabis indica* or any other preparation thereof ~~that has~~
21 ~~a tetrahydrocannabinol level of no more than three percent~~
22 ~~and~~ that is delivered in a form recommended by the medical
23 cannabidiol board, approved by the board of medicine, and
24 adopted by the department pursuant to rule.

25 Sec. 3. Section 124E.2, subsection 8, Code 2020, is amended
26 by striking the subsection.

27 Sec. 4. Section 124E.4, subsection 1, paragraph f, Code
28 2020, is amended by striking the paragraph.

29 Sec. 5. Section 124E.9, Code 2020, is amended by adding the
30 following new subsections:

31 NEW SUBSECTION. 13. A medical cannabidiol dispensary
32 may employ a pharmacist or pharmacy technician licensed or
33 registered pursuant to chapter 155A.

34 NEW SUBSECTION. 14. *a.* Except as otherwise provided in
35 paragraph "*b*", a medical cannabidiol dispensary shall not

1 dispense more than a combined total of twenty-five grams of
2 tetrahydrocannabinol to a patient and the patient's primary
3 caregiver in a ninety-day period.

4 *b.* The board of medicine shall adopt rules allowing the
5 health care practitioner who originally certified a patient
6 to receive a medical cannabidiol registration card to apply
7 for, and the medical cannabidiol board to expeditiously and
8 efficiently grant, a waiver to permit the patient and the
9 patient's primary caregiver to receive more than a combined
10 total of twenty-five grams of tetrahydrocannabinol in a
11 ninety-day period if the health care practitioner submits
12 documentation certifying all of the following:

13 (1) The health care practitioner performed a physical
14 examination of the patient and has determined that twenty-five
15 grams of tetrahydrocannabinol per ninety-day period is not an
16 adequate amount to alleviate the patient's debilitating medical
17 condition.

18 (2) The patient's debilitating medical condition is a
19 terminal illness with a life expectancy of less than one year.

20 Sec. 6. Section 124E.11, subsection 1, paragraph b,
21 subparagraph (1), subparagraph division (c), Code 2020, is
22 amended to read as follows:

23 (c) To authorized employees of a medical cannabidiol
24 dispensary, but only for the ~~purpose~~ purposes of verifying that
25 a person is lawfully in possession of a medical cannabidiol
26 registration card issued pursuant to this chapter and that a
27 person has not purchased tetrahydrocannabinol in excess of the
28 amount authorized by this chapter.

29 Sec. 7. Section 124E.11, subsection 2, Code 2020, is amended
30 by adding the following new paragraph:

31 NEW PARAGRAPH. *j.* Collect and evaluate data on patient
32 demographics, effective treatment options, clinical outcomes,
33 and quality of life outcomes for the purpose of reporting on
34 the benefits, risks, and outcomes encountered by patients with
35 a debilitating medical condition engaged in the use of medical

H-8104 (Continued)

1 cannabidiol.>>

By BRECKENRIDGE of Jasper

H-8104 FILED MARCH 6, 2020

HOUSE FILE 2593

H-8100

1 Amend House File 2593 as follows:

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

4 <DIVISION I

5 Section 1. Section 422.12C, subsection 1, Code 2020, is
6 amended by striking the subsection and inserting in lieu
7 thereof the following:

8 1. The taxes imposed under this division, less the amounts
9 of nonrefundable credits allowed under this division, shall
10 be reduced by a child and dependent care credit equal to the
11 following percentages of the federal child and dependent care
12 credit provided in section 21 of the Internal Revenue Code,
13 without regard to whether or not the federal credit was limited
14 by the taxpayer's federal tax liability:

15 a. For a taxpayer with net income of less than forty-five
16 thousand dollars, one hundred percent.

17 b. For a taxpayer with net income of forty-five thousand
18 dollars or more but less than ninety thousand dollars, thirty
19 percent.

20 c. For a taxpayer with net income of ninety thousand dollars
21 or more but less than one hundred thousand dollars, twenty-five
22 percent.

23 d. For a taxpayer with net income of one hundred thousand
24 dollars or more but less than one hundred twenty-five thousand
25 dollars, twenty percent.

26 e. For a taxpayer with net income of one hundred twenty-five
27 thousand dollars or more but less than one hundred fifty
28 thousand dollars, fifteen percent.

29 f. For a taxpayer with net income of one hundred fifty
30 thousand dollars or more but less than one hundred seventy-five
31 thousand dollars, ten percent.

32 g. For a taxpayer with net income of one hundred
33 seventy-five thousand dollars or more but less than two hundred
34 fifty thousand dollars, five percent.

35 h. For a taxpayer with net income of two hundred fifty

1 thousand dollars or more, zero percent.

2 Sec. 2. RETROACTIVE APPLICABILITY. This division of this
3 Act applies retroactively to January 1, 2020 for tax years
4 beginning on or after that date.

5 DIVISION II

6 Sec. 3. NEW SECTION. 237D.1 Definitions.

7 As used in this chapter, unless the context otherwise
8 requires:

- 9 1. "Child" means the same as defined in section 237A.1.
- 10 2. "Child care" means the same as defined in section 237A.1.
- 11 3. "Child development home" means the same as defined in
12 section 237A.1.
- 13 4. "Department" means the department of human services.
- 14 5. "Facility" means the same as defined in section 237A.1.
- 15 6. "Fund" means the child care center and child development
16 home grant fund.
- 17 7. "Home" means a child development home.
- 18 8. "Licensed child care center" or "center" means a facility
19 providing child care or preschool services for seven or more
20 children that has been issued a license by the department
21 pursuant to section 237A.2.
- 22 9. "Program" means the child care center and child
23 development home grant program.

24 Sec. 4. NEW SECTION. 237D.2 Child care center and child
25 development home grant fund.

26 1. A child care center and child development home grant fund
27 is created and established as a separate and distinct fund in
28 the state treasury under the control of the department.

29 2. a. The fund may consist of any moneys appropriated by
30 the general assembly for purposes of this chapter and any other
31 moneys that are lawfully available to the department. Moneys
32 in the fund are appropriated to the department and shall be
33 used for the purposes of this chapter.

34 b. Notwithstanding section 8.33, moneys in the fund
35 that remain unencumbered or unobligated at the close of the

1 fiscal year shall not revert but shall remain available for
2 expenditure for the purposes of this section in succeeding
3 fiscal years. Notwithstanding section 12C.7, subsection 2,
4 interest earned on moneys in the fund shall be credited to the
5 fund.

6 Sec. 5. NEW SECTION. 237D.3 **Child care center and child**
7 **development home grant program.**

8 1. The department shall adopt rules to establish and
9 administer a child care center and child development home
10 grant program to provide for the allocation of money in the
11 fund in the form of grants, not to exceed fifty thousand
12 dollars per grant, to eligible persons for costs related to
13 the establishment of a new licensed child care center or
14 a new child development home, or for the expansion of an
15 existing licensed child care center or the expansion of an
16 existing child development home. For any one fiscal year, the
17 department shall not approve more than four million dollars
18 in grants. The rules adopted by the department shall specify
19 the eligibility requirements for applicants of the program and
20 the items eligible for a program grant. Items eligible for a
21 program grant must include the costs related to licensing or
22 registration, supplies, and infrastructure.

23 2. A new center or a new home must be licensed or registered
24 and fully operational within two years of the date of an
25 applicant's receipt of a grant.

26 3. Of the children for whom a new or expanded center or a
27 new or expanded home provide child care, a minimum of twenty
28 percent of the children must be from a family that qualifies
29 for state child care assistance pursuant to section 237A.13.

30 4. A person that is awarded a grant shall enter into an
31 agreement with the department that specifies the requirements
32 that must be maintained throughout the period of the agreement
33 in order for the person to retain the grant. The agreement
34 must contain, at a minimum, provisions addressing all of the
35 following:

1 the costs to provide the benefit up to three thousand dollars
2 per employee per year.

3 3. The aggregate amount of tax credits authorized pursuant
4 to this section shall not exceed a total of two million
5 dollars per fiscal year, and shall be awarded on a first-come,
6 first-served basis.

7 4. To be eligible for a small business child care tax
8 credit, the small business must provide child care employee
9 benefits to employees of the business through any of the
10 following:

11 a. Build a new structure or rehabilitate an existing
12 structure to be used as a child care center at or near the small
13 business where the children of the employees of the business
14 are provided child care. A small business may construct or
15 rehabilitate the structure in conjunction with another business
16 but only the actual cost of the business shall be considered in
17 determining the credit.

18 b. Operate or lease a child care center at or near the small
19 business where the children of the employees of the business
20 are provided child care.

21 5. Any credit in excess of the tax liability is not
22 refundable but the excess for the tax year may be credited
23 to the tax liability for the following five years or until
24 depleted, whichever is earlier. The director of revenue shall
25 adopt rules to implement this section.

26 Sec. 7. NEW SECTION. 422.120 Small business child care tax
27 credit.

28 1. The taxes imposed under this division, less the credits
29 allowed under section 422.12, shall be reduced by a small
30 business child care tax credit received pursuant to section
31 237A.31.

32 2. An individual may claim the tax credit allowed a
33 partnership, S corporation, limited liability company, estate,
34 or trust electing to have the income taxed directly to the
35 individual. The amount claimed by the individual shall be

1 based upon the pro rata share of the individual's earnings of a
2 partnership, S corporation, limited liability company, estate,
3 or trust.

4 Sec. 8. Section 422.33, Code 2020, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 31. The taxes imposed under this division
7 shall be reduced by a small business child care tax credit
8 received pursuant to section 237A.31.

9 Sec. 9. Section 422.60, Code 2020, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 14. The taxes imposed under this division
12 shall be reduced by a small business child care tax credit
13 received pursuant to section 237A.31.

14 Sec. 10. NEW SECTION. 432.12N **Small business child care**
15 **tax credit.**

16 The taxes imposed under this chapter shall be reduced by
17 a small business child care tax credit received pursuant to
18 section 237A.31.

19 Sec. 11. Section 533.329, subsection 2, Code 2020, is
20 amended by adding the following new paragraph:

21 NEW PARAGRAPH. 1. The moneys and credits tax imposed under
22 this section shall be reduced by a small business child care
23 tax credit received pursuant to section 237A.31.

24 Sec. 12. APPLICABILITY. This division of this Act applies
25 to tax years beginning on or after January 1, 2021.

26 DIVISION IV

27 Sec. 13. Section 237A.13, subsection 7, paragraph c, Code
28 2020, is amended to read as follows:

29 c. Families with an income of more than one hundred
30 percent but not more than ~~one~~ two hundred ~~forty-five~~ percent
31 of the federal poverty level whose members, for at least
32 twenty-eight hours per week in the aggregate, are employed
33 or are participating at a satisfactory level in an approved
34 training program or educational program.

35 Sec. 14. DIRECTIVE TO DEPARTMENT OF HUMAN SERVICES — CHILD

H-8100 (Continued)

1 CARE ASSISTANCE.

2 1. The department of human services shall amend its
3 administrative rules pursuant to chapter 17A to do all of the
4 following:

5 a. Provide income eligibility for state child care
6 assistance, according to family size for children needing basic
7 care, to families whose nonexempt gross monthly income does not
8 exceed two hundred percent of the federal poverty level.

9 b. Adjust the state child care assistance copayment
10 schedule in incrementally increased amounts for families whose
11 nonexempt gross monthly income does not exceed two hundred
12 percent of the federal poverty level.

13 2. The rules adopted pursuant to this section shall take
14 effect January 1, 2021.>

15 2. Title page, by striking lines 1 through 4 and inserting
16 <An Act relating to child care, grants and tax credits relating
17 to child care, state child care assistance, and including
18 applicability and retroactive applicability provisions.>

By JAMES of Dubuque

H-8100 FILED MARCH 6, 2020

HOUSE FILE 2594

H-8099

1 Amend House File 2594 as follows:

2 1. Page 1, before line 1 by inserting:

3 <DIVISION I>

4 2. Page 2, line 27, before <Act> by inserting <division of
5 this>

6 3. Page 2, after line 28 by inserting:

7 <DIVISION II

8 Sec. _____. Section 422.12C, subsection 1, Code 2020, is
9 amended by striking the subsection and inserting in lieu
10 thereof the following:

11 1. The taxes imposed under this division, less the amounts
12 of nonrefundable credits allowed under this division, shall
13 be reduced by a child and dependent care credit equal to the
14 following percentages of the federal child and dependent care
15 credit provided in section 21 of the Internal Revenue Code,
16 without regard to whether or not the federal credit was limited
17 by the taxpayer's federal tax liability:

18 a. For a taxpayer with net income of less than forty-five
19 thousand dollars, one hundred percent.

20 b. For a taxpayer with net income of forty-five thousand
21 dollars or more but less than ninety thousand dollars, thirty
22 percent.

23 c. For a taxpayer with net income of ninety thousand dollars
24 or more but less than one hundred thousand dollars, twenty-five
25 percent.

26 d. For a taxpayer with net income of one hundred thousand
27 dollars or more but less than one hundred twenty-five thousand
28 dollars, twenty percent.

29 e. For a taxpayer with net income of one hundred twenty-five
30 thousand dollars or more but less than one hundred fifty
31 thousand dollars, fifteen percent.

32 f. For a taxpayer with net income of one hundred fifty
33 thousand dollars or more but less than one hundred seventy-five
34 thousand dollars, ten percent.

35 g. For a taxpayer with net income of one hundred

1 seventy-five thousand dollars or more but less than two hundred
2 fifty thousand dollars, five percent.

3 *h.* For a taxpayer with net income of two hundred fifty
4 thousand dollars or more, zero percent.

5 Sec. _____. RETROACTIVE APPLICABILITY. This division of this
6 Act applies retroactively to January 1, 2020 for tax years
7 beginning on or after that date.

8 DIVISION III

9 Sec. _____. NEW SECTION. 237D.1 **Definitions.**

10 As used in this chapter, unless the context otherwise
11 requires:

12 1. "*Child*" means the same as defined in section 237A.1.

13 2. "*Child care*" means the same as defined in section 237A.1.

14 3. "*Child development home*" means the same as defined in
15 section 237A.1.

16 4. "*Department*" means the department of human services.

17 5. "*Facility*" means the same as defined in section 237A.1.

18 6. "*Fund*" means the child care center and child development
19 home grant fund.

20 7. "*Home*" means a child development home.

21 8. "*Licensed child care center*" or "*center*" means a facility
22 providing child care or preschool services for seven or more
23 children that has been issued a license by the department
24 pursuant to section 237A.2.

25 9. "*Program*" means the child care center and child
26 development home grant program.

27 Sec. _____. NEW SECTION. 237D.2 **Child care center and child**
28 **development home grant fund.**

29 1. A child care center and child development home grant fund
30 is created and established as a separate and distinct fund in
31 the state treasury under the control of the department.

32 2. *a.* The fund may consist of any moneys appropriated by
33 the general assembly for purposes of this chapter and any other
34 moneys that are lawfully available to the department. Moneys
35 in the fund are appropriated to the department and shall be

1 used for the purposes of this chapter.

2 *b.* Notwithstanding section 8.33, moneys in the fund
3 that remain unencumbered or unobligated at the close of the
4 fiscal year shall not revert but shall remain available for
5 expenditure for the purposes of this section in succeeding
6 fiscal years. Notwithstanding section 12C.7, subsection 2,
7 interest earned on moneys in the fund shall be credited to the
8 fund.

9 Sec. ____ . NEW SECTION. 237D.3 **Child care center and child**
10 **development home grant program.**

11 1. The department shall adopt rules to establish and
12 administer a child care center and child development home
13 grant program to provide for the allocation of money in the
14 fund in the form of grants, not to exceed fifty thousand
15 dollars per grant, to eligible persons for costs related to
16 the establishment of a new licensed child care center or
17 a new child development home, or for the expansion of an
18 existing licensed child care center or the expansion of an
19 existing child development home. For any one fiscal year, the
20 department shall not approve more than four million dollars
21 in grants. The rules adopted by the department shall specify
22 the eligibility requirements for applicants of the program and
23 the items eligible for a program grant. Items eligible for a
24 program grant must include the costs related to licensing or
25 registration, supplies, and infrastructure.

26 2. A new center or a new home must be licensed or registered
27 and fully operational within two years of the date of an
28 applicant's receipt of a grant.

29 3. Of the children for whom a new or expanded center or a
30 new or expanded home provide child care, a minimum of twenty
31 percent of the children must be from a family that qualifies
32 for state child care assistance pursuant to section 237A.13.

33 4. A person that is awarded a grant shall enter into an
34 agreement with the department that specifies the requirements
35 that must be maintained throughout the period of the agreement

1 in order for the person to retain the grant. The agreement
2 must contain, at a minimum, provisions addressing all of the
3 following:

4 a. The legal name of the person receiving the grant.

5 b. The amount of the grant.

6 c. Annual certification by the person to the department of
7 compliance with the requirements of the agreement, the program,
8 and this chapter.

9 d. The repayment of the grant, or a portion of the grant,
10 if the person does not meet all of the requirements of the
11 agreement, the program, and this chapter.

12 e. If a new center or a new home for which the grant was
13 received goes out of business within two years of the date the
14 new center or new home becomes fully operational pursuant to
15 subsection 2, the grant shall be subject to repayment. If an
16 expanded center or an expanded home for which the grant was
17 received goes out of business within two years of the date on
18 which the grant was received, the grant shall be subject to
19 repayment.

20 DIVISION IV

21 Sec. ____ . NEW SECTION. 237A.31 **Small business child care**
22 **tax credit.**

23 1. As used in this section "*small business*" means any
24 enterprise which is located in this state, which is operated
25 for profit and under a single management, and which has either
26 fewer than twenty employees or an annual gross income of less
27 than four million dollars computed as the average of the three
28 preceding fiscal years. This definition does not apply to any
29 program or activity for which a definition for small business
30 is provided for the program or activity by federal law or
31 regulation or other state law.

32 2. A small business may receive a child care tax credit
33 for providing child care employee benefits to employees of
34 the business. The credit may be applied against income tax
35 imposed under chapter 422, division II or III, the franchise

1 tax imposed under chapter 422, division V, the gross premiums
2 tax imposed under chapter 432, or the moneys and credits tax
3 imposed in section 533.329. The amount of the credit equals
4 the costs to provide the benefit up to three thousand dollars
5 per employee per year.

6 3. The aggregate amount of tax credits authorized pursuant
7 to this section shall not exceed a total of two million
8 dollars per fiscal year, and shall be awarded on a first-come,
9 first-served basis.

10 4. To be eligible for a small business child care tax
11 credit, the small business must provide child care employee
12 benefits to employees of the business through any of the
13 following:

14 a. Build a new structure or rehabilitate an existing
15 structure to be used as a child care center at or near the small
16 business where the children of the employees of the business
17 are provided child care. A small business may construct or
18 rehabilitate the structure in conjunction with another business
19 but only the actual cost of the business shall be considered in
20 determining the credit.

21 b. Operate or lease a child care center at or near the small
22 business where the children of the employees of the business
23 are provided child care.

24 5. Any credit in excess of the tax liability is not
25 refundable but the excess for the tax year may be credited
26 to the tax liability for the following five years or until
27 depleted, whichever is earlier. The director of revenue shall
28 adopt rules to implement this section.

29 Sec. _____. NEW SECTION. **422.12P Small business child care**
30 **tax credit.**

31 1. The taxes imposed under this division, less the credits
32 allowed under section 422.12, shall be reduced by a small
33 business child care tax credit received pursuant to section
34 237A.31.

35 2. An individual may claim the tax credit allowed a

1 partnership, S corporation, limited liability company, estate,
2 or trust electing to have the income taxed directly to the
3 individual. The amount claimed by the individual shall be
4 based upon the pro rata share of the individual's earnings of a
5 partnership, S corporation, limited liability company, estate,
6 or trust.

7 Sec. _____. Section 422.33, Code 2020, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 31. The taxes imposed under this division
10 shall be reduced by a small business child care tax credit
11 received pursuant to section 237A.31.

12 Sec. _____. Section 422.60, Code 2020, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 14. The taxes imposed under this division
15 shall be reduced by a small business child care tax credit
16 received pursuant to section 237A.31.

17 Sec. _____. NEW SECTION. **432.12N Small business child care**
18 **tax credit.**

19 The taxes imposed under this chapter shall be reduced by
20 a small business child care tax credit received pursuant to
21 section 237A.31.

22 Sec. _____. Section 533.329, subsection 2, Code 2020, is
23 amended by adding the following new paragraph:

24 NEW PARAGRAPH. 1. The moneys and credits tax imposed under
25 this section shall be reduced by a small business child care
26 tax credit received pursuant to section 237A.31.

27 Sec. _____. APPLICABILITY. This division of this Act applies
28 to tax years beginning on or after January 1, 2021.

29 **DIVISION V**

30 Sec. _____. Section 237A.13, subsection 7, paragraph c, Code
31 2020, is amended to read as follows:

32 c. Families with an income of more than one hundred
33 percent but not more than ~~one~~ two hundred ~~forty-five~~ percent
34 of the federal poverty level whose members, for at least
35 twenty-eight hours per week in the aggregate, are employed

H-8099 (Continued)

1 or are participating at a satisfactory level in an approved
2 training program or educational program.

3 Sec. ____ . DIRECTIVE TO DEPARTMENT OF HUMAN SERVICES — CHILD
4 CARE ASSISTANCE.

5 1. The department of human services shall amend its
6 administrative rules pursuant to chapter 17A to do all of the
7 following:

8 a. Provide income eligibility for state child care
9 assistance, according to family size for children needing basic
10 care, to families whose nonexempt gross monthly income does not
11 exceed two hundred percent of the federal poverty level.

12 b. Adjust the state child care assistance copayment
13 schedule in incrementally increased amounts for families whose
14 nonexempt gross monthly income does not exceed two hundred
15 percent of the federal poverty level.

16 2. The rules adopted pursuant to this section shall take
17 effect January 1, 2021.>

18 4. Title page, by striking lines 1 through 4 and inserting
19 <An Act relating to child care, grants and tax credits relating
20 to child care, state child care assistance, and including
21 applicability and retroactive applicability provisions.>

By JAMES of Dubuque

H-8099 FILED MARCH 6, 2020

HOUSE FILE 2595

H-8098

1 Amend House File 2595 as follows:

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

4 <DIVISION I

5 Section 1. Section 422.12C, subsection 1, Code 2020, is
6 amended by striking the subsection and inserting in lieu
7 thereof the following:

8 1. The taxes imposed under this division, less the amounts
9 of nonrefundable credits allowed under this division, shall
10 be reduced by a child and dependent care credit equal to the
11 following percentages of the federal child and dependent care
12 credit provided in section 21 of the Internal Revenue Code,
13 without regard to whether or not the federal credit was limited
14 by the taxpayer's federal tax liability:

15 a. For a taxpayer with net income of less than forty-five
16 thousand dollars, one hundred percent.

17 b. For a taxpayer with net income of forty-five thousand
18 dollars or more but less than ninety thousand dollars, thirty
19 percent.

20 c. For a taxpayer with net income of ninety thousand dollars
21 or more but less than one hundred thousand dollars, twenty-five
22 percent.

23 d. For a taxpayer with net income of one hundred thousand
24 dollars or more but less than one hundred twenty-five thousand
25 dollars, twenty percent.

26 e. For a taxpayer with net income of one hundred twenty-five
27 thousand dollars or more but less than one hundred fifty
28 thousand dollars, fifteen percent.

29 f. For a taxpayer with net income of one hundred fifty
30 thousand dollars or more but less than one hundred seventy-five
31 thousand dollars, ten percent.

32 g. For a taxpayer with net income of one hundred
33 seventy-five thousand dollars or more but less than two hundred
34 fifty thousand dollars, five percent.

35 h. For a taxpayer with net income of two hundred fifty

1 thousand dollars or more, zero percent.

2 Sec. 2. RETROACTIVE APPLICABILITY. This division of this
3 Act applies retroactively to January 1, 2020 for tax years
4 beginning on or after that date.

5 DIVISION II

6 Sec. 3. NEW SECTION. 237D.1 Definitions.

7 As used in this chapter, unless the context otherwise
8 requires:

- 9 1. "*Child*" means the same as defined in section 237A.1.
- 10 2. "*Child care*" means the same as defined in section 237A.1.
- 11 3. "*Child development home*" means the same as defined in
12 section 237A.1.
- 13 4. "*Department*" means the department of human services.
- 14 5. "*Facility*" means the same as defined in section 237A.1.
- 15 6. "*Fund*" means the child care center and child development
16 home grant fund.
- 17 7. "*Home*" means a child development home.
- 18 8. "*Licensed child care center*" or "*center*" means a facility
19 providing child care or preschool services for seven or more
20 children that has been issued a license by the department
21 pursuant to section 237A.2.
- 22 9. "*Program*" means the child care center and child
23 development home grant program.

24 Sec. 4. NEW SECTION. 237D.2 Child care center and child
25 development home grant fund.

26 1. A child care center and child development home grant fund
27 is created and established as a separate and distinct fund in
28 the state treasury under the control of the department.

29 2. a. The fund may consist of any moneys appropriated by
30 the general assembly for purposes of this chapter and any other
31 moneys that are lawfully available to the department. Moneys
32 in the fund are appropriated to the department and shall be
33 used for the purposes of this chapter.

34 b. Notwithstanding section 8.33, moneys in the fund
35 that remain unencumbered or unobligated at the close of the

1 fiscal year shall not revert but shall remain available for
2 expenditure for the purposes of this section in succeeding
3 fiscal years. Notwithstanding section 12C.7, subsection 2,
4 interest earned on moneys in the fund shall be credited to the
5 fund.

6 Sec. 5. NEW SECTION. 237D.3 **Child care center and child**
7 **development home grant program.**

8 1. The department shall adopt rules to establish and
9 administer a child care center and child development home
10 grant program to provide for the allocation of money in the
11 fund in the form of grants, not to exceed fifty thousand
12 dollars per grant, to eligible persons for costs related to
13 the establishment of a new licensed child care center or
14 a new child development home, or for the expansion of an
15 existing licensed child care center or the expansion of an
16 existing child development home. For any one fiscal year, the
17 department shall not approve more than four million dollars
18 in grants. The rules adopted by the department shall specify
19 the eligibility requirements for applicants of the program and
20 the items eligible for a program grant. Items eligible for a
21 program grant must include the costs related to licensing or
22 registration, supplies, and infrastructure.

23 2. A new center or a new home must be licensed or registered
24 and fully operational within two years of the date of an
25 applicant's receipt of a grant.

26 3. Of the children for whom a new or expanded center or a
27 new or expanded home provide child care, a minimum of twenty
28 percent of the children must be from a family that qualifies
29 for state child care assistance pursuant to section 237A.13.

30 4. A person that is awarded a grant shall enter into an
31 agreement with the department that specifies the requirements
32 that must be maintained throughout the period of the agreement
33 in order for the person to retain the grant. The agreement
34 must contain, at a minimum, provisions addressing all of the
35 following:

1 the costs to provide the benefit up to three thousand dollars
2 per employee per year.

3 3. The aggregate amount of tax credits authorized pursuant
4 to this section shall not exceed a total of two million
5 dollars per fiscal year, and shall be awarded on a first-come,
6 first-served basis.

7 4. To be eligible for a small business child care tax
8 credit, the small business must provide child care employee
9 benefits to employees of the business through any of the
10 following:

11 a. Build a new structure or rehabilitate an existing
12 structure to be used as a child care center at or near the small
13 business where the children of the employees of the business
14 are provided child care. A small business may construct or
15 rehabilitate the structure in conjunction with another business
16 but only the actual cost of the business shall be considered in
17 determining the credit.

18 b. Operate or lease a child care center at or near the small
19 business where the children of the employees of the business
20 are provided child care.

21 5. Any credit in excess of the tax liability is not
22 refundable but the excess for the tax year may be credited
23 to the tax liability for the following five years or until
24 depleted, whichever is earlier. The director of revenue shall
25 adopt rules to implement this section.

26 Sec. 7. NEW SECTION. 422.120 Small business child care tax
27 credit.

28 1. The taxes imposed under this division, less the credits
29 allowed under section 422.12, shall be reduced by a small
30 business child care tax credit received pursuant to section
31 237A.31.

32 2. An individual may claim the tax credit allowed a
33 partnership, S corporation, limited liability company, estate,
34 or trust electing to have the income taxed directly to the
35 individual. The amount claimed by the individual shall be

1 based upon the pro rata share of the individual's earnings of a
2 partnership, S corporation, limited liability company, estate,
3 or trust.

4 Sec. 8. Section 422.33, Code 2020, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 31. The taxes imposed under this division
7 shall be reduced by a small business child care tax credit
8 received pursuant to section 237A.31.

9 Sec. 9. Section 422.60, Code 2020, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 14. The taxes imposed under this division
12 shall be reduced by a small business child care tax credit
13 received pursuant to section 237A.31.

14 Sec. 10. NEW SECTION. **432.12N Small business child care**
15 **tax credit.**

16 The taxes imposed under this chapter shall be reduced by
17 a small business child care tax credit received pursuant to
18 section 237A.31.

19 Sec. 11. Section 533.329, subsection 2, Code 2020, is
20 amended by adding the following new paragraph:

21 NEW PARAGRAPH. 1. The moneys and credits tax imposed under
22 this section shall be reduced by a small business child care
23 tax credit received pursuant to section 237A.31.

24 Sec. 12. **APPLICABILITY.** This division of this Act applies
25 to tax years beginning on or after January 1, 2021.

26 **DIVISION IV**

27 Sec. 13. Section 237A.13, subsection 7, paragraph c, Code
28 2020, is amended to read as follows:

29 c. Families with an income of more than one hundred
30 percent but not more than ~~one~~ two hundred ~~forty-five~~ percent
31 of the federal poverty level whose members, for at least
32 twenty-eight hours per week in the aggregate, are employed
33 or are participating at a satisfactory level in an approved
34 training program or educational program.

35 Sec. 14. **DIRECTIVE TO DEPARTMENT OF HUMAN SERVICES — CHILD**

H-8098 (Continued)

1 CARE ASSISTANCE.

2 1. The department of human services shall amend its
3 administrative rules pursuant to chapter 17A to do all of the
4 following:

5 a. Provide income eligibility for state child care
6 assistance, according to family size for children needing basic
7 care, to families whose nonexempt gross monthly income does not
8 exceed two hundred percent of the federal poverty level.

9 b. Adjust the state child care assistance copayment
10 schedule in incrementally increased amounts for families whose
11 nonexempt gross monthly income does not exceed two hundred
12 percent of the federal poverty level.

13 2. The rules adopted pursuant to this section shall take
14 effect January 1, 2021.>

15 2. Title page, by striking lines 1 through 5 and inserting
16 <An Act relating to child care, grants and tax credits relating
17 to child care, state child care assistance, and including
18 applicability and retroactive applicability provisions.>

By JAMES of Dubuque

H-8098 FILED MARCH 6, 2020

HOUSE FILE 2600

H-8102

- 1 Amend House File 2600 as follows:
- 2 1. Page 1, line 4, by striking <matching grants> and
3 inserting <grant>
- 4 2. Page 1, line 7, by striking <matching grants> and
5 inserting <grant>
- 6 3. Page 1, line 10, by striking <matching>
- 7 4. Page 1, line 11, by striking <grants> and inserting
8 <grant>
- 9 5. Page 1, line 12, by striking <matching>
- 10 6. Page 1, line 13, by striking <grants> and inserting
11 <grant>
- 12 7. Page 1, line 14, by striking <matching grants> and
13 inserting <grant>
- 14 8. Page 1, line 19, by striking <matching>
- 15 9. Page 1, line 32, by striking <five> and inserting <ten>
- 16 10. Page 2, by striking line 2 and inserting <state grant
17 program to provide state grants>
- 18 11. Page 2, line 3, by striking <on a dollar-for-dollar
19 basis,>
- 20 12. Page 2, line 5, after <helps> by inserting
21 <(T.E.A.C.H.)>
- 22 13. Page 2, line 6, after <strategies.> by inserting <To be
23 eligible for a grant, a community must demonstrate the ability
24 to match a grant awarded by the state board in an amount equal
25 to a minimum of seventy percent of the grant awarded by the
26 state board.>
- 27 14. Page 2, line 7, by striking <matching>
- 28 15. Title page, line 1, by striking <matching>
- 29 16. Title page, line 2, by striking <grants> and inserting
30 <grant>
- 31 17. Title page, line 3, by striking <matching>

By WINCKLER of Scott

H-8102 FILED MARCH 6, 2020



[HF 2601](#) – Property Tax Credits Application Date (LSB6096HV)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2601](#) 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 home 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 Bill allows certain purchasers of property to benefit from three property tax credits one year earlier than would be the case under current law. 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

March 5, 2020

Doc ID 11327222722

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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