

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

**March 9, 2020**

**Clip Sheet Summary**

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

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">HF 662</a> .....	<a href="#">H-8106</a> .....		HITE of Mahaska
<a href="#">HF 2138</a> .....	<a href="#">H-8115</a> .....		JAMES of Dubuque
<a href="#">HF 2413</a> .....	<a href="#">H-8127</a> .....		HOLT of Crawford
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<a href="#">HF 2424</a> .....	<a href="#">H-8108</a> .....		MEYER of Webster
<a href="#">HF 2424</a> .....	<a href="#">H-8116</a> .....		JAMES of Dubuque
<a href="#">HF 2501</a> .....	<a href="#">H-8125</a> .....		MEYER of Polk
<a href="#">HF 2510</a> .....	<a href="#">H-8111</a> .....		BRECKENRIDGE of Jasper
<a href="#">HF 2510</a> .....	<a href="#">H-8112</a> .....		HUNTER of Polk
<a href="#">HF 2510</a> .....	<a href="#">H-8113</a> .....		OLDSON of Polk
<a href="#">HF 2510</a> .....	<a href="#">H-8114</a> .....		RUNNING-MARQUARDT of Linn
<a href="#">HF 2510</a> .....	<a href="#">H-8121</a> .....		HUNTER of Polk
<a href="#">HF 2510</a> .....	<a href="#">H-8122</a> .....		RUNNING-MARQUARDT of Linn
<a href="#">HF 2510</a> .....	<a href="#">H-8123</a> .....		OLDSON of Polk
<a href="#">HF 2510</a> .....	<a href="#">H-8124</a> .....		BRECKENRIDGE of Jasper
<a href="#">HF 2581</a> .....	<a href="#">H-8105</a> .....		KLEIN of Washington

<a href="#">HF 2589</a> .....	<a href="#">H-8119</a> .....	GASKILL of Wapello
<a href="#">HF 2589</a> .....	<a href="#">H-8120</a> .....	KRESSIG of Black Hawk
<a href="#">HF 2589</a> .....	<a href="#">H-8126</a> .....	ISENHART of Dubuque
<a href="#">HF 2589</a> .....	<a href="#">H-8128</a> .....	KLEIN of Washington
<a href="#">HF 2589</a> .....	<a href="#">H-8129</a> .....	ISENHART of Dubuque
<a href="#">HF 2589</a> .....	<a href="#">H-8130</a> .....	FORBES of Polk
<a href="#">HF 2592</a> .....	<a href="#">H-8117</a> .....	OURTH of Warren
<a href="#">HF 2595</a> .....	<a href="#">H-8109</a> .....	GASSMAN of Winnebago
<a href="#">SF 2119</a> .....	<a href="#">H-8118</a> .....	ISENHART of Dubuque
<a href="#">SF 2296</a> .....	<a href="#">H-8110</a> .....	KURTZ of Lee

### **Fiscal Notes**

[HF 2103](#) — [Food Bank Sales Tax Exemption](#) (LSB5263YH)

[HF 2581](#) — [Hemp Consumer and Public Safety](#) (LSB5404HV)

[HF 2592](#) — [411 Retirement System](#) (LSB5444HV)

[HF 2594](#) — [Employer-Provided Child Care Facilities and Services, Tax Credit as amended by H-8091](#) (LSB5590HV.1)

HOUSE FILE 662

H-8106

- 1 Amend House File 662 as follows:
- 2 1. Page 1, line 2, by striking <2019> and inserting <2020>
- 3 2. Page 1, line 15, by striking <2019> and inserting <2020>
- 4 3. Page 2, line 6, after <name,> by inserting <date of
- 5 birth, last four digits of the>
- 6 4. Page 2, line 21, by striking <2019> and inserting <2020>
- 7 5. Page 2, line 33, by striking <2019> and inserting <2020>
- 8 6. Page 3, after line 12 by inserting:
- 9 <Sec. \_\_\_\_ . EFFECTIVE DATE. This Act takes effect January 1,
- 10 2023.>
- 11 7. Title page, line 3, after <confidentiality> by inserting
- 12 <, and including effective date provisions>
- 13 8. By renumbering as necessary.

By HITE of Mahaska

H-8106 FILED MARCH 9, 2020

HOUSE FILE 2138

H-8115

- 1 Amend the amendment, H-8016, to House File 2138 as follows:
- 2 1. Page 1, after line 3 by inserting:
- 3 <\_\_\_. Page 1, line 26, by striking <one hundred> and
- 4 inserting <fifty>>
- 5 2. By renumbering as necessary.

By JAMES of Dubuque

H-8115 FILED MARCH 9, 2020

HOUSE FILE 2413

H-8127

1 Amend House File 2413 as follows:

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

4 <Section 1. Section 124.201A, Code 2020, is amended  
5 by striking the section and inserting in lieu thereof the  
6 following:

7 **124.201A Cannabis-derived products — rules.**

8 1. If a cannabis-derived investigational product approved  
9 as a prescription drug medication by the United States food  
10 and drug administration is added to the federal schedule  
11 of controlled substances by the federal drug enforcement  
12 administration and notice of the addition is given to the  
13 board, the board shall similarly add the prescription drug  
14 medication in the schedule of controlled substances under this  
15 chapter.

16 2. If a cannabis-derived product approved as a  
17 prescription drug medication by the United States food and  
18 drug administration is eliminated from or revised in the  
19 federal schedule of controlled substances by the federal drug  
20 enforcement administration and notice of the elimination or  
21 revision is given to the board, the board shall similarly  
22 eliminate or revise the prescription drug medication in the  
23 schedule of controlled substances under this chapter.

24 3. The board shall adopt rules pursuant to chapter 17A  
25 to administer this section. The board may adopt rules on an  
26 emergency basis as provided in section 17A.4, subsection 3, and  
27 section 17A.5, subsection 2, to administer this section, and  
28 the rules shall be effective immediately upon filing unless  
29 a later date is specified in the rules. Any emergency rules  
30 adopted in accordance with this section shall also be published  
31 as a notice of intended action as provided in section 17A.4,  
32 subsection 1.

33 4. Any cannabis-derived investigational product or  
34 cannabis-derived product approved as a prescription drug  
35 medication by the United States food and drug administration

1 shall not be considered marijuana or cannabimimetic agents,  
2 both as defined in section 124.204, tetrahydrocannabinols  
3 as used in section 124.204, subsection 4, paragraph "u",  
4 unnumbered paragraph 1, or hemp as defined in section 204.2.

5 Sec. 2. Section 124.204, subsection 2, Code 2020, is amended  
6 by adding the following new paragraph:

7 NEW PARAGRAPH. *be.* MT-45 (1-cyclohexyl-4-(1,2-  
8 diphenylethyl)piperazine).

9 Sec. 3. Section 124.204, subsection 4, paragraph m, Code  
10 2020, is amended to read as follows:

11 *m.* ~~Marijuana, except as otherwise provided by rules of the~~  
12 ~~board for medicinal purposes.~~

13 Sec. 4. Section 124.204, subsection 4, paragraph u,  
14 unnumbered paragraph 1, Code 2020, is amended to read as  
15 follows:

16 ~~Tetrahydrocannabinols, except as otherwise provided~~  
17 ~~by rules of the board for medicinal purposes,~~ meaning  
18 tetrahydrocannabinols naturally contained in a plant of  
19 the genus Cannabis (Cannabis plant) as well as synthetic  
20 equivalents of the substances contained in the Cannabis plant,  
21 or in the resinous extractives of such plant, and synthetic  
22 substances, derivatives, and their isomers with similar  
23 chemical structure and pharmacological activity to those  
24 substances contained in the plant, such as the following:

25 Sec. 5. Section 124.204, subsection 6, paragraph i, Code  
26 2020, is amended by adding the following new subparagraphs:

27 NEW SUBPARAGRAPH. (27) 1-(1,3-benzodioxol-5-yl)-2-  
28 (ethylamino)-pentan-1-one. Other names: N-ethylpentylone or  
29 ephylone.

30 NEW SUBPARAGRAPH. (28) N-Ethylhexedrone, its optical,  
31 positional, and geometric isomers, salts and salts of isomers  
32 (Other name: 2-(ethylamino)-1-phenylhexan-1-one).

33 NEW SUBPARAGRAPH. (29) alpha-Pyrrolidinohexanophenone, its  
34 optical, positional, and geometric isomers, salts and salts of  
35 isomers (Other names:  $\alpha$ -PHP; alpha-pyrrolidinohexiophenone;

1 1-phenyl-2-(pyrrolidin-1-yl)hexan-1-one).

2 NEW SUBPARAGRAPH. (30) 4-Methyl-alpha-  
3 ethylaminopentiophenone, its optical, positional, and geometric  
4 isomers, salts and salts of isomers (Other names: 4-MEAP;  
5 2-(ethylamino)-1-(4-methylphenyl)pentan-1-one).

6 NEW SUBPARAGRAPH. (31) 4'-Methyl-alpha-  
7 pyrrolidinohexiophenone, its optical, positional, and  
8 geometric isomers, salts and salts of isomers (Other  
9 names: MPHP; 4'-methyl-alpha-pyrrolidinohexanophenone;  
10 1-(4-methylphenyl)-2-(pyrrolidin-1-yl)hexan-1-one).

11 NEW SUBPARAGRAPH. (32) alpha-Pyrrolidinoheptaphenone,  
12 its optical, positional, and geometric isomers,  
13 salts and salts of isomers (Other names: PV8;  
14 1-phenyl-2-(pyrrolidin-1-yl)heptan-1-one).

15 NEW SUBPARAGRAPH. (33) 4'-Chloro-alpha-  
16 pyrrolidinovalerophenone, its optical, positional, and  
17 geometric isomers, salts and salts of isomers (Other names:  
18 4-chloro- $\alpha$ -PVP; 4'-chloro-alpha-pyrrolidinopentiophenone;  
19 1-(4-chlorophenyl)-2-(pyrrolidin-1-yl)pentan-1-one).

20 Sec. 6. Section 124.204, subsection 7, Code 2020, is amended  
21 by striking the subsection.

22 Sec. 7. Section 124.204, subsection 9, Code 2020, is amended  
23 by adding the following new paragraphs:

24 NEW PARAGRAPH. *af.* N-(1-phenethylpiperidin-4-yl)-N-  
25 phenylcyclopropanecarboxamide, its isomers, esters, ethers,  
26 salts and salts of isomers, esters, and ethers. Other name:  
27 cyclopropyl fentanyl.

28 NEW PARAGRAPH. *ag.* N-(1-phenethylpiperidin-4-yl)-N-  
29 phenylpentanamide, its isomers, esters, ethers, salts and salts  
30 of isomers, esters and ethers. Other name: valeryl fentanyl.

31 NEW PARAGRAPH. *ah.* N-(4-fluorophenyl)-N-(1-  
32 phenethylpiperidin-4-yl)butyramide, its isomers, esters,  
33 ethers, salts and salts of isomers, esters, and ethers. Other  
34 name: para-fluorobutyryl fentanyl.

35 NEW PARAGRAPH. *ai.* N-(4-methoxyphenyl)-N-

1 (1-phenethylpiperidin-4-yl)butyramide, its isomers, esters,  
2 ethers, salts and salts of isomers, esters, and ethers. Other  
3 name: para-methoxybutyryl fentanyl.

4 NEW PARAGRAPH. *aj.* N-(4-chlorophenyl)-N-(1-  
5 phenethylpiperidin-4-yl)isobutyramide, its isomers, esters,  
6 ethers, salts and salts of isomers, esters, and ethers. Other  
7 name: para-chloroisobutyryl fentanyl.

8 NEW PARAGRAPH. *ak.* N-(1-phenethylpiperidin-4-yl)-  
9 N-phenylisobutyramide, its isomers, esters, ethers, salts and  
10 salts of isomers, esters, and ethers. Other name: isobutyryl  
11 fentanyl.

12 NEW PARAGRAPH. *al.* N-(1-phenethylpiperidin-4-yl)-  
13 N-phenylcyclopentanecarboxamide, its isomers, esters, ethers,  
14 salts and salts of isomers, esters, and ethers. Other name:  
15 cyclopentyl fentanyl.

16 NEW PARAGRAPH. *am.* N-(2-fluorophenyl)-2-methoxy-N-  
17 (1-phenethylpiperidin-4-yl)acetamide, its isomers, esters,  
18 ethers, salts and salts of isomers, esters, and ethers. Other  
19 name: ocfentanil.

20 NEW PARAGRAPH. *an.* Fentanyl-related substances, their  
21 isomers, esters, ethers, salts and salts of isomers, esters  
22 and ethers. "*Fentanyl-related substance*" means any substance  
23 not otherwise listed under this schedule or another schedule,  
24 and for which no exemption or approval is in effect under  
25 section 505 of the federal Food, Drug, and Cosmetic Act that  
26 is structurally related to fentanyl by one or more of the  
27 following modifications:

28 (1) Replacement of the phenyl portion of the phenethyl group  
29 by any monocycle, whether or not further substituted in or on  
30 the monocycle.

31 (2) Substitution in or on the phenethyl group with alkyl,  
32 alkenyl, alkoxy, hydroxyl, halo, haloalkyl, amino, or nitro  
33 groups.

34 (3) Substitution in or on the piperidine ring with alkyl,  
35 alkenyl, alkoxy, ester, ether, hydroxyl, halo, haloalkyl,

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1 amino, or nitro groups.

2 (4) Replacement of the aniline ring with any aromatic  
3 monocycle whether or not further substituted in or on the  
4 aromatic monocycle.

5 (5) Replacement of the *N*-propionyl group by another acyl  
6 group.

7 NEW PARAGRAPH. *ao.* Naphthalen-1-yl 1-(5-fluoropentyl)-  
8 1*H*-indole-3-carboxylate. Other names: NM2201 or CBL2201.

9 NEW PARAGRAPH. *ap.* *N*-(1-amino-3-methyl-1-oxobutan-  
10 2-yl)-1-(5-fluoropentyl)-1*H*-indazole-3-carboxamide. Other  
11 name: 5F-AB-PINACA.

12 NEW PARAGRAPH. *aq.* 1-(4-cyanobutyl)-*N*-(2-phenylpropan-  
13 2-yl)-1*H*-indazole-3-carboxamide. Other names:  
14 4-CN-CUMYL-BUTINACA, 4-cyano-CUMYL-BUTINACA, 4-CN-CUMYL  
15 BINACA, CUMYL-4CN-BINACA, or SGT-78.

16 NEW PARAGRAPH. *ar.* Methyl 2-(1-(cyclohexylmethyl)-1*H*-  
17 indole-3-carboxamido)-3-methylbutanoate. Other names:  
18 MMB-CHMICA or AMB-CHMICA.

19 NEW PARAGRAPH. *as.* 1-(5-fluoropentyl)-*N*-(2-  
20 phenylpropan-2-yl)-1*H*-pyrrolo[2,3-*b*]pyridine-3-carboxamide.  
21 Other name: 5F-CUMYL-P7AICA.

22 NEW PARAGRAPH. *at.* Ethyl 2-(1-(5-fluoropentyl)-1*H*-  
23 indazole-3-carboxamido)-3,3-dimethylbutanoate, its optical,  
24 positional, and geometric isomers, salts and salts of isomers  
25 (other name: 5F-EDMB-PINACA).

26 NEW PARAGRAPH. *au.* Methyl 2-(1-(5-fluoropentyl)-1*H*-indole-  
27 3-carboxamido)-3,3-dimethylbutanoate, its optical, positional,  
28 and geometric isomers, salts and salts of isomers (other name:  
29 5F-MDMB-PICA).

30 NEW PARAGRAPH. *av.* *N*-(adamantan-1-yl)-1-(4-fluorobenzyl)-  
31 1*H*-indazole-3-carboxamide, its optical, positional, and  
32 geometric isomers, salts and salts of isomers (other names:  
33 FUB-AKB48, FUB-APINACA, AKB48 *N*-(4-FLUOROBENZYL)).

34 NEW PARAGRAPH. *aw.* 1-(5-fluoropentyl)-*N*-(2-  
35 phenylpropan-2-yl)-1*H*-indazole-3-carboxamide, its optical,

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1 positional, and geometric isomers, salts and salts of isomers  
2 (other names: 5F-CUMYL-PINACA, SGT-25).

3 NEW PARAGRAPH. *ax.* (1-(4-fluorobenzyl)-1H-  
4 indol-3-yl)(2,2,3,3-tetramethylcyclopropyl) methanone, its  
5 optical, positional, and geometric isomers, salts and salts of  
6 isomers (other name: FUB-144).

7 Sec. 8. Section 124.206, subsection 7, paragraph a, Code  
8 2020, is amended by striking the paragraph.

9 Sec. 9. Section 124.208, subsection 3, paragraph c, Code  
10 2020, is amended to read as follows:

11 *c.* Any substance which contains any quantity of a derivative  
12 of barbituric acid or any salt thereof including but not  
13 limited to Fioricet.

14 Sec. 10. Section 124.210, subsection 3, Code 2020, is  
15 amended by adding the following new paragraph:

16 NEW PARAGRAPH. *bd.* Brexanolone.

17 Sec. 11. Section 124.210, subsection 6, Code 2020, is  
18 amended by adding the following new paragraph:

19 NEW PARAGRAPH. *m.* Solriamfetol (2-amino-3-phenylpropyl  
20 carbamate; benzenepropanol, beta-amino-, carbamate (ester)).

21 Sec. 12. Section 124.212, Code 2020, is amended by adding  
22 the following new subsection:

23 NEW SUBSECTION. 6. *Approved cannabidiol drugs.* A  
24 drug product in finished dosage formulation that  
25 has been approved by the United States food and  
26 drug administration that contains cannabidiol  
27 (2-[1R-3-methyl-6R-(1-methylethenyl)-2-cyclohexen-1-yl]-5-  
28 pentyl-1,3-benzenediol) derived from cannabis and no more than  
29 0.1 percent (w/w) residual tetrahydrocannabinols.

30 Sec. 13. EFFECTIVE DATE. This Act, being deemed of  
31 immediate importance, takes effect upon enactment.>

By HOLT of Crawford

H-8127 FILED MARCH 9, 2020

HOUSE FILE 2424

H-8107

- 1 Amend the amendment, H-8087, to House File 2424 as follows:
- 2 1. Page 1, line 18, after <income> by inserting <at or>
- 3 2. Page 1, line 22, after <income> by inserting <at or>
- 4 3. Page 1, line 23, after <than> by inserting <or at>
- 5 4. Page 1, line 24, by striking <fifty-five> and inserting
- 6 <fifty>
- 7 5. Page 1, by striking lines 26 through 33.
- 8 6. Page 2, line 7, after <income> by inserting <at or>
- 9 7. Page 2, line 11, after <income> by inserting <at or>
- 10 8. Page 2, line 12, after <than> by inserting <or at>
- 11 9. Page 2, line 13, by striking <eighty-five> and inserting
- 12 <seventy-five>
- 13 10. Page 2, by striking lines 15 through 22.

By MEYER of Webster

H-8107 FILED MARCH 9, 2020

HOUSE FILE 2424

H-8108

- 1 Amend the amendment, H-8087, to House File 2424 as follows:
- 2 1. Page 1, line 5, by striking <two hundred sixty-three> and  
3 inserting <two hundred fifty>
- 4 2. Page 1, lines 7 and 8, by striking <three hundred> and  
5 inserting <two hundred seventy-five>
- 6 3. Page 1, line 18, after <income> by inserting <at or>
- 7 4. Page 1, line 22, after <income> by inserting <at or>
- 8 5. Page 1, line 23, after <than> by inserting <or at>
- 9 6. Page 1, line 24, by striking <fifty-five> and inserting  
10 <fifty>
- 11 7. Page 1, by striking lines 26 through 33.
- 12 8. Page 2, line 7, after <income> by inserting <at or>
- 13 9. Page 2, line 11, after <income> by inserting <at or>
- 14 10. Page 2, line 12, after <than> by inserting <or at>
- 15 11. Page 2, line 13, by striking <eighty-five> and inserting  
16 <seventy-five>
- 17 12. Page 2, by striking lines 15 through 22.

By MEYER of Webster

H-8108 FILED MARCH 9, 2020

HOUSE FILE 2424

H-8116

1 Amend the amendment, H-8087, to House File 2424 as follows:

2 1. By striking page 1, line 2, through page 2, line 25, and  
3 inserting:

4 <\_\_\_. By striking everything after the enacting clause and  
5 inserting:

6 <DIVISION I

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

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

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

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

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

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

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

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

34 g. For a taxpayer with net income of one hundred  
35 seventy-five thousand dollars or more but less than two hundred

1 fifty thousand dollars, five percent.

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

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

7 DIVISION II

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

28 Sec. 7. NEW SECTION. 422.120 Small business child care tax  
29 credit.

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

34 2. An individual may claim the tax credit allowed a  
35 partnership, S corporation, limited liability company, estate,

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

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

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

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

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

16 Sec. 10. NEW SECTION. **432.12N Small business child care**  
17 **tax credit.**

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

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

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

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

28 **DIVISION IV**

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

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

H-8116 (Continued)

1 training program or educational program.

2 Sec. 14. DIRECTIVE TO DEPARTMENT OF HUMAN SERVICES — CHILD  
3 CARE ASSISTANCE.

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

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

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

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

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

By JAMES of Dubuque

H-8116 FILED MARCH 9, 2020

HOUSE FILE 2501

H-8125

- 1 Amend House File 2501 as follows:
- 2 1. Page 2, line 18, after <APPLICABILITY.> by inserting <1.>
- 3 2. Page 2, after line 21 by inserting:
- 4 <2. This Act shall not apply to an asbestos action,
- 5 including an action alleging a nonmalignant or malignant
- 6 condition, or a silica action involving silicosis, filed by a
- 7 veteran. An action filed by a veteran on or after July 1, 2020,
- 8 shall be governed by section 686B.3, Code 2020. For purposes
- 9 of this subsection, "veteran" means the same as defined in
- 10 section 35.1.>
- 11 3. By renumbering, redesignating, and correcting internal
- 12 references as necessary.

By MEYER of Polk

H-8125 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8111

1 Amend the amendment, H-8088, to House File 2510 as follows:

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

3 < \_\_\_\_. Page 1, after line 20 by inserting:

4 <Sec. \_\_\_\_\_. Section 476.6, subsection 15, paragraph a,  
5 subparagraph (2), Code 2020, is amended to read as follows:  
6 (2) Gas and electric utilities required to be  
7 rate-regulated under this chapter may request an energy  
8 efficiency plan or demand response plan modification during the  
9 course of a five-year plan. A modification may be requested  
10 due to changes in funding as a result of public utility  
11 customers requesting exemptions from the plan or for any other  
12 reason identified by the gas or electric utility. ~~The board  
13 shall take action on a modification request made by a gas or  
14 electric utility within ninety days after the modification  
15 request is filed. If the board fails to take action within  
16 ninety days after a modification request is filed, the  
17 modification request shall be deemed approved.~~

18 Sec. \_\_\_\_\_. Section 476.6, subsection 15, paragraph c,  
19 subparagraph (4), Code 2020, is amended to read as follows:

20 (4) ~~The board shall approve, reject, or modify a plan filed  
21 pursuant to this subsection no later than March 31, 2019. If  
22 the board fails to approve, reject, or modify a plan filed by a  
23 gas or electric utility on or before such date, any plan filed  
24 by the gas or electric utility that was approved by the board  
25 prior to May 4, 2018, shall be terminated. The board shall  
26 not require or allow a gas or electric utility to implement an  
27 energy efficiency plan or demand response plan that does not  
28 meet the requirements of this subsection.~~

29 Sec. \_\_\_\_\_. Section 476.6, Code 2020, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 22. *Board action on filings — cost of*  
32 *living rate cap.* Notwithstanding any other provision of law to  
33 the contrary, the board shall not be required to take action on  
34 any filing under this chapter within a specific time period and  
35 shall be allotted any time period which the board determines

H-8111 (Continued)

1 is reasonably necessary and appropriate to make a final  
2 determination on such filing. Upon the review of any requested  
3 change in rate for a rate-regulated public utility and prior  
4 to the board's final determination, the rate-regulated public  
5 utility shall maintain a rate which does not exceed a current  
6 cost of living rate as determined by the board.>>

7 2. Page 1, after line 20 by inserting:

8 <\_\_\_. Title page, by striking lines 1 through 3 and  
9 inserting <An Act relating to matters under the purview of the  
10 utilities division of the department of commerce.>>

11 3. By renumbering as necessary.

By BRECKENRIDGE of Jasper

H-8111 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8112

- 1 Amend the amendment, H-8088, to House File 2510 as follows:
- 2 1. Page 1, before line 2 by inserting:
- 3 <\_\_\_. Page 1, after line 20 by inserting:
- 4 <Sec. \_\_\_. Section 476.6, subsection 8, Code 2020, is
- 5 amended by adding the following new paragraph:
- 6 NEW PARAGRAPH. c. A rate-regulated public utility that
- 7 automatically adjusts rates or charges to increase consumer
- 8 costs shall be subjected to a random audit by the board or the
- 9 office of the consumer advocate and shall report to the board
- 10 and the office of the consumer advocate all of the following
- 11 information:
- 12 (1) The total amount of profits on the utility's investment
- 13 returns.
- 14 (2) An explanation regarding how such increase in consumer
- 15 costs will be spent or invested by the utility.
- 16 (3) The total amount of moneys used by the utility for
- 17 funding weatherization assistance programs and other customer
- 18 assistance programs.>>
- 19 2. By renumbering as necessary.

By HUNTER of Polk

H-8112 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8113

- 1 Amend the amendment, H-8088, to House File 2510 as follows:
- 2 1. Page 1, before line 2 by inserting:
- 3 <\_\_\_. Page 1, after line 20 by inserting:
- 4 <Sec. \_\_\_. Section 476.6, Code 2020, is amended by adding
- 5 the following new subsection:
- 6 NEW SUBSECTION. 22. *Utilization of a historic or future test*
- 7 *year in rate regulatory proceeding — payments.* A public utility
- 8 that utilizes a historic test year or a future test year in a
- 9 rate regulatory proceeding pursuant to section 476.33 shall
- 10 pay a total of two-tenths of one percent of the amounts the
- 11 public utility charges to its customers to the weatherization
- 12 assistance program administered by the division of community
- 13 action agencies of the department of human rights.>>
- 14 2. By renumbering as necessary.

By OLDSON of Polk

H-8113 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8114

1 Amend the amendment, H-8088, to House File 2510 as follows:  
2 1. Page 1, before line 2 by inserting:  
3 <\_\_\_. Page 1, after line 20 by inserting:  
4 <Sec. \_\_\_. Section 476.6, Code 2020, is amended by adding  
5 the following new subsections:  
6 NEW SUBSECTION. 22. Rate base increase — proposed rate  
7 increase filings — limits.  
8 a. Notwithstanding any provision of law to the contrary,  
9 the board shall not approve a proposed rate base increase for a  
10 rate-regulated public utility which exceeds three percent of  
11 the public utility's approved rate base for the previous year.  
12 b. Notwithstanding any provision of law to the contrary,  
13 the board shall prohibit a rate-regulated public utility from  
14 filing more than one application for a proposed rate increase  
15 in a single year or filing an application for a proposed rate  
16 increase which proposes multiple-year rate increases.  
17 NEW SUBSECTION. 23. Proposed rate increase — public  
18 input. Notwithstanding any other provision of law to the  
19 contrary, upon the initiation of a formal proceeding to  
20 evaluate a rate-regulated public utility's application for a  
21 proposed rate increase, the board shall solicit input from  
22 customers and other interested members of the public regarding  
23 the proposed rate increase. The board shall consider such  
24 public input as part of its decision to approve, modify, or  
25 reject the proposed rate increase.>>  
26 2. By renumbering as necessary.

By RUNNING-MARQUARDT of Linn

H-8114 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8121

1 Amend House File 2510 as follows:

2 1. Page 1, after line 20 by inserting:

3 <Sec. \_\_\_\_ . Section 476.6, subsection 8, Code 2020, is  
4 amended by adding the following new paragraph:

5 NEW PARAGRAPH. *c.* A rate-regulated public utility that  
6 automatically adjusts rates or charges to increase consumer  
7 costs shall be subjected to a random audit by the board or the  
8 office of the consumer advocate and shall report to the board  
9 and the office of the consumer advocate all of the following  
10 information:

11 (1) The total amount of profits on the utility's investment  
12 returns.

13 (2) An explanation regarding how such increase in consumer  
14 costs will be spent or invested by the utility.

15 (3) The total amount of moneys used by the utility for  
16 funding weatherization assistance programs and other customer  
17 assistance programs.>

18 2. By renumbering as necessary.

By HUNTER of Polk

H-8121 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8122

1 Amend House File 2510 as follows:

2 1. Page 1, after line 20 by inserting:

3 <Sec. \_\_\_\_ . Section 476.6, Code 2020, is amended by adding  
4 the following new subsections:

5 NEW SUBSECTION. 22. *Rate base increase — proposed rate*  
6 *increase filings — limits.*

7 a. Notwithstanding any provision of law to the contrary,  
8 the board shall not approve a proposed rate base increase for a  
9 rate-regulated public utility which exceeds three percent of  
10 the public utility's approved rate base for the previous year.

11 b. Notwithstanding any provision of law to the contrary,  
12 the board shall prohibit a rate-regulated public utility from  
13 filing more than one application for a proposed rate increase  
14 in a single year or filing an application for a proposed rate  
15 increase which proposes multiple-year rate increases.

16 NEW SUBSECTION. 23. *Proposed rate increase — public*  
17 *input.* Notwithstanding any other provision of law to the  
18 contrary, upon the initiation of a formal proceeding to  
19 evaluate a rate-regulated public utility's application for a  
20 proposed rate increase, the board shall solicit input from  
21 customers and other interested members of the public regarding  
22 the proposed rate increase. The board shall consider such  
23 public input as part of its decision to approve, modify, or  
24 reject the proposed rate increase.>

25 2. By renumbering as necessary.

By RUNNING-MARQUARDT of Linn

H-8122 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8123

- 1 Amend House File 2510 as follows:
- 2 1. Page 1, after line 20 by inserting:
- 3 <Sec. \_\_\_\_ . Section 476.6, Code 2020, is amended by adding
- 4 the following new subsection:
- 5 NEW SUBSECTION. 22. *Utilization of a historic or future test*
- 6 *year in rate regulatory proceeding — payments.* A public utility
- 7 that utilizes a historic test year or a future test year in a
- 8 rate regulatory proceeding pursuant to section 476.33 shall
- 9 pay a total of two-tenths of one percent of the amounts the
- 10 public utility charges to its customers to the weatherization
- 11 assistance program administered by the division of community
- 12 action agencies of the department of human rights.>
- 13 2. By renumbering as necessary.

By OLDSON of Polk

H-8123 FILED MARCH 9, 2020

HOUSE FILE 2510

H-8124

1 Amend House File 2510 as follows:

2 1. Page 1, after line 20 by inserting:

3 <Sec. \_\_\_\_\_. Section 476.6, subsection 15, paragraph a,  
4 subparagraph (2), Code 2020, is amended to read as follows:

5 (2) Gas and electric utilities required to be  
6 rate-regulated under this chapter may request an energy  
7 efficiency plan or demand response plan modification during the  
8 course of a five-year plan. A modification may be requested  
9 due to changes in funding as a result of public utility  
10 customers requesting exemptions from the plan or for any other  
11 reason identified by the gas or electric utility. ~~The board~~  
12 ~~shall take action on a modification request made by a gas or~~  
13 ~~electric utility within ninety days after the modification~~  
14 ~~request is filed. If the board fails to take action within~~  
15 ~~ninety days after a modification request is filed, the~~  
16 ~~modification request shall be deemed approved.~~

17 Sec. \_\_\_\_\_. Section 476.6, subsection 15, paragraph c,  
18 subparagraph (4), Code 2020, is amended to read as follows:

19 (4) ~~The board shall approve, reject, or modify a plan filed~~  
20 ~~pursuant to this subsection no later than March 31, 2019. If~~  
21 ~~the board fails to approve, reject, or modify a plan filed by a~~  
22 ~~gas or electric utility on or before such date, any plan filed~~  
23 ~~by the gas or electric utility that was approved by the board~~  
24 ~~prior to May 4, 2018, shall be terminated. The board shall~~  
25 ~~not require or allow a gas or electric utility to implement an~~  
26 ~~energy efficiency plan or demand response plan that does not~~  
27 ~~meet the requirements of this subsection.~~

28 Sec. \_\_\_\_\_. Section 476.6, Code 2020, is amended by adding the  
29 following new subsection:

30 NEW SUBSECTION. 22. *Board action on filings — cost of*  
31 *living rate cap.* Notwithstanding any other provision of law to  
32 the contrary, the board shall not be required to take action on  
33 any filing under this chapter within a specific time period and  
34 shall be allotted any time period which the board determines  
35 is reasonably necessary and appropriate to make a final

H-8124 (Continued)

1 determination on such filing. Upon the review of any requested  
2 change in rate for a rate-regulated public utility and prior  
3 to the board's final determination, the rate-regulated public  
4 utility shall maintain a rate which does not exceed a current  
5 cost of living rate as determined by the board.>

6 2. Title page, by striking lines 1 through 3 and inserting  
7 <An Act relating to matters under the purview of the utilities  
8 division of the department of commerce.>

9 3. By renumbering as necessary.

By BRECKENRIDGE of Jasper

H-8124 FILED MARCH 9, 2020

HOUSE FILE 2581

H-8105

- 1 Amend House File 2581 as follows:
- 2 1. Page 1, line 14, by striking <a human or animal> and  
3 inserting <the human>
- 4 2. Page 1, lines 15 and 16, by striking <a human or animal>  
5 and inserting <the human>
- 6 3. Page 1, line 23, by striking <a human or animal> and  
7 inserting <the human>
- 8 4. Page 1, lines 24 and 25, by striking <a human or animal>  
9 and inserting <the human>
- 10 5. Page 1, line 27, by striking <a human or animal> and  
11 inserting <the human>
- 12 6. By striking page 1, line 34, through page 2, line 1, and  
13 inserting <sold, or distributed as food, a food additive, a  
14 dietary supplement, or a drug.>
- 15 7. Page 2, line 4, by striking <body of a human or animal>  
16 and inserting <human body>
- 17 8. Page 2, after line 14 by inserting:  
18 <Sec. \_\_\_\_ . Section 204.2, subsection 6, Code 2020, is  
19 amended to read as follows:
- 20 6. a. "*Hemp*" means the plant *cannabis sativa* L. and any  
21 part of that plant, including the seeds thereof, and all  
22 derivatives, extracts, cannabinoids, isomers, acids, salts,  
23 and salts of isomers, whether growing or not, with a maximum  
24 delta-9 tetrahydrocannabinol concentration of not more than  
25 three-tenths of one percent on a dry weight basis as calculated  
26 pursuant to an official test as provided in section 204.8.
- 27 b. "*Hemp*" also means a plant of the genus *cannabis*  
28 other than *cannabis sativa* L., with a maximum delta-9  
29 tetrahydrocannabinol concentration of not more than  
30 three-tenths of one percent on a dry weight basis as calculated  
31 pursuant to an official test as provided in section 204.8, but  
32 only to the extent allowed by the department in accordance with  
33 applicable federal law, including the federal hemp law.>
- 34 9. Page 3, line 18, by striking <state of the hemp's origin>  
35 and inserting <jurisdiction where the hemp was produced>

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- 1 10. Page 4, line 34, after <department> by inserting <of  
2 inspections and appeals>
- 3 11. Page 4, line 35, after <the department> by inserting <of  
4 inspections and appeals>
- 5 12. Page 4, line 35, after <The department> by inserting <of  
6 inspections and appeals>
- 7 13. Page 5, line 1, after <department> by inserting <of  
8 inspections and appeals>
- 9 14. Page 5, line 2, after <department> by inserting <of  
10 inspections and appeals>
- 11 15. Page 5, line 10, by striking <crop inspection> and  
12 inserting <analysis>
- 13 16. Page 5, by striking lines 24 and 25 and inserting  
14 <jurisdiction pursuant to a state or tribal plan approved by  
15 the United States department of agriculture pursuant to the  
16 federal hemp law may be imported for use by a>
- 17 17. Page 8, by striking lines 20 and 21 and inserting:  
18 <b. The person is required to hold a temporary harvest and  
19 transportation permit to possess, harvest, or move hemp.>
- 20 18. Page 8, line 34, by striking <or animal>
- 21 19. Page 9, line 13, by striking <or animal>
- 22 20. By renumbering as necessary.

By KLEIN of Washington

H-8105 FILED MARCH 9, 2020

HOUSE FILE 2589

H-8119

1 Amend House File 2589 as follows:

2 1. Page 2, before line 35 by inserting:

3 <Sec. \_\_\_\_ . Section 124E.4, subsection 5, Code 2020, is  
4 amended to read as follows:

5 5. *Expiration date of card.* A medical cannabidiol  
6 registration card issued pursuant to this section shall expire  
7 ~~one-year~~ three years after the date of issuance and may be  
8 renewed.>

By GASKILL of Wapello

H-8119 FILED MARCH 9, 2020

HOUSE FILE 2589

H-8120

1 Amend House File 2589 as follows:

2 1. Page 3, line 23, by striking <four and one-half> and  
3 inserting <fifteen>

4 2. Page 3, line 30, by striking <four and one-half> and  
5 inserting <fifteen grams>

6 3. Page 4, lines 9 and 10, by striking <four and one-half>  
7 and inserting <fifteen grams>

By KRESSIG of Black Hawk

H-8120 FILED MARCH 9, 2020

HOUSE FILE 2589

H-8126

- 1 Amend House File 2589 as follows:
- 2 1. Page 1, before line 4 by inserting:
- 3 <Sec. \_\_\_\_ . Section 124E.2, subsection 2, Code 2020, is
- 4 amended by adding the following new paragraph:
- 5 NEW PARAGRAPH. *j.* Post-traumatic stress disorder.>
- 6 2. By renumbering as necessary.

By ISENHART of Dubuque

H-8126 FILED MARCH 9, 2020

H-8128

1 Amend House File 2589 as follows:

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

4 <Section 1. Section 96.5, Code 2020, is amended by adding  
5 the following new subsection:

6 NEW SUBSECTION. 14. *Marijuana or controlled substance use in*  
7 *the workplace — disqualified.*

8 a. For purposes of this subsection, unless the context  
9 otherwise requires:

10 (1) "*Controlled substance*" means the same as defined in  
11 section 124.101.

12 (2) "*Marijuana*" means the same as defined in section 124E.2.

13 b. If the department finds that the individual became  
14 separated from employment due to ingesting marijuana in the  
15 workplace, working while under the influence of marijuana, or  
16 testing positive for any other controlled substance, for which  
17 the individual did not have a current prescription or which the  
18 individual was otherwise using unlawfully, under a drug testing  
19 policy pursuant to section 730.5 or any other procedures  
20 provided by federal statutes, federal regulations, or orders  
21 issued pursuant to federal law.

22 c. A disqualification under this subsection shall continue  
23 until the individual has worked in and has been paid wages for  
24 insured work equal to ten times the individual's weekly benefit  
25 amount, provided the individual is otherwise eligible.

26 Sec. 2. Section 124E.2, subsection 2, paragraph i, Code  
27 2020, is amended to read as follows:

28 i. ~~Untreatable~~ Chronic pain.

29 Sec. 3. Section 124E.2, subsection 2, Code 2020, is amended  
30 by adding the following new paragraphs:

31 NEW PARAGRAPH. j. Severe, intractable autism with  
32 self-injurious or aggressive behaviors.

33 NEW PARAGRAPH. k. Post-traumatic stress disorder.

34 Sec. 4. Section 124E.2, subsections 5 and 6, Code 2020, are  
35 amended to read as follows:

1 5. "*Health care practitioner*" means an individual licensed  
2 under chapter 148 to practice medicine and surgery or  
3 osteopathic medicine and surgery, a physician assistant  
4 licensed under chapter 148C, an advanced registered nurse  
5 practitioner licensed under chapter 152, or an advanced  
6 practice registered nurse under chapter 152E, who is a  
7 patient's primary care provider or a podiatrist licensed  
8 pursuant to chapter 149. ~~"Health care practitioner" shall not~~  
9 ~~include a physician assistant licensed under chapter 148C or~~  
10 ~~an advanced registered nurse practitioner licensed pursuant to~~  
11 ~~chapter 152 or 152E.~~

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

19 Sec. 5. Section 124E.2, Code 2020, is amended by adding the  
20 following new subsections:

21 NEW SUBSECTION. 4A. "*Employee*" means a natural person who  
22 is employed in this state for wages by an employer.

23 NEW SUBSECTION. 4B. "*Employer*" means a person who in this  
24 state employs for wages an employee.

25 NEW SUBSECTION. 5A. "*Laboratory*" means the state hygienic  
26 laboratory at the university of Iowa in Iowa City or any other  
27 independent medical cannabidiol testing facility accredited  
28 to standard ISO/IEC 17025 by an international organization  
29 for standards-approved accrediting body, with a controlled  
30 substance registration certificate from the United States drug  
31 enforcement administration and a certificate of registration  
32 from the board of pharmacy. For the purposes of this chapter,  
33 an independent laboratory is a laboratory operated by an  
34 entity that has no equity ownership in a medical cannabidiol  
35 manufacturer.

1 NEW SUBSECTION. 5B. "*Marijuana*" means any derivative of  
2 marijuana including but not limited to medical cannabidiol.

3 NEW SUBSECTION. 7A. "*Total tetrahydrocannabinol*"  
4 means eighty-seven and seven-tenths percent of the  
5 amount of tetrahydrocannabinolic acid plus the amount of  
6 tetrahydrocannabinol.

7 Sec. 6. Section 124E.4, subsection 1, unnumbered paragraph  
8 1, Code 2020, is amended to read as follows:

9 Subject to subsection 7, the department may ~~approve the~~  
10 ~~issuance of~~ issue a medical cannabidiol registration card ~~by~~  
11 ~~the department of transportation~~ to a patient who:

12 Sec. 7. Section 124E.4, subsection 1, paragraph d,  
13 unnumbered paragraph 1, Code 2020, is amended to read as  
14 follows:

15 Submits an application to the department, on a form created  
16 by the department, ~~in consultation with the department of~~  
17 ~~transportation~~, that contains all of the following:

18 Sec. 8. Section 124E.4, subsection 1, paragraph f, Code  
19 2020, is amended by striking the paragraph.

20 Sec. 9. Section 124E.4, subsection 2, unnumbered paragraph  
21 1, Code 2020, is amended to read as follows:

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

25 Sec. 10. Section 124E.4, subsection 2, paragraph b, Code  
26 2020, is amended by striking the paragraph.

27 Sec. 11. Section 124E.4, subsection 3, unnumbered paragraph  
28 1, Code 2020, is amended to read as follows:

29 For a patient in a primary caregiver's care, subject to  
30 subsection 7, the department may ~~approve the issuance of~~ issue  
31 a medical cannabidiol registration card ~~by the department of~~  
32 ~~transportation~~ to the primary caregiver who:

33 Sec. 12. Section 124E.4, subsection 3, paragraph b,  
34 unnumbered paragraph 1, Code 2020, is amended to read as  
35 follows:

1 Submits an application to the department, on a form created  
2 by the department, ~~in consultation with the department of~~  
3 ~~transportation~~, that contains all of the following:

4 Sec. 13. Section 124E.4, subsection 3, paragraph c, Code  
5 2020, is amended by striking the paragraph.

6 Sec. 14. Section 124E.4, subsection 4, unnumbered paragraph  
7 1, Code 2020, is amended to read as follows:

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

11 Sec. 15. Section 124E.4, subsection 4, paragraph b, Code  
12 2020, is amended by striking the paragraph.

13 Sec. 16. Section 124E.4, subsection 6, Code 2020, is amended  
14 by striking the subsection.

15 Sec. 17. Section 124E.5, subsections 2 and 6, Code 2020, are  
16 amended to read as follows:

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

19 6. ~~The medical cannabidiol board may recommend a statutory~~  
20 ~~revision to the definition of medical cannabidiol contained in~~  
21 ~~this chapter that increases the tetrahydrocannabinol level to~~  
22 ~~more than three percent, however, any such recommendation shall~~  
23 ~~be submitted to the general assembly during the regular session~~  
24 ~~of the general assembly following such submission.~~ The general  
25 assembly shall have the sole authority to revise the definition  
26 of medical cannabidiol for purposes of this chapter.

27 Sec. 18. Section 124E.6, subsection 4, Code 2020, is amended  
28 by striking the subsection and inserting in lieu thereof the  
29 following:

30 4. A medical cannabidiol manufacturer shall contract with  
31 a laboratory to perform spot-check testing of the medical  
32 cannabidiol produced by the medical cannabidiol manufacturer  
33 as provided in section 124E.7. The department shall require  
34 that the laboratory report testing results to the medical  
35 cannabidiol manufacturer and the department as determined by

1 the department by rule. If a medical cannabidiol manufacturer  
2 contracts with a laboratory other than the state hygienic  
3 laboratory at the university of Iowa in Iowa City, the  
4 department shall approve the laboratory to perform testing  
5 pursuant to this chapter.

6 Sec. 19. Section 124E.7, subsection 1, Code 2020, is amended  
7 by striking the subsection and inserting in lieu thereof the  
8 following:

9 1. A medical cannabidiol manufacturer shall contract with  
10 a laboratory to perform spot-check testing of the medical  
11 cannabidiol produced by the medical cannabidiol manufacturer as  
12 to content, contamination, and consistency. The cost of all  
13 laboratory testing shall be paid by the medical cannabidiol  
14 manufacturer.

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

17 NEW SUBSECTION. 13. A medical cannabidiol dispensary  
18 shall employ a pharmacist or pharmacy technician licensed or  
19 registered pursuant to chapter 155A for the purpose of making  
20 dosing recommendations.

21 NEW SUBSECTION. 14. A medical cannabidiol dispensary shall  
22 not dispense more than a combined total of four and one-half  
23 grams of total tetrahydrocannabinol to a patient and the  
24 patient's primary caregiver in a ninety-day period, except as  
25 provided in subsection 15.

26 NEW SUBSECTION. 15. A medical cannabidiol dispensary  
27 may dispense more than a combined total of four and one-half  
28 of total tetrahydrocannabinol to a patient and the patient's  
29 primary caregiver in a ninety-day period if any of the  
30 following apply:

31 a. The health care practitioner who certified the patient to  
32 receive a medical cannabidiol registration card certifies that  
33 patient's debilitating medical condition is a terminal illness  
34 with a life expectancy of less than one year. A certification  
35 issued pursuant to this paragraph shall include a total

1 tetrahydrocannabinol cap deemed appropriate by the patient's  
2 health care practitioner.

3     *b.* The health care practitioner who certified the patient to  
4 receive a medical cannabidiol registration card certifies that  
5 the patient has participated in the medical cannabidiol program  
6 and that the health care practitioner has determined that four  
7 and one-half of total tetrahydrocannabinol in a ninety-day  
8 period is insufficient to treat the patient's debilitating  
9 medical condition. A certification issued pursuant to this  
10 paragraph shall include a total tetrahydrocannabinol cap deemed  
11 appropriate by the patient's health care practitioner.

12     Sec. 21. Section 124E.11, subsection 1, paragraph b,  
13 subparagraph (1), subparagraph divisions (a) and (c), Code  
14 2020, are amended to read as follows:

15     (a) To authorized employees or agents of the department ~~and~~  
16 ~~the department of transportation~~ as necessary to perform the  
17 duties of the department ~~and the department of transportation~~  
18 pursuant to this chapter.

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

25     Sec. 22. Section 124E.11, subsection 1, paragraph b,  
26 subparagraph (1), Code 2020, is amended by adding the following  
27 new subparagraph division:

28     NEW SUBPARAGRAPH DIVISION. (e) To a health care  
29 practitioner for the purpose of determining whether a patient  
30 seeking a written certification pursuant to section 124E.3 has  
31 already received a written certification from another health  
32 care practitioner.

33     Sec. 23. Section 124E.12, subsection 7, Code 2020, is  
34 amended to read as follows:

35     7. Notwithstanding any law to the contrary, the department,

1 ~~the department of transportation,~~ the governor, or any employee  
2 of any state agency shall not be held civilly or criminally  
3 liable for any injury, loss of property, personal injury, or  
4 death caused by any act or omission while acting within the  
5 scope of office or employment as authorized under this chapter.

6 Sec. 24. NEW SECTION. 124E.20 **Observational effectiveness**  
7 **study.**

8 The department may conduct an observational effectiveness  
9 study in cooperation with patients and health care  
10 practitioners and pursuant to rules of the department in order  
11 to study the effectiveness of medical cannabidiol in the  
12 treatment of debilitating medical conditions.

13 Sec. 25. NEW SECTION. 124E.21 **Employer regulation of**  
14 **marijuana use.**

15 1. Nothing in this chapter shall require an employer  
16 to permit or accommodate the use, consumption, possession,  
17 transfer, display, transportation, distribution, sale, or  
18 growing of marijuana in the workplace.

19 2. Nothing in this chapter shall prohibit an employer from  
20 implementing policies restricting the use of marijuana by  
21 employees for the purpose of promoting workplace health and  
22 safety.

23 3. Nothing in this chapter shall prohibit an employer  
24 from including in a contract with an employee a provision  
25 prohibiting the use of marijuana.

26 4. Nothing in this chapter shall prohibit an employer  
27 from establishing and enforcing a zero-tolerance drug policy  
28 or a drug-free workplace by use of a drug testing policy in  
29 accordance with section 730.5 or any other procedures provided  
30 by federal statutes, federal regulations, or orders issued  
31 pursuant to federal law.

32 Sec. 26. NEW SECTION. 124E.22 **Regulation of marijuana**  
33 **use by government medical assistance programs, private health**  
34 **insurers, and other entities.**

35 Nothing in this chapter shall require a government

1 medical assistance program, private health insurer, workers'  
2 compensation carrier, or self-insured employer providing  
3 workers' compensation benefits to reimburse a person for costs  
4 associated with the medical use of marijuana.

5 Sec. 27. NEW SECTION. 124E.23 Regulation of marijuana use  
6 on property.

7 Nothing in this chapter shall require a person that owns,  
8 occupies, or controls a property to allow the use, consumption,  
9 possession, transfer, display, transportation, distribution,  
10 sale, or growing of marijuana on or in that property.

11 Sec. 28. NEW SECTION. 124E.24 Limitation of liability.

12 Nothing in this chapter shall create any claim, cause of  
13 action, sanction, or penalty, for discrimination or under  
14 any other theory of liability, under chapter 216 or any  
15 other provision of law, based on an act, omission, policy, or  
16 contractual provision permissible under this chapter including  
17 but not limited to refusing to hire, discharging, disciplining,  
18 discriminating, retaliating, or otherwise taking any adverse  
19 employment action against a person with respect to hiring,  
20 tenure, or any terms, conditions, or privileges of employment.

21 Sec. 29. NEW SECTION. 124E.25 Cannabis-derived products  
22 — exemption.

23 This chapter shall not apply to any cannabis-derived  
24 investigational product or cannabis-derived product approved as  
25 a prescription drug medication by the United States food and  
26 drug administration.

27 Sec. 30. NEW SECTION. 124E.26 Applicability.

28 The provisions of this chapter apply notwithstanding any  
29 other provision of law to the contrary.

30 Sec. 31. PROTECTION OF FEDERAL FUNDING. The department  
31 of public health shall request guarantees from the agencies  
32 of the federal government providing funding to educational  
33 and long-term care facilities that facilities with policies  
34 allowing patients to possess medical cannabidiol on the grounds  
35 of the facilities consistent with chapter 124E or allowing

H-8128 (Continued)

1 facility staff to administer medical cannabidiol to a patient  
2 shall not lose eligibility for any federal funding due to such  
3 policies.

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

8 2. Title page, line 1, after <Act> by inserting <and  
9 marijuana>

By KLEIN of Washington

H-8128 FILED MARCH 9, 2020

HOUSE FILE 2589

H-8129

1 Amend House File 2589 as follows:

2 1. Page 1, before line 29 by inserting:

3 <Sec. \_\_\_\_ . NEW SECTION. 124E.3A State medical director  
4 certification — rules.

5 1. The department shall establish by rule by January 1,  
6 2021, a process for a patient who has been denied a written  
7 certification by a health care practitioner pursuant to section  
8 124E.3 to receive a written certification from the state  
9 medical director of the department.

10 2. The process established pursuant to subsection 1 shall  
11 include all of the following provisions:

12 a. The patient shall submit the patient's medical records  
13 to the state medical director.

14 b. The state medical director shall verify that the  
15 patient's health care practitioner refused to provide a written  
16 certification to the patient pursuant to section 124E.3.

17 c. The state medical director shall determine whether  
18 the patient suffers from a debilitating medical condition  
19 that qualifies for the use of medical cannabidiol under this  
20 chapter.

21 d. The state medical director shall determine whether the  
22 patient may benefit from the use of medical cannabidiol.

23 e. If the state medical director determines that the patient  
24 suffers from a debilitating medical condition, that the patient  
25 may benefit from the use of medical cannabidiol, and that the  
26 patient's health care practitioner refused to provide a written  
27 certification to the patient, the state medical director shall  
28 provide a written certification to the patient.

29 3. The custodian of a patient's medical records shall  
30 provide the patient's medical records to the state medical  
31 director or the patient for the purpose of obtaining a written  
32 certification pursuant to this section without charge to the  
33 patient or the state medical director.

34 4. The state medical director shall keep confidential all  
35 medical records provided to the state medical director pursuant

H-8129 (Continued)

1 to this section.>

2 2. Page 1, before line 34 by inserting:

3 <Sec. \_\_\_\_\_. Section 124E.4, subsection 1, paragraph c, Code  
4 2020, is amended to read as follows:

5 c. Submits a written certification to the department signed  
6 by the patient's health care practitioner or the state medical  
7 director that the patient is suffering from a debilitating  
8 medical condition.>

9 3. Page 2, before line 20 by inserting:

10 <Sec. \_\_\_\_\_. Section 124E.4, subsection 3, paragraph a, Code  
11 2020, is amended to read as follows:

12 a. Submits a written certification to the department signed  
13 by the patient's health care practitioner or the state medical  
14 director that the patient in the primary caregiver's care is  
15 suffering from a debilitating medical condition.>

16 4. Page 5, before line 4 by inserting:

17 <Sec. \_\_\_\_\_. Section 124E.12, subsection 1, Code 2020, is  
18 amended to read as follows:

19 1. A health care practitioner, including any authorized  
20 agent or employee thereof, or the state medical director,  
21 including any authorized agent or employee thereof, shall not  
22 be subject to prosecution for the unlawful certification,  
23 possession, or administration of marijuana under the laws of  
24 this state for activities arising directly out of or directly  
25 related to the certification or use of medical cannabidiol  
26 in the treatment of a patient diagnosed with a debilitating  
27 medical condition as authorized by this chapter.>

28 5. By renumbering as necessary.

By ISENHART of Dubuque

[H-8129](#) FILED MARCH 9, 2020

HOUSE FILE 2589

H-8130

- 1 Amend House File 2589 as follows:
- 2 1. Page 1, by striking lines 4 and 5 and inserting:
- 3 <Sec. \_\_\_\_ . Section 124E.2, subsection 5, Code 2020, is
- 4 amended to read as follows:>
- 5 2. Page 1, by striking lines 16 through 22.
- 6 3. Page 3, by striking lines 6 through 15.
- 7 4. Page 3, line 17, by striking <subsections> and inserting
- 8 <subsection>
- 9 5. By striking page 3, line 22, through page 4, line 14.
- 10 6. Page 4, by striking lines 22 through 30.
- 11 7. By renumbering as necessary.

By FORBES of Polk

H-8130 FILED MARCH 9, 2020

HOUSE FILE 2592

H-8117

1 Amend House File 2592 as follows:

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

3 <Section 1. Section 97B.50, subsection 2, paragraphs a and  
4 b, Code 2020, are amended to read as follows:

5 a. A vested member who retires from the retirement system  
6 due to disability and commences receiving disability benefits  
7 pursuant to the federal Social Security Act, 42 U.S.C. §423 et  
8 seq., and who has not reached the normal retirement date, shall  
9 receive benefits as selected under section 97B.51, and shall  
10 not have benefits reduced upon retirement as required under  
11 subsection 1 regardless of whether the member has completed  
12 thirty or more years of membership service. However, the  
13 benefits under this subsection shall be suspended during any  
14 period in which the member returns to covered employment and is  
15 no longer eligible for disability benefits under the federal  
16 Social Security Act. This section takes effect July 1, 1990,  
17 for a member meeting the requirements of this paragraph who  
18 retired from the retirement system at any time after July 4,  
19 1953. Eligible members retiring on or after July 1, 2000, are  
20 entitled to the receipt of retroactive adjustment payments for  
21 no more than thirty-six months immediately preceding the month  
22 in which written application for retirement due to disability  
23 was received by the system.

24 b. A vested member who retires from the retirement system  
25 due to disability and commences receiving disability benefits  
26 pursuant to the federal Railroad Retirement Act, 45 U.S.C. §231  
27 et seq., and who has not reached the normal retirement date,  
28 shall receive benefits as selected under section 97B.51, and  
29 shall not have benefits reduced upon retirement as required  
30 under subsection 1 regardless of whether the member has  
31 completed thirty or more years of membership service. However,  
32 the benefits under this subsection shall be suspended during  
33 any period in which the member returns to covered employment  
34 and is no longer eligible for disability benefits under the  
35 federal Railroad Retirement Act. This section takes effect

H-8117 (Continued)

1 July 1, 1990, for a member meeting the requirements of this  
2 paragraph who retired from the retirement system at any time  
3 since July 4, 1953. Eligible members retiring on or after July  
4 1, 2000, are entitled to the receipt of retroactive adjustment  
5 payments for no more than thirty-six months immediately  
6 preceding the month in which written application for retirement  
7 due to disability was received by the system.>

8 2. Title page, line 1, after <under the> by inserting <Iowa  
9 public employees retirement system and the>

10 3. By renumbering as necessary.

By OURTH of Warren

H-8117 FILED MARCH 9, 2020

HOUSE FILE 2595

H-8109

1 Amend the amendment, H-8096, to House File 2595 as follows:  
2 1. Page 1, line 16, by striking <one thousand> and inserting  
3 <two hundred fifty>  
4 2. Page 1, line 17, after <2.> by inserting <a.>  
5 3. Page 1, line 19, after <2> by inserting <, and shall not  
6 exceed five hundred dollars in the aggregate>  
7 4. Page 1, after line 19 by inserting:  
8 <b. Married taxpayers who file separate returns or file  
9 separately on a combined return form must determine the tax  
10 credit under subsection 1 based upon their combined net income  
11 and allocate the total credit amount to each spouse in the  
12 proportion that each spouse's respective net income bears to  
13 the total combined net income.>

By GASSMAN of Winnebago

H-8109 FILED MARCH 9, 2020

SENATE FILE 2119

H-8118

1 Amend Senate File 2119, as passed by the Senate, 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-8118 (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-8118 FILED MARCH 9, 2020

SENATE FILE 2296

H-8110

1 Amend Senate File 2296, as passed by the Senate, as follows:  
2 1. Page 2, after line 3 by inserting:  
3 <(vii) The owner-operator is not pressured or coerced to  
4 satisfy any of the conditions set forth in this subparagraph  
5 division (b) with the intent of changing the status of the  
6 owner-operator to an independent contractor.>

By KURTZ of Lee

H-8110 FILED MARCH 9, 2020



[HF 2103](#) – Food Bank Sales Tax Exemption (LSB5263YH)  
 Staff Contact: Kenneth Ohms (515.725.2200) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)  
 Fiscal Note Version – New

**Description**

[House File 2103](#) exempts from the sales tax and use tax the purchase price from the sale or rental of tangible personal property or specified digital products, or services furnished, to a nonprofit food bank if the property or services are to be used by the nonprofit food bank for a charitable purpose.

**Assumptions**

- There are currently six major food banks that serve Iowa. Of those six, one is based in Omaha (Food Bank for the Heartland) and is assumed to not make significant purchases subject to Iowa sales/use tax. Another (Hawkeye Area Community Action Program) already qualifies for a sales/use tax exemption as a community action agency under Iowa Code section [423.3\(79\)](#).
- The IRS 990 reports of the four remaining food banks were analyzed to identify a baseline amount of taxable purchases.
- An estimated 60 additional smaller food banks and food pantries will qualify under the Bill. These entities are estimated to represent 5.0% of total purchases of all qualifying entries.
- Growth trends in future fiscal years are based on Revenue Estimating Conference projections and 2.0% in subsequent years.

**Fiscal Impact**

House File 2103 will reduce General Fund, Secure an Advanced Vision for Education (SAVE) Fund, and local option sales tax (LOST) revenues by the following amounts.

	<u>General Fund</u>	<u>SAVE</u>	<u>LOST</u>
FY 2021	\$ 143,000	\$ 29,000	\$ 29,000
FY 2022	\$ 146,000	\$ 30,000	\$ 30,000
FY 2023	\$ 149,000	\$ 31,000	\$ 31,000
FY 2024	\$ 152,000	\$ 32,000	\$ 32,000
FY 2025	\$ 155,000	\$ 33,000	\$ 33,000

**Sources**

Department of Revenue

IRS 990 reports for Food Bank of Iowa, River Bend Foodbank, Northeast Iowa Food Bank, and Food Bank of Siouxland (2014-2017)

Interviews with the Iowa Food Bank Association and Food Bank of Iowa

LSA analysis and calculations

/s/ Holly M. Lyons

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March 9, 2020

Doc ID 1128229

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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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[www.legis.iowa.gov](http://www.legis.iowa.gov)



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[HF 2581](#) – Hemp Consumer and Public Safety (LSB5404HV)  
Staff Contact: Christin Mechler (515.250.0458) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)  
Fiscal Note Version – New

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### **Description and Background**

[House File 2581](#) amends several provisions of [Senate File 599](#) (Iowa Hemp Act), as enacted in 2019, including associated provisions of new Iowa Code chapter [204](#). Senate File 599 authorized the production of *sativa L.*, a certain type of cannabis, as well as the manufacture, sale, and transportation of hemp products if such products contain no more than 0.3% of a delta-9 tetrahydrocannabinol (THC).

The [federal Agriculture Improvement Act of 2018](#), commonly known as the 2018 Farm Bill, included provisions authorizing the production of hemp, allowing states and tribes to assume primary regulatory authority over the production of hemp by submitting a plan of approval by the USDA. At this time, the USDA has not approved or denied Iowa's state plan. The Iowa Hemp Act is to be implemented on the publication date of the Iowa Administrative Bulletin that includes an approval statement of Iowa's state plan from the USDA.

[House File 2581](#) relates to the regulation of hemp as a commodity and allows for the manufacture, sale, and consumption of consumable hemp products by humans and animals, if all of the following provisions apply:

- The consumable hemp product was manufactured in Iowa in compliance with Iowa Code chapter [204](#).
- The hemp contained in the consumable hemp product was produced exclusively in Iowa in compliance with Iowa Code chapter [204](#).
- The consumable hemp product complies with certain packaging and labeling requirements.

The Bill defines “consumable hemp product” as a hemp product that includes a substance that is metabolized or is otherwise subject to a biotransformative process when introduced into the human or animal body and allows the importation of consumable hemp if the state or jurisdiction from which the product is being imported has a United States Department of Agriculture (USDA) approved state hemp plan and testing requirements substantially similar to requirements for the State of Iowa. The Bill also provides regulation regarding the registration and licensing of manufacturers and sellers of consumable hemp to be completed by the Department of Inspections and Appeals (DIA) and the Iowa Department of Agriculture and Land Stewardship (IDALS), including establishing a temporary permit, and provides for total delta-9 tetrahydrocannabinol acid (THCA) crop testing procedures and requirements for the IDALS and the Department of Public Safety (DPS) and local law enforcement. The Bill also requires disposal of nonqualifying consumable hemp and eliminates a provision that allows a derivative of hemp to be added to certain products intended for human and animal consumption.

House File 2581 also prohibits possessing, using, manufacturing, marketing, transporting, delivering, or distributing harvested hemp or a hemp product if the intended use of such harvested hemp or hemp product is introduction into the body of a human or animal through any method of inhalation. This includes methods using cigarettes, cigars, cigarillos, and pipes, and

smoke from combustion and vapor devices. Prohibition of such activity is not applicable to any extent that the federal government, including the federal Food, Drug, and Cosmetic Act, allows for the use of harvested hemp or a hemp product by method of inhalation. A person who violates the prohibition of ingesting harvested hemp or a hemp product through the methods mentioned above is guilty of a serious misdemeanor and is subject to a civil penalty of not less than \$500 and not more than \$2,500, as imposed, assessed, and collected by the IDALS.

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

### **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.
- Quantification testing for what is commonly known as THC and total THCA varies significantly in method, procedure, and instrumentation. It is likely that local law enforcement agencies who currently perform identification analysis would not be able to quantify THC and THCA. As a result, those cannabis items traditionally tested by local law enforcement would now need to come to the DPS Division of Criminal Investigation laboratory.
- The DPS assumes both THC and THCA quantification will be required on a significant amount of crop testing, and would need to hire additional staff and invest in specific testing technology to accommodate the provisions of HF 2581. All cases involving any species of cannabis submitted to the DCI Lab would need to undergo additional analysis to quantify the concentration of THC and THCA, to assess if the total is above the 0.3% threshold.
- In order to effectively register manufacturers and sellers of consumable hemp, the DIA estimates that it will need to establish new labeling, inspection, and compliance regulations. The DIA also assumes that it would need to enhance its current electronic registration system.
- Should the current electronic registration be incompatible with the requirements of the Bill, the DIA assumes it would need to invest in a new system. The DIA assumes such a system could range in cost of approximately \$229,000 to \$349,000 for implementation, and \$56,000 to \$87,000 for maintenance and upkeep. The fiscal estimate in **Table 2** uses a midpoint for this range in order to provide a general cost estimate of HF 2581.
- Additionally, the DIA assumes it would need to hire additional personnel to accommodate the increased amount of registration and licensing requirements included in the Bill.
- The IDALS assumes that the Department may be required to consider hemp products for inclusion in livestock feed or pet food, impacting the ability for the Department to conduct inspections as required by the federal Food and Drug Administration (FDA).
- In order to comply with the provisions of HF 2581, the IDALS assumes it would be unable to complete inspections correctly and safely. Acting out of compliance with federal standards may lead to the loss of federal funding, specifically to the Feed and Fertilizer Bureau. The IDALS assumes it could lose up to \$800,000 in federal and grant funding, which equates to approximately 53.0% of the Feed and Fertilizer Bureau's total budget.

### **Correctional Impact**

The correctional impact of HF 2581 cannot be determined. The Bill establishes a new offense, and the number of convictions cannot be estimated.

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

**Table 1 — Sentencing 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 Probation (months)	FY 19 Avg Cost/Day Probation	Percent to CBC	FY 19 Avg Length of Stay Parole (months)	FY 19 Marginal Cost/Day Parole	Percent to County Jail	Marginal Cost/Day
Serious Misdemeanor	2.0%	5	\$20.38	13.4	\$6.12	1.0%	2.4	6.12	69.0%	\$50.00

### **Minority Impact**

The minority impact of HF 2581 is unknown. 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**

House File 2581 establishes a new criminal offense, and the resulting cost to the Justice System cannot be estimated. The average State cost for one serious misdemeanor conviction ranges from \$410 to \$4,900. This estimate includes operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Any revenue collected by the IDALS as a result of the civil penalty established by the Bill will be deposited in the General Fund, but is expected to be minimal.

The Bill also allows both the IDALS and the DIA to establish registration, licensing, and inspection fees pursuant to each Department's rulemaking authority. At this time, it is unknown how each Department will charge for registration, licensing, and inspection fees, and it is not possible to estimate any amount of collected fee revenue.

The identifiable fiscal impact of HF 2581 is estimated to range from \$1.8 million to \$2.1 million annually. The table below provides detail on estimated costs per affected State agency.

**Table 2 — Estimated Costs, [HF 2581](#)**

Agency	Cost	
	Minimum	Maximum
<b>Department of Public Safety</b>		
3.0 Criminalist FTE Positions (\$83,500/position)	\$ 251,000	\$ 251,000
Computer Technology and Supplies (\$20,000/position)	60,000	60,000
2.0 Gas Chromatograph/ Flame Ionization Detection Instruments (\$50,000/instrument)	100,000	100,000
<b>Subtotal</b>	<b>\$ 411,000</b>	<b>\$ 411,000</b>
<b>Department of Inspections and Appeals</b>		
Electronic Registration System Implementation Cost	\$ 0	\$ 289,000
Annual System Support and Maintenance	0	71,500
Existing System Enhancements	50,000	0
0.5 Clerk FTE Position	30,000	30,000
1.0 Senior Environmental Specialist FTE Position	72,000	72,000
5.0 Environmental Specialist FTE Positions (\$64,200/position)	321,000	321,000
One-time Staffing Expenses (vehicle, technology, phone)	80,000	80,000
<b>Subtotal</b>	<b>\$ 553,000</b>	<b>\$ 863,500</b>
<b>Department of Agriculture and Land Stewardship</b>		
Potential Loss of Federal & Grant Funding	\$ 800,000	\$ 800,000
<b>Total</b>	<b>\$ 1,764,000</b>	<b>\$ 2,074,500</b>

**Sources**

Legislative Services Agency  
Iowa Department of Agriculture and Land Stewardship  
Department of Public Safety  
Department of Inspections and Appeals  
Office of Drug Control Policy  
Criminal and Juvenile Justice Planning Division, Department of Human Rights  
Department of Corrections

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/s/ Holly M. Lyons

March 9, 2020

Doc ID 1132706

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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 2592](#) – 411 Retirement System (LSB5444HV)  
 Staff Contact: Jennifer Acton (515.281.7846) [jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov)  
 Fiscal Note Version – New

**Description**

[House File 2592](#) amends certain benefits under the Municipal Fire and Police Retirement System of Iowa (MFPRSI), established under Iowa Code chapter [411](#).

**Background**

Effective July 1, 1992, 87 local fire and police retirement systems in 49 cities were consolidated into a single statewide system, commonly referred to as the 411 System. The MFPRSI is governed by a nine-member Board of Trustees and four legislative members as required by Iowa Code section [411.36](#). The voting members of the Board include two fire and two police representatives, four city representatives, and a private citizen. Based on the July 1, 2019, actuarial valuation, the MFPRSI covers approximately 4,086 active members, 4,148 retired members and beneficiaries, and 374 vested, terminated members. The current funded ratio is 81.04%. The current actuarial accrued liability is \$3.269 billion, the actuarial value of assets is \$2.649 billion, and the unfunded actuarial liability is \$619.9 million.

For FY 2021, members’ estimated contributions at the current rate of 9.40% total \$29.7 million, and the cities’ estimated contributions at 25.31% total \$80.0 million. Total covered payroll is \$315.9 million. The average annual compensation for an active member is \$77,322.

The table below shows the contribution rates for FY 2017 to FY 2021.

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Employer Contribution Rate</b>	25.92%	25.68%	26.02%	24.41%	25.31%
<b>Employee Contribution Rate</b>	9.40%	9.40%	9.40%	9.40%	9.40%
<b>Total</b>	35.32%	35.08%	35.42%	33.81%	34.71%

The MFPRSI provides for both an ordinary and accidental disability for a member in good standing with the System. From 2002 through 2019, the MFPRSI reported one member in good standing case that would have been affected by HF 2592, if it were in effect at that time. The medical board determines if a member is medically able to perform their respective duties as a fire fighter or a police officer. If the member is determined to be unable to perform their duties, the MFPRSI decides if the member is eligible for an ordinary or accidental disability. The compensation for an ordinary disability is 50.0% of the average final compensation, whereas the compensation for accidental disability is 60.0% of the average final compensation.

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

## **Assumptions**

1. Limiting the eligibility for an accidental disability after retirement to retirees receiving an ordinary disability and within five years of retirement would reduce the funded ratio of the Fire and Police Retirement Fund by 0.10%, from 81.04% to 80.94%.
2. The member contribution rate will be increased for any statutory changes if the increase cannot be absorbed within the current contribution rates to a maximum of 11.35%. Costs would then be applied 60/40 between the employer and employee. The costs from HF 2592 will not be absorbed within the current contribution rates, but rather will increase the members' contribution rate from 9.40% to 9.55%.
3. The total contribution rate impact of Sections 2-5 of the Bill would be an increase of 0.15% to the members' contribution rate.
  - Allowing current ordinary disability retirees within five years of retirement to apply for an accidental disability will affect the total contribution rate by 0.08%.
  - Permitting future ordinary disabilities to be treated as accidental disabilities due to the elimination of the definite time and place requirement and greater than day-to-day stress standard for mental injuries will affect the total contribution rate by 0.07%.
4. Permitting future ordinary disabilities to be treated as accidental disabilities due to the elimination of the definite time and place requirement and greater than day-to-day stress standard for mental injuries may result in additional medical costs and short-term wages being covered by city employers.
5. There are approximately seven ordinary disability retirements per year. The estimate assumes there will be no overall increase in disability incidents; however, all future disabilities would qualify for accidental disabilities.
6. Assumes that all other actuarial assumptions going forward will be met.
7. The MFPRSI may see an increase in administrative costs related to medical exams.
8. Cities may see increased medical and administrative costs for all injuries and diseases related to employment, regardless of the type of benefit received from the System.

## **Fiscal Impact**

House File 2592 is estimated to increase the MFPRSI administrative costs for increased medical exams by \$50,000 to \$100,000 annually. Any increased administrative costs for the MFPRSI will be paid from the Fire and Police Retirement Fund.

The unfunded actuarial accrued liability of the Fire and Police Retirement Fund is estimated to increase by approximately \$4.3 million and the funded ratio would decrease from 81.04% to 80.94%. To pay for the increase in the unfunded liability and projected future costs, the members' contribution rate would increase by 0.15% to 9.55% beginning in FY 2021. The FY 2021 cost from increasing the members' contribution rate from 9.40% to 9.55% is approximately \$474,000 or \$116 per employee. In subsequent fiscal years, this cost may increase based on covered payroll.

The fiscal impact on the cities for additional medical costs cannot be determined at this time but may be significant.

**Sources**

Municipal Fire and Police Retirement System of Iowa Actuarial Valuation Report  
Municipal Fire and Police Retirement System of Iowa  
League of Cities

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/s/ Holly M. Lyons

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[HF 2594](#) – Employer-Provided Child Care Facilities and Services, Tax Credit (LSB5590HV.1)  
Staff Contact: Jeff Robinson (515.281.4614) [jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov)  
Fiscal Note Version – As amended by [H-8091](#)

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**Description**

[House File 2594](#) as amended by [H-8091](#) creates a new Employer Child Care Tax Credit effective beginning tax year (TY) 2021. The credit is available to be used against bank franchise tax, income tax, insurance premium tax, and credit union moneys and credits tax. The credit is earned by a business that provides specified child care benefits to its employees. The credit is equal to the amount of the federal [Employer-Provided Child Care Facilities and Services Tax Credit](#). The tax credit is not refundable, but unused credits may be carried forward for up to five additional tax years.

**Background**

The federal credit is available through federal Internal Revenue Service form [8882](#). The credit is equal to 25.0% of the qualified child care expenditures and 10.0% of the qualified child care resource and referral expenditures of the business. The federal credit is limited to a maximum of \$150,000 per tax year per business. Under the provisions of the federal credit:

- The term “qualified child care expenditure” means any amount (up to fair market value) paid or incurred:
  - To acquire, construct, rehabilitate, or expand property which is to be used as part of a qualified child care facility of the taxpayer and does not constitute part of the principal residence of the taxpayer or any employee of the taxpayer.
  - For the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training.
  - Under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.
- The term “qualified child care resource and referral expenditure” means any amount paid or incurred under a contract to provide child care resource and referral services to an employee of the taxpayer.
- The term “qualified child care facility” means a facility, the principal use of which is to provide child care assistance and that meets the requirements of all applicable laws and regulations of the state or local government in which it is located, including the licensing of the facility as a child care facility. A facility shall not be treated as a qualified child care facility unless enrollment in the facility is open to employees of the taxpayer during the tax year. If the facility is the principal trade or business of the taxpayer, at least 30.0% of the enrollees of such facility are dependents of employees of the taxpayer and the use of the facility does not discriminate in favor of employees of the taxpayer who are highly compensated employees as defined under federal law.
- The federal credit is subject to potential recapture in a future tax year if the qualified child care facility is not operated as such for at least 10 years.
- The federal credit prohibits the taxpayer from also claiming the qualified expenditures as a business deduction.

## **Assumptions**

- Based on electronic tax returns filed by Iowa businesses for TY 2014 through TY 2016, the Department of Revenue estimates that five C corporations and five pass-through businesses (LLCs, subchapter S corporations, partnerships) utilize the federal credit each year and the TY 2016 average federal tax credit for TY 2016 was \$26,000 for a C corporation and \$18,000 for a pass-through business. It is assumed that these 10 entities will claim the new State credit beginning with TY 2021.
- The new State tax credit will effectively double the tax credit value to businesses willing and able to provide child care benefits to employees. This has the potential to increase the participation in the federal credit program. The number and size of businesses that may decide to take advantage of this new tax credit is not known. For this estimate, it is assumed that an additional 10 businesses will begin to utilize the credit starting TY 2022.
- For C corporations, the impact of a tax year's tax credit redemptions will occur 25.0% in the fiscal year of the tax year and 75.0% in the following fiscal year.
- For pass-through businesses, the impact of a tax year's tax credit redemptions will occur 100.0% in the following fiscal year.
- Due to inflation, the average tax credits claimed will increase each year by 1.6%.
- The value of the benefit received by the employee may be taxable income. The State individual income tax revenue that would result from such a situation is not factored into this estimate.

## **Fiscal Impact**

The new Employer Child Care Tax Credit created in the Bill as amended by [H-8091](#) is projected to reduce net General Fund revenue by the following amounts:

- FY 2021 = \$35,000
- FY 2022 = \$310,000
- FY 2023 = \$727,000

The General Fund revenue reduction is projected to continue in future fiscal years, increasing by the rate of inflation.

## **Sources**

Department of Revenue  
Legislative Services Agency analysis

/s/ Holly M. Lyons

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