

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

June 11, 2020

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
HF 684	H-8262		RECEIVED FROM THE SENATE
HF 737	H-8277		PAUSTIAN of Scott
HF 2372	H-8269		RECEIVED FROM THE SENATE
HF 2627	H-8263		McCONKEY of Pottawattamie
HF 2627	H-8266		MASCHER of Johnson
HF 2627	H-8267		LUNDGREN of Dubuque
HF 2627	H-8271		JACOBY of Johnson
HF 2627	H-8272		WOLFE of Clinton
HF 2627	H-8281		NIELSEN of Johnson
HF 2627	H-8282		M. SMITH of Marshall
HF 2627	H-8283		M. SMITH of Marshall
HF 2627	H-8284		M. SMITH of Marshall
HF 2627	H-8285		M. SMITH of Marshall

HF 2627	H-8286		NIELSEN of Johnson
HF 2627	H-8287		LENSING of Johnson
HF 2629	H-8270		RECEIVED FROM THE SENATE
HF 2629	H-8289		DOLECHECK of Ringgold
HF 2641	H-8268	Adopted	KLEIN of Washington
HF 2641	H-8273	Adopted	HITE of Mahaska
HF 2641	H-8279	Withdrawn	ISENHART of Dubuque
HF 2642	H-8278		McKEAN of Jones, et al
HF 2642	H-8290		BOSSMAN of Woodbury
HF 2643	H-8265		ISENHART of Dubuque
HF 2643	H-8274		WINCKLER of Scott
HF 2643	H-8275		WINCKLER of Scott
HF 2643	H-8276		HALL of Woodbury
HF 2643	H-8280		ISENHART of Dubuque
HF 2643	H-8293		ISENHART of Dubuque
HF 2643	H-8294		MOHR of Scott
HF 2644	H-8291		BOSSMAN of Woodbury
SF 457	H-8288		WOLFE of Clinton
SF 457	H-8292		STAED of Linn
SF 2349	H-8264	Adopted	SORENSEN of Adair

Fiscal Notes

[SF 457](#) — [Criminal Surcharge and Court Fee Reform](#) (LSB1922SZ.2)

[SF 2268](#) — [Tobacco and Vaping, Minimum Age](#) (LSB5507SV.1)

[HF 2418](#) — [School Budget Review Committee](#) (LSB6026HV)

[HF 2627](#) — [Professional Licensing](#) (LSB5563HZ)

[HF 2641](#) — [Department of Revenue, Omnibus Bill](#) (LSB5409HV)

SENATE AMENDMENT TO
HOUSE FILE 684

H-8262

- 1 Amend House File 684, as passed by the House, as follows:
- 2 1. Page 1, line 1, by striking <2019> and inserting <2020>
- 3 2. Page 1, line 6, by striking <2019> and inserting <2020>
- 4 3. Page 1, line 12, by striking <2019> and inserting <2020>
- 5 4. Page 1, line 20, by striking <2019> and inserting <2020>
- 6 5. Page 1, line 31, by striking <2019> and inserting <2020>

H-8262 FILED JUNE 11, 2020

HOUSE FILE 737

H-8277

- 1 Amend the Senate amendment, H-8084, to House File 737, as
2 passed by the House, as follows:
- 3 1. Page 2, line 5, by striking <4. a.> and inserting <4.>
 - 4 2. Page 2, by striking lines 7 through 9.
 - 5 3. By striking page 2, line 11, through page 3, line 2.
 - 6 4. Page 3, by striking lines 7 through 32.
 - 7 5. By renumbering as necessary.

By PAUSTIAN of Scott

H-8277 FILED JUNE 11, 2020

SENATE AMENDMENT TO
HOUSE FILE 2372

H-8269

1 Amend House File 2372, as amended, passed, and reprinted by
2 the House, as follows:

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

4 <Section 1. Section 321.189, Code 2020, is amended by adding
5 the following new subsection:

6 NEW SUBSECTION. 10. *Autism spectrum disorder status.* A
7 licensee who has an autism spectrum disorder, as defined in
8 section 514C.28, may request that the license be marked to
9 reflect the licensee's autism spectrum disorder status on
10 the face of the license when the licensee applies for the
11 issuance or renewal of a license. The department may adopt
12 rules pursuant to chapter 17A establishing criteria under which
13 a license may be marked, including requiring the licensee
14 to submit medical proof of the licensee's autism spectrum
15 disorder status. When a driver's license is so marked, the
16 licensee's autism spectrum disorder status shall be noted
17 in the electronic database used by the department and law
18 enforcement to access registration, titling, and driver's
19 license information. The department, in consultation with the
20 mental health and disability services commission, shall develop
21 educational media to raise awareness of a licensee's ability to
22 request the license be marked to reflect the licensee's autism
23 spectrum disorder status.

24 Sec. 2. Section 321.190, subsection 1, paragraph b, Code
25 2020, is amended by adding the following new subparagraph:

26 NEW SUBPARAGRAPH. (6) An applicant for a nonoperator's
27 identification card who has an autism spectrum disorder, as
28 defined in section 514C.28, may request that the card be marked
29 to reflect the applicant's autism spectrum disorder status
30 on the face of the card when the applicant applies for the
31 issuance or renewal of a card. The department may adopt rules
32 pursuant to chapter 17A establishing criteria under which a
33 card may be marked, including requiring the applicant to submit
34 medical proof of the applicant's autism spectrum disorder
35 status. The department, in consultation with the mental health

H-8269 (Continued)

1 and disability services commission, shall develop educational
2 media to raise awareness of an applicant's ability to request
3 the card be marked to reflect the applicant's autism spectrum
4 disorder status.>

5 2. Title page, by striking lines 1 and 2 and inserting <An
6 Act regarding driver's licenses, including the exemption of
7 certain farmers and hired help operating a special truck from
8 the requirement to be licensed as a chauffeur and the optional
9 inclusion of a mark reflecting autism spectrum disorder status
10 on a person's driver's license.>

11 3. By renumbering as necessary.

H-8269 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8263

- 1 Amend the amendment, H-8250, to House File 2627 as follows:
- 2 1. Page 7, by striking lines 2 through 14.
- 3 2. By renumbering, redesignating, and correcting internal
- 4 references as necessary.

By McCONKEY of Pottawattamie

H-8263 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8266

1 Amend the amendment, H-8250, to House File 2627 as follows:
2 1. Page 7, line 14, by striking <or the board of pharmacy>
3 and inserting <the board of pharmacy, or the board of
4 educational examiners>

By MASCHER of Johnson

H-8266 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8267

- 1 Amend the amendment, H-8250, to House File 2627 as follows:
- 2 1. Page 7, lines 6 and 7, by striking <is not licensed,
3 certified, or registered in another state> and inserting
4 <relocates to this state from another state that did not
5 require a professional or occupational license, certificate, or
6 registration to practice the person's profession or occupation>
- 7 2. Page 9, line 35, by striking <5> and inserting <4>

By LUNDGREN of Dubuque

H-8267 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8271

- 1 Amend the amendment, H-8250, to House File 2627 as follows:
- 2 1. Page 10, after line 17 by inserting:
- 3 <Sec. ____ . NEW SECTION. 272C.16 Bonding.
- 4 The department of workforce development shall provide a bond
- 5 to a person who is required to hold a bond in order to practice
- 6 that person's licensed, registered, or certified profession
- 7 but who is unable to obtain such a bond due to the person's
- 8 conviction of a crime. The department of workforce development
- 9 shall adopt rules to implement this section.>
- 10 2. By renumbering as necessary.

By JACOBY of Johnson

H-8271 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8272

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. By striking page 1, line 4, through page 19, line 20, and
3 inserting:

4 <Sec. _____. Section 103.6, subsection 1, paragraph e, Code
5 2020, is amended by striking the paragraph.

6 Sec. _____. Section 103.9, subsection 3, Code 2020, is amended
7 by striking the subsection.

8 Sec. _____. Section 103.10, subsection 6, Code 2020, is
9 amended by striking the subsection.

10 Sec. _____. Section 103.12, subsection 6, Code 2020, is
11 amended by striking the subsection.

12 Sec. _____. Section 103.12A, subsection 4, Code 2020, is
13 amended by striking the subsection.

14 Sec. _____. Section 103.13, subsection 4, Code 2020, is
15 amended by striking the subsection.

16 Sec. _____. Section 103.15, subsection 7, Code 2020, is
17 amended by striking the subsection.

18 Sec. _____. Section 105.10, subsection 5, Code 2020, is
19 amended by striking the subsection.

20 Sec. _____. Section 105.22, subsection 4, Code 2020, is
21 amended by striking the subsection.

22 Sec. _____. Section 147.3, Code 2020, is amended to read as
23 follows:

24 **147.3 Qualifications.**

25 An applicant for a license to practice a profession under
26 this subtitle is not ineligible because of age, citizenship,
27 sex, race, religion, marital status, or national origin,
28 although the application form may require citizenship
29 information. ~~A board may consider the past criminal record of~~
30 ~~an applicant only if the conviction relates to the practice of~~
31 ~~the profession for which the applicant requests to be licensed.~~

32 Sec. _____. Section 147.55, subsection 5, Code 2020, is
33 amended by striking the subsection.

34 Sec. _____. Section 147A.7, subsection 1, paragraph j, Code
35 2020, is amended by striking the paragraph.

1 Sec. _____. Section 148.6, subsection 2, paragraph b, Code
2 2020, is amended by striking the paragraph.

3 Sec. _____. Section 148H.7, subsection 1, paragraph a, Code
4 2020, is amended by striking the paragraph.

5 Sec. _____. Section 151.9, subsection 5, Code 2020, is amended
6 by striking the subsection.

7 Sec. _____. Section 152.10, subsection 2, paragraph c, Code
8 2020, is amended by striking the paragraph.

9 Sec. _____. Section 153.34, subsection 9, Code 2020, is
10 amended by striking the subsection.

11 Sec. _____. Section 154A.24, subsection 1, Code 2020, is
12 amended by striking the subsection.

13 Sec. _____. Section 156.9, subsection 2, paragraph e, Code
14 2020, is amended by striking the paragraph.

15 Sec. _____. Section 272.1, Code 2020, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 5A. *"Offense directly relates"* refers to
18 either of the following:

19 a. The actions taken in furtherance of an offense are
20 actions customarily performed within the scope of practice of
21 a licensed profession.

22 b. The circumstances under which an offense was committed
23 are circumstances customary to a licensed profession.

24 Sec. _____. Section 272.2, subsection 14, paragraph a, Code
25 2020, is amended to read as follows:

26 a. The board may deny a license to or revoke the license
27 of a person upon the board's finding by a preponderance of
28 evidence that either the person has been convicted of a ~~crime~~
29 an offense and the offense directly relates to the duties and
30 responsibilities of the profession or that there has been
31 a founded report of child abuse against the person. Rules
32 adopted in accordance with this paragraph shall provide that
33 in determining whether a person should be denied a license or
34 that a practitioner's license should be revoked, the board
35 shall consider the nature and seriousness of the founded abuse

1 or crime in relation to the position sought, the time elapsed
2 since the crime was committed, the degree of rehabilitation
3 which has taken place since the incidence of founded abuse or
4 the commission of the crime, the likelihood that the person
5 will commit the same abuse or crime again, and the number of
6 founded abuses committed by or criminal convictions of the
7 person involved.

8 Sec. _____. Section 272C.1, Code 2020, is amended by adding
9 the following new subsection:

10 NEW SUBSECTION. 7A. *"Offense directly relates"* refers to
11 either of the following:

12 a. The actions taken in furtherance of an offense are
13 actions customarily performed within the scope of practice of
14 a licensed profession.

15 b. The circumstances under which an offense was committed
16 are circumstances customary to a licensed profession.

17 Sec. _____. Section 272C.10, subsection 5, Code 2020, is
18 amended by striking the subsection and inserting in lieu
19 thereof the following:

20 5. Conviction of a felony offense, if the offense directly
21 relates to the profession or occupation of the licensee, in the
22 courts of this state or another state, territory, or country.
23 Conviction as used in this subsection includes a conviction of
24 an offense which if committed in this state would be a felony
25 without regard to its designation elsewhere, and includes a
26 finding or verdict of guilt made or returned in a criminal
27 proceeding even if the adjudication of guilt is withheld or not
28 entered. A certified copy of the final order or judgment of
29 conviction or plea of guilty in this state or in another state
30 constitutes conclusive evidence of the conviction.

31 Sec. _____. NEW SECTION. 272C.12 **Disqualifications for**
32 **criminal convictions limited.**

33 1. Notwithstanding any other provision of law to the
34 contrary, except for chapter 272, a person's conviction of a
35 crime may be grounds for the denial, revocation, or suspension

1 of a license only if an unreasonable risk to public safety
2 exists because the offense directly relates to the duties
3 and responsibilities of the profession and the appropriate
4 licensing board, agency, or department does not grant an
5 exception pursuant to subsection 4.

6 2. A licensing board, agency, or department that may deny a
7 license on the basis of an applicant's conviction record shall
8 provide a list of the specific convictions that may disqualify
9 an applicant from receiving a license. Any such offense
10 shall be an offense that directly relates to the duties and
11 responsibilities of the profession.

12 3. A licensing board, agency, or department shall not deny
13 an application for a license on the basis of an arrest that
14 was not followed by a conviction or based on a finding that an
15 applicant lacks good character, suffers from moral turpitude,
16 or on other similar basis.

17 4. A licensing board, agency, or department shall grant
18 an exception to an applicant who would otherwise be denied a
19 license due to a criminal conviction if the following factors
20 establish by clear and convincing evidence that the applicant
21 is rehabilitated and an appropriate candidate for licensure:

22 a. The nature and seriousness of the crime for which the
23 applicant was convicted.

24 b. The amount of time that has passed since the commission
25 of the crime. There is a rebuttable presumption that an
26 applicant is rehabilitated and an appropriate candidate
27 for licensure five years after the date of the applicant's
28 release from incarceration, provided that the applicant was
29 not convicted of sexual abuse in violation of section 709.4,
30 a sexually violent offense as defined in section 229A.2,
31 dependent adult abuse in violation of section 235B.20, a
32 forcible felony as defined in section 702.11, or domestic abuse
33 assault in violation of section 708.2A, and the applicant
34 has not been convicted of another crime after release from
35 incarceration.

1 *c.* The circumstances relative to the offense, including any
2 aggravating and mitigating circumstances or social conditions
3 surrounding the commission of the offense.

4 *d.* The age of the applicant at the time the offense was
5 committed.

6 *e.* Any treatment undertaken by the applicant.

7 *f.* Whether a certification of employability has been issued
8 to the applicant pursuant to section 906.19.

9 *g.* Any letters of reference submitted on behalf of the
10 applicant.

11 *h.* All other relevant evidence of rehabilitation and present
12 fitness of the applicant.

13 5. An applicant may petition the relevant licensing board,
14 agency, or department, in a form prescribed by the board,
15 agency, or department, for a determination as to whether the
16 applicant's criminal record will prevent the applicant from
17 receiving a license. The board, agency, or department shall
18 issue such a determination at the next regularly scheduled
19 meeting of the board, agency, or department or within thirty
20 days of receiving the petition, whichever is later. The
21 board, agency, or department shall hold a closed session
22 while determining whether an applicant's criminal record will
23 prevent the applicant from receiving a license and while
24 determining whether to deny an applicant's application on
25 the basis of an applicant's criminal conviction. A board,
26 agency, or department may charge a fee to recoup the costs of
27 such a determination, provided that such fee shall not exceed
28 twenty-five dollars.

29 6. *a.* A licensing board, agency, or department that
30 denies an applicant a license solely or partly because of
31 the applicant's prior conviction of a crime shall notify the
32 applicant in writing of all of the following:

33 (1) The grounds for the denial or disqualification.

34 (2) That the applicant has the right to a hearing to
35 challenge the licensing authority's decision.

1 (3) The earliest date the applicant may submit a new
2 application.

3 (4) That evidence of rehabilitation of the applicant may be
4 considered upon reapplication.

5 b. A determination by a licensing board, agency, or
6 department that an applicant's criminal conviction is
7 specifically listed as a disqualifying conviction and the
8 offense directly relates to the duties and responsibilities
9 of the applicant's profession must be documented in written
10 findings for each factor specified in subsection 4 sufficient
11 for a review by a court.

12 c. In any administrative or civil hearing authorized by
13 this section or chapter 17A, a licensing board, agency, or
14 department shall carry the burden of proof on the question of
15 whether the applicant's criminal offense directly relates to
16 the duties and responsibilities of the profession for which the
17 license is sought.

18 7. A board, agency, or department may require an applicant
19 with a criminal record to submit the applicant's complete
20 criminal record detailing an applicant's offenses with an
21 application. A board, agency, or department may also require
22 an applicant with a criminal record to submit a personal
23 statement regarding whether each offense directly relates to
24 the duties and performance of the applicant's occupation. For
25 the purposes of this subsection, "*complete criminal record*"
26 includes the complaint and judgment of conviction for each
27 offense of which the applicant has been convicted.

28 Sec. ____ . RULEMAKING PROCEDURES AND APPLICABILITY.

29 1. The boards designated in section 147.13 other than the
30 board of medicine, the board of nursing, the dental board, and
31 the board of pharmacy, when carrying out rulemaking pursuant to
32 chapter 17A to implement the provisions of this Act, shall each
33 adopt the same rules, which shall be applicable to all such
34 boards. The bureau of professional licensure of the department
35 of public health shall assist the boards in carrying out such

1 rulemaking.

2 2. The accountancy examining board, the architectural
3 examining board, the engineering and land surveying examining
4 board, the interior design examining board, the landscape
5 architectural examining board, and the real estate commission,
6 when carrying out rulemaking pursuant to chapter 17A to
7 implement the provisions of this Act, shall each adopt the same
8 rules, which shall be applicable to all such boards and the
9 real estate commission. The professional licensing bureau of
10 the department of commerce shall assist the boards and the real
11 estate commission in carrying out such rulemaking.

12 3. This section shall not apply to any rulemaking pursuant
13 to chapter 17A by a board or commission to implement the
14 provisions of this Act that the board or commission determines
15 is necessary to address circumstances or legal requirements
16 uniquely applicable to the board or commission.

17 Sec. ____ . EFFECTIVE DATE. This Act takes effect January 1,
18 2021.

19 ____ . Title page, by striking lines 1 through 6 and
20 inserting <An Act relating to disqualifications from holding
21 a professional license in this state due to a criminal
22 conviction, and including effective date provisions.>>

By WOLFE of Clinton

H-8272 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8281

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of optometry, the>

By NIELSEN of Johnson

H-8281 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8282

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of physical and occupational therapy, the>

By M. SMITH of Marshall

H-8282 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8283

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of behavioral science, the>

By M. SMITH of Marshall

H-8283 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8284

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of physician assistants, the>

By M. SMITH of Marshall

H-8284 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8285

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of social work, the>

By M. SMITH of Marshall

H-8285 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8286

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of speech pathology and audiology, the>

By NIELSEN of Johnson

H-8286 FILED JUNE 11, 2020

HOUSE FILE 2627

H-8287

1 Amend the amendment, H-8250, to House File 2627 as follows:

2 1. Page 7, line 13, after <issued by the> by inserting

3 <board of respiratory care and polysomnography, the>

By LENSING of Johnson

H-8287 FILED JUNE 11, 2020

SENATE AMENDMENT TO
HOUSE FILE 2629

H-8270

1 Amend House File 2629, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 8, line 8, by striking <2022> and inserting <2023>

4 2. Page 8, line 21, by striking <2022> and inserting <2023>

5 3. Page 9, line 20, after <plan> by inserting <by>

6 4. Page 10, after line 10 by inserting:

7 <Sec. _____. EFFECTIVE DATE. The following takes effect July
8 1, 2021:

9 The section of this division of this Act amending section
10 256.7, subsection 26, paragraph "a", subparagraph (4).>

11 5. By striking page 10, line 11, through page 12, line 3.

12 6. Page 13, after line 21 by inserting:

13 <Sec. _____. EMERGENCY RULES. The department of education
14 and the college student aid commission may adopt emergency
15 rules under section 17A.4, subsection 3, and section 17A.5,
16 subsection 2, paragraph "b", to implement the provisions of
17 this division of this Act and the rules shall be effective
18 immediately upon filing unless a later date is specified in the
19 rules. Any rules adopted in accordance with this section shall
20 also be published as a notice of intended action as provided
21 in section 17A.4.

22 Sec. _____. EFFECTIVE UPON ENACTMENT. Unless otherwise
23 provided, this division of this Act, if approved by the
24 governor on or after July 1, 2020, takes effect upon enactment.

25 Sec. _____. RETROACTIVE APPLICABILITY. Unless otherwise
26 provided, this division of this Act, if approved by the
27 governor on or after July 1, 2020, applies retroactively to
28 July 1, 2020.>

29 7. Title page, by striking lines 2 through 5 and inserting
30 <to strengthen Iowa's workforce, including provisions relating
31 to apprenticeship training programs, a child care challenge
32 program for working Iowans, computer science educational
33 standards, a scholarship program, and the senior year
34 plus program, and including effective date and retroactive
35 applicability provisions.>

H-8270 (Continued)

1 8. By renumbering as necessary.

H-8270 FILED JUNE 11, 2020

HOUSE FILE 2629

H-8289

- 1 Amend the amendment, H-8270, to House File 2629, as amended,
2 passed, and reprinted by the House, as follows:
- 3 1. Page 1, after line 11 by inserting:
4 <___. Page 12, line 6, by striking <PROGRAM> and inserting
5 <AND GRANT PROGRAMS>>
- 6 2. Page 1, after line 12 by inserting:
7 <Sec. ___. Section 261.132, subsection 1, paragraph d,
8 subparagraph (3), Code 2020, is amended to read as follows:
9 (3) Has not been enrolled in postsecondary education during
10 the ~~twenty-four~~ twelve months preceding the date on which the
11 commission receives the individual's application to participate
12 in the program.>
- 13 3. Page 1, line 33, after <scholarship> by inserting <and a
14 grant>
- 15 4. By renumbering as necessary.

By DOLECHECK of Ringgold

H-8289 FILED JUNE 11, 2020

HOUSE FILE 2641

H-8268

1 Amend the amendment, H-8257, to House File 2641 as follows:

2 1. Page 1, after line 16 by inserting:

3 <___. Page 91, after line 34 by inserting:

4 <DIVISION ____

5 FOOD OPERATION TRESPASS

6 Sec. _____. Section 716.7A, subsection 1, paragraph d, as
7 enacted by 2020 Iowa Acts, Senate File 2413, section 17, is
8 amended to read as follows:

9 d. (1) *"Food operation"* means any of the following:

10 ~~(1)~~ (a) A location where a food animal is produced,
11 maintained, or otherwise housed or kept, or processed in any
12 manner.

13 ~~(2)~~ (b) A location other than as described in subparagraph
14 ~~(1)~~ division (a) where a food animal is kept, including an
15 apiary, livestock market, vehicle or trailer attached to a
16 vehicle, fair, exhibition, or a business operated by a person
17 licensed to practice veterinary medicine pursuant to chapter
18 169.

19 ~~(3)~~ (c) A location where a meat food product, poultry
20 product, milk or milk product, eggs or an egg product, aquatic
21 product, or honey is prepared for human consumption, including
22 a food processing plant, a slaughtering establishment operating
23 under the provisions of 21 U.S.C. §451 et seq. or 21 U.S.C.
24 §601 et seq.; or a slaughtering establishment subject to state
25 inspection as provided in chapter 189A.

26 ~~(4)~~ (2) A *"Food operation"* does not include a food
27 establishment or farmers market ~~that sells or offers for sale a~~
28 ~~meat food product, poultry product, milk or milk product, eggs~~
29 ~~or an egg product, aquatic product, or honey.~~

30 Sec. _____. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. _____. RETROACTIVE APPLICABILITY. This division of this
33 Act applies retroactively to June 10, 2020.>

34 _____. Title page, line 8, by striking <and port authorities,>
35 and inserting <port authorities, and animals and food,>

H-8268 (Continued)

1 _____. By renumbering as necessary.>

By KLEIN of Washington

[H-8268](#) FILED JUNE 11, 2020

ADOPTED

HOUSE FILE 2641

H-8273

1 Amend the amendment, H-8257, to House File 2641 as follows:

2 1. Page 1, after line 16 by inserting:

3 <___. Page 74, by striking lines 4 through 15 and inserting:

4 <Sec. ___. EFFECTIVE DATE. This division of this Act, being
5 deemed of immediate importance, takes effect upon enactment.

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

9 DIVISION ____

10 IOWA SMALL BUSINESS RELIEF GRANT PROGRAM

11 Sec. ___. Section 422.7, Code 2020, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 59. Subtract, to the extent included,
14 the amount of any financial assistance grant provided to an
15 eligible small business by the economic development authority
16 under the Iowa small business relief grant program created
17 during calendar year 2020 to provide financial assistance to
18 eligible small businesses economically impacted by the COVID-19
19 pandemic.

20 Sec. ___. Section 422.35, Code 2020, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 26. Subtract, to the extent included,
23 the amount of any financial assistance grant provided to an
24 eligible small business by the economic development authority
25 under the Iowa small business relief grant program created
26 during calendar year 2020 to provide financial assistance to
27 eligible small businesses economically impacted by the COVID-19
28 pandemic.

29 Sec. ___. EFFECTIVE DATE. This division of this Act, being
30 deemed of immediate importance, takes effect upon enactment.

31 Sec. ___. RETROACTIVE APPLICABILITY. This division of this
32 Act applies retroactively to March 23, 2020, for tax years
33 ending on or after that date.>

34 _____. Title page, line 8, by striking <horse racing,>

35 _____. By renumbering as necessary.>

H-8273 (Continued)

- 1 2. By renumbering as necessary.

By HITE of Mahaska

[H-8273](#) FILED JUNE 11, 2020

ADOPTED

HOUSE FILE 2641

H-8279

- 1 Amend the amendment, H-8257, to House File 2641 as follows:
- 2 1. Page 1, after line 16 by inserting:
- 3 <___. Page 59, line 33, after <district.> by inserting
- 4 <If, however, the twelve-month period includes any portion of
- 5 time during which the area of the district was included within
- 6 an area that the governor proclaimed a disaster emergency
- 7 or the president of the United States declared a disaster
- 8 emergency, the average monthly amount of sales for each of
- 9 the corresponding months during the most recently available
- 10 twenty-four-month period shall be used.>
- 11 ___. Page 60, line 4, after <district.> by inserting <If,
- 12 however, the twelve-month period includes any portion of time
- 13 during which the area of the district was included within
- 14 an area that the governor proclaimed a disaster emergency
- 15 or the president of the United States declared a disaster
- 16 emergency, the average monthly amount of sales for each of
- 17 the corresponding months during the most recently available
- 18 twenty-four-month period shall be used.>
- 19 ___. Page 61, line 4, by striking <twelve-month> and
- 20 inserting <time>
- 21 ___. Page 61, line 23, by striking <twelve month> and
- 22 inserting <time>>
- 23 2. By renumbering as necessary.

By ISENHART of Dubuque

H-8279 FILED JUNE 11, 2020

WITHDRAWN

HOUSE FILE 2642

H-8278

1 Amend House File 2642 as follows:

2 1. Page 5, by striking line 12 and inserting:

3 <..... \$ 7,500,000>

4 2. Page 7, by striking line 16 and inserting:

5 <..... \$ 1,500,000>

By McKEAN of Jones
ISENHART of Dubuque
JACOBY of Johnson
STECKMAN of Cerro Gordo

H-8278 FILED JUNE 11, 2020

HOUSE FILE 2642

H-8290

1 Amend House File 2642 as follows:

2 1. Page 9, line 31, after <firewall> by inserting <and
3 distributed denial-of-service attack>

4 2. Page 11, lines 16 and 17, by striking <the prior fiscal
5 year> and inserting <the prior fiscal year years>

6 3. Page 11, after line 31 by inserting:

7 <Sec. ____ . 2016 Iowa Acts, chapter 1133, section 7, is
8 amended to read as follows:

9 SEC. 7. REVERSION.

10 1. For Except as provided in subsection 2, for purposes
11 of section 8.33, unless specifically provided otherwise,
12 unencumbered or unobligated moneys made from an appropriation
13 in this division of this Act shall not revert but shall remain
14 available for expenditure for the purposes designated until the
15 close of the fiscal year that ends three years after the end of
16 the fiscal year for which the appropriation is made. However,
17 if the project or projects for which such appropriation was
18 made are completed in an earlier fiscal year, unencumbered
19 or unobligated moneys shall revert at the close of that same
20 fiscal year.

21 2. For purposes of section 8.33, unless specifically
22 provided otherwise, unencumbered or unobligated moneys
23 appropriated in section 6, subsection 2, of this division of
24 this 2016 Act, shall not revert but shall remain available for
25 the purpose designated until the close of the fiscal year that
26 begins July 1, 2020.>

27 4. Page 12, lines 31 and 32, by striking <the prior fiscal
28 year> and inserting <the prior fiscal year years>

29 5. By renumbering as necessary.

By BOSSMAN of Woodbury

H-8290 FILED JUNE 11, 2020

HOUSE FILE 2643

H-8265

1 Amend House File 2643 as follows:
2 1. Page 6, line 8, by striking <The> and inserting
3 <1. The>
4 2. Page 6, after line 14 by inserting:
5 <2. A portion of the funds appropriated in this section
6 shall be used to pay for both the federal and nonfederal shares
7 of medical assistance for a person who is otherwise ineligible
8 for medical care coverage, has established residence in this
9 state in accordance with the Compacts of Free Association
10 (COFA) between the government of the United States and the
11 governments of the Federated States of Micronesia, the Republic
12 of the Marshall Islands, and the Republic of Palau pursuant to
13 48 U.S.C. §1921, Tit. 1, Article IV, section 141, and who, as
14 of a date referenced in the most recently published enumeration
15 of qualified nonimmigrants, is a resident of an affected
16 jurisdiction as specified in the Compact of Free Association
17 Amendments Act of 2003, Pub. L. No. 108-188.>

By ISENHART of Dubuque

H-8265 FILED JUNE 11, 2020

HOUSE FILE 2643

H-8274

1 Amend House File 2643 as follows:

2 1. Page 5, after line 13 by inserting:

3 <Sec. ____ . Section 261.20, subsection 2, Code 2020, is
4 amended to read as follows:

5 2. The maximum balance of the scholarship and tuition
6 grant reserve fund is an amount equal to ~~one~~ two percent of
7 the funds appropriated to the scholarship and tuition grant
8 programs under section 261.25 during the preceding fiscal year.
9 The moneys in the fund shall be placed in separate accounts
10 within the fund, according to the source and purpose of the
11 original appropriation. Moneys in the various accounts shall
12 only be used to alleviate a current fiscal year shortfall in
13 appropriations for scholarship or tuition grant programs that
14 have the same nature as the programs for which the moneys
15 were originally appropriated. At the conclusion of a fiscal
16 year, any surplus appropriations made to the commission for
17 scholarship or tuition grant programs are appropriated to the
18 scholarship and grant reserve fund in an amount equal to the
19 amount of the surplus or the amount necessary to achieve the
20 maximum balance, whichever amount is less.>

21 2. By renumbering as necessary.

By WINCKLER of Scott

H-8274 FILED JUNE 11, 2020

HOUSE FILE 2643

H-8275

Amend House File 2643 as follows:

- 2 1. Page 5, after line 13 by inserting:
- 3 <Sec. ____ . Section 261.132, subsection 1, paragraph
- 4 d, subparagraph (3), Code 2020, is amended by striking the
- 5 subparagraph.>
- 6 2. By renumbering as necessary.

By WINCKLER of Scott

H-8275 FILED JUNE 11, 2020

HOUSE FILE 2643

H-8276

1 Amend House File 2643 as follows:

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

4 <DIVISION I

5 CONTINUING APPROPRIATIONS

6 Section 1. CONTINUING APPROPRIATIONS — FY 2020-2021.

7 1. APPROPRIATIONS DETERMINED FROM FY 2019-2020 LINE ITEM
8 AND LIMITED STANDING APPROPRIATIONS.

9 a. For all line item appropriations, standing limited
10 appropriations, and standing unlimited appropriations otherwise
11 limited by law, including appropriations from federal and
12 nonstate funds, the department of management, with the approval
13 of the legislative council and in consultation with the
14 legislative services agency, shall determine the amount of such
15 line item appropriations, standing limited appropriations, and
16 standing unlimited appropriations otherwise limited by law,
17 including appropriations from federal and nonstate funds, made
18 for the fiscal year beginning July 1, 2019, and ending June 30,
19 2020, by taking into consideration all of the following:

20 (1) 2020 Iowa Acts, Senate Files 2144 and 2408, and other
21 2020 Iowa Acts.

22 (2) 2019 Iowa Acts.

23 (3) All interdepartmental and intradepartmental transfers
24 made pursuant to section 8.39 and other provisions of law.

25 (4) Other provisions of law.

26 b. The department of management, in consultation with the
27 legislative services agency, shall also identify the entities
28 to which such appropriations were made, or the entities'
29 successors.

30 c. The department of management, in consultation with the
31 legislative services agency, shall disclose the determined
32 amounts and identified entities to the chairpersons and ranking
33 members of the senate and house of representatives standing
34 committees on appropriations.

35 2. CONTINUING APPROPRIATIONS. There is appropriated

1 from the appropriate state fund or account to the entities
2 identified pursuant to subsection 1, for the fiscal year
3 beginning July 1, 2020, and ending June 30, 2021, amounts, or
4 so much thereof as is necessary, equal to the amounts of all
5 line item appropriations, standing limited appropriations, and
6 standing unlimited appropriations otherwise limited by law,
7 including federal and nonstate funds, made for the fiscal year
8 beginning July 1, 2019, and ending June 30, 2020, as determined
9 pursuant to subsection 1, to be used for the same designated
10 purposes.

11 3. DUPLICATIVE STANDING APPROPRIATIONS SUPPLANTED. The
12 amounts appropriated under subsection 2 shall supplant
13 any duplicative standing appropriation for the fiscal year
14 beginning July 1, 2020, and ending June 30, 2021.

15 4. MISCELLANEOUS PROVISIONS APPLICABLE TO FY 2020-2021.
16 Any powers, duties, limitations, or requirements, including
17 reporting requirements, set forth in 2019 Iowa Acts, chapters
18 85, 89, 131, 135, 136, 154, 155, and 163, for the fiscal
19 year beginning July 1, 2019, and ending June 30, 2020, are
20 applicable for the fiscal year beginning July 1, 2020, and
21 ending June 30, 2021.

22 5. ALLOCATION AMOUNTS. For any line item appropriation,
23 standing limited appropriation, or standing unlimited
24 appropriation otherwise limited by law identified pursuant
25 to subsection 1 which is subject to an allocation amount for
26 the fiscal year beginning July 1, 2019, and ending June 30,
27 2020, the amount appropriated under subsection 2 based on such
28 appropriation shall be subject to the same allocation amount
29 for the fiscal year beginning July 1, 2020, and ending June 30,
30 2021.

31 6. NONREVERSION PROVISIONS. For any line item
32 appropriation, standing limited appropriation, or standing
33 unlimited appropriation otherwise limited by law identified
34 pursuant to subsection 1 that is subject to a specified
35 nonreversion provision, whether for a limited or unlimited

1 period, the amount appropriated under subsection 2 based on
2 such appropriation shall be subject to the same specified
3 nonreversion provision, and in the case of a specified
4 nonreversion provision for a limited period, the period shall
5 be considered to be one fiscal year longer than specified for
6 the appropriation identified pursuant to subsection 1.

7 7. FULL-TIME EQUIVALENT POSITIONS. The amounts
8 appropriated under subsection 2 to an entity identified
9 pursuant to subsection 1 may be used by the entity for a number
10 of full-time equivalent positions for the fiscal year beginning
11 July 1, 2020, and ending June 30, 2021, equal to the number of
12 full-time equivalent positions authorized for the entity for
13 the fiscal year beginning July 1, 2019, and ending June 30,
14 2020.

15 8. EXCLUSIONS. This section does not apply to any of the
16 following:

17 a. Appropriations made from the rebuild Iowa infrastructure
18 fund and the technology reinvestment fund pursuant to 2019 Iowa
19 Acts, chapter 137.

20 b. Appropriations made to the department of transportation
21 from the road use tax fund and the primary road fund pursuant
22 to 2019 Iowa Acts, chapter 52.

23 c. The appropriation made to the department of
24 administrative services from the general fund of the state for
25 establishing a listing of real property owned or leased by
26 the state pursuant to 2019 Iowa Acts, chapter 136, section 1,
27 subsection 1, paragraph "d".

28 d. The appropriation made to the department of agriculture
29 and land stewardship from the general fund of the state for
30 deposit in the hungry canyons account of the loess hills
31 development and conservation fund pursuant to 2019 Iowa Acts,
32 chapter 131, section 9, subsection 1.

33 e. The appropriation made to the department of cultural
34 affairs from the general fund of the state for payment of
35 rent for the state records center pursuant to 2019 Iowa Acts,

1 chapter 154, section 1, subsection 1, paragraph "g".

2 f. The appropriation made to the Iowa law enforcement
3 academy from the general fund of the state for costs associated
4 with temporary relocation of the Iowa law enforcement academy
5 pursuant to 2019 Iowa Acts, chapter 163, section 10, subsection
6 1, paragraph "a", subparagraph (2).

7 g. The appropriation made to the department of homeland
8 security and emergency management from the general fund of the
9 state for flood recovery pursuant to 2020 Iowa Acts, Senate
10 File 2144, section 3.

11 h. The appropriation made to the department of management
12 for distribution of moneys to other governmental entities for
13 the payment of rate adjustments established by the office of
14 the chief information officer pursuant to 2019 Iowa Acts,
15 chapter 136, section 16, subsection 2.

16 i. Any line item appropriation, standing limited
17 appropriation, or standing unlimited appropriation otherwise
18 limited by law that is otherwise provided for in this Act.

19 Sec. 2. REPEAL. 2020 Iowa Acts, Senate File 2408, sections
20 7 and 8, are repealed.

21 DIVISION II

22 ADMINISTRATION AND REGULATION APPROPRIATIONS — FY 2020-2021

23 Sec. 3. DEPARTMENT OF ADMINISTRATIVE SERVICES. There
24 is appropriated from the general fund of the state to the
25 department of administrative services for the fiscal year
26 beginning July 1, 2020, and ending June 30, 2021, the following
27 amount, or so much thereof as is necessary, to be used for the
28 purposes designated:

29 For the payment of utility costs, and for not more than the
30 following full-time equivalent positions:

31	\$	3,882,948
32	FTEs	1.00

33 Notwithstanding section 8.33, any excess moneys appropriated
34 for utility costs in this section shall not revert to the
35 general fund of the state at the end of the fiscal year but

1 shall remain available for expenditure for the purposes
2 designated during the succeeding fiscal year.

3 Sec. 4. DEPARTMENT OF MANAGEMENT — LEGISLATIVE APPROVAL
4 OF CERTAIN CONTRACTS. For the fiscal year beginning July 1,
5 2020, and ending June 30, 2021, the department of management
6 shall not enter into any agreement or contract for more than
7 one million dollars without the approval of the legislative
8 council.

9 DIVISION III

10 EDUCATION APPROPRIATIONS — FY 2020-2021

11 Sec. 5. STATE BOARD OF REGENTS. There is appropriated from
12 the general fund of the state to the state board of regents
13 for the fiscal year beginning July 1, 2020, and ending June
14 30, 2021, the following amounts, or so much thereof as is
15 necessary, to be used for the purposes designated:

16 1. STATE SCHOOL FOR THE DEAF

17 For salaries, support, maintenance, and miscellaneous
18 purposes, and for not more than the following full-time
19 equivalent positions:

20	\$ 10,536,171
21	FTEs 101.84

22 2. IOWA BRAILLE AND SIGHT SAVING SCHOOL

23 For salaries, support, maintenance, and miscellaneous
24 purposes, and for not more than the following full-time
25 equivalent positions:

26	\$ 4,434,459
27	FTEs 58.00

28 DIVISION IV

29 HEALTH AND HUMAN SERVICES APPROPRIATIONS — FY 2020-2021

30 Sec. 6. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK
31 GRANT. There is appropriated from the fund created in section
32 8.41 to the department of human services for the fiscal year
33 beginning July 1, 2020, and ending June 30, 2021, from moneys
34 received under the federal temporary assistance for needy
35 families (TANF) block grant pursuant to the federal Personal

1 Responsibility and Work Opportunity Reconciliation Act of 1996,
2 Pub. L. No. 104-193, and successor legislation, the following
3 amount, or so much thereof as is necessary, to be used for the
4 purposes designated:

5 To be credited to the family investment program account and
6 used for assistance under the family investment program under
7 chapter 239B:

8 \$ 5,002,006

9 Sec. 7. MEDICAL ASSISTANCE. There is appropriated from the
10 general fund of the state to the department of human services
11 for the fiscal year beginning July 1, 2020, and ending June 30,
12 2021, the following amount, or so much thereof as is necessary,
13 to be used for the purpose designated:

14 For medical assistance program reimbursement and associated
15 costs as specifically provided in the reimbursement
16 methodologies in effect on June 30, 2020, except as otherwise
17 expressly authorized by law, consistent with options under
18 federal law and regulations, and contingent upon receipt of
19 approval from the office of the governor of reimbursement for
20 each abortion performed under the program:

21 \$ 1,466,364,409

22 The prohibitions, limitations, transfers, authorizations,
23 requirements applicable to state and private entities, and
24 requirements applicable to the use of appropriated moneys,
25 including allocation amounts, set forth in 2019 Iowa Acts,
26 chapter 85, section 13, subsections 1 through 24, apply to
27 the moneys appropriated in this section for the fiscal year
28 beginning July 1, 2020, and ending June 30, 2021.

29 Sec. 8. STATE SUPPLEMENTARY ASSISTANCE.

30 1. There is appropriated from the general fund of the
31 state to the department of human services for the fiscal year
32 beginning July 1, 2020, and ending June 30, 2021, the following
33 amount, or so much thereof as is necessary, to be used for the
34 purpose designated:

35 For the state supplementary assistance program:

1 \$ 7,349,002

2 2. The department shall increase the personal needs
3 allowance for residents of residential care facilities by the
4 same percentage and at the same time as federal supplemental
5 security income and federal social security benefits are
6 increased due to a recognized increase in the cost of living.
7 The department may adopt emergency rules to implement this
8 subsection.

9 3. If during the fiscal year beginning July 1, 2020,
10 the department projects that state supplementary assistance
11 expenditures for a calendar year will not meet the federal
12 pass-through requirement specified in Tit. XVI of the federal
13 Social Security Act, section 1618, as codified in 42 U.S.C.
14 §1382g, the department may take actions including but not
15 limited to increasing the personal needs allowance for
16 residential care facility residents and making programmatic
17 adjustments or upward adjustments of the prescribed residential
18 care facility or in-home health-related care reimbursement
19 rates to ensure that federal requirements are met. In
20 addition, the department may make other programmatic and rate
21 adjustments necessary to remain within the amount appropriated
22 in this section while ensuring compliance with federal
23 requirements. The department may adopt emergency rules to
24 implement the provisions of this subsection.

25 4. Notwithstanding section 8.33, moneys appropriated in
26 this section that remain unencumbered or unobligated at the
27 close of the fiscal year shall not revert but shall remain
28 available for expenditure for the purposes designated until the
29 close of the succeeding fiscal year.

30 Sec. 9. CHILDREN'S HEALTH INSURANCE PROGRAM.

31 1. There is appropriated from the general fund of the
32 state to the department of human services for the fiscal year
33 beginning July 1, 2020, and ending June 30, 2021, the following
34 amount, or so much thereof as is necessary, to be used for the
35 purpose designated:

1 For maintenance of the healthy and well kids in Iowa (hawk-i)
2 program pursuant to chapter 514I, including supplemental dental
3 services, for receipt of federal financial participation under
4 Tit. XXI of the federal Social Security Act, which creates the
5 children's health insurance program:

6 \$ 37,598,984

7 2. Of the funds appropriated in this section, \$146,682 is
8 allocated for continuation of the contract for outreach with
9 the department of public health.

10 3. A portion of the funds appropriated in this section may
11 be transferred to the appropriations made for field operations
12 or medical contracts to be used for the integration of hawk-i
13 program eligibility, payment, and administrative functions
14 under the purview of the department of human services,
15 including for the Medicaid management information system
16 upgrade.

17 Sec. 10. STATE RESOURCE CENTERS.

18 1. There is appropriated from the general fund of the
19 state to the department of human services for the fiscal year
20 beginning July 1, 2020, and ending June 30, 2021, the following
21 amounts, or so much thereof as is necessary, to be used for the
22 purposes designated:

23 a. For the state resource center at Glenwood for salaries,
24 support, maintenance, and miscellaneous purposes:

25 \$ 16,700,867

26 b. For the state resource center at Woodward for salaries,
27 support, maintenance, and miscellaneous purposes:

28 \$ 10,913,360

29 2. The department may continue to bill for state resource
30 center services utilizing a scope of services approach used for
31 private providers of intermediate care facilities for persons
32 with an intellectual disability services, in a manner which
33 does not shift costs between the medical assistance program,
34 counties, or other sources of funding for the state resource
35 centers.

1 3. The state resource centers may expand the time-limited
2 assessment and respite services during the fiscal year.

3 4. If the department's administration and the department
4 of management concur with a finding by a state resource
5 center's superintendent that projected revenues can reasonably
6 be expected to pay the salary and support costs for a new
7 employee position, or that such costs for adding a particular
8 number of new positions for the fiscal year would be less
9 than the overtime costs if new positions would not be added,
10 the superintendent may add the new position or positions. If
11 the vacant positions available to a resource center do not
12 include the position classification desired to be filled, the
13 state resource center's superintendent may reclassify any
14 vacant position as necessary to fill the desired position. The
15 superintendents of the state resource centers may, by mutual
16 agreement, pool vacant positions and position classifications
17 during the course of the fiscal year in order to assist one
18 another in filling necessary positions.

19 5. If existing capacity limitations are reached in
20 operating units, a waiting list is in effect for a service or
21 a special need for which a payment source or other funding
22 is available for the service or to address the special need,
23 and facilities for the service or to address the special need
24 can be provided within the available payment source or other
25 funding, the superintendent of a state resource center may
26 authorize opening not more than two units or other facilities
27 and begin implementing the service or addressing the special
28 need during fiscal year 2020-2021.

29 6. Notwithstanding section 8.33, and notwithstanding
30 the amount limitation specified in section 222.92, moneys
31 appropriated in this section that remain unencumbered or
32 unobligated at the close of the fiscal year shall not revert
33 but shall remain available for expenditure for the purposes
34 designated until the close of the succeeding fiscal year.

35 Sec. 11. JUVENILE INSTITUTION. There is appropriated

1 from the general fund of the state to the department of human
2 services for the fiscal year beginning July 1, 2020, and ending
3 June 30, 2021, the following amounts, or so much thereof as is
4 necessary, to be used for the purposes designated:

5 1. a. For operation of the state training school at Eldora
6 and for salaries, support, maintenance, and miscellaneous
7 purposes, and for not more than the following full-time
8 equivalent positions:

9	\$ 16,029,488
10	FTEs 207.00

11 b. Of the funds appropriated in this subsection, \$91,000
12 shall be used for distribution to licensed classroom teachers
13 at this and other institutions under the control of the
14 department of human services based upon the average student
15 yearly enrollment at each institution as determined by the
16 department.

17 2. A portion of the moneys appropriated in this section
18 shall be used by the state training school at Eldora for
19 grants for adolescent pregnancy prevention activities at the
20 institution in the fiscal year beginning July 1, 2020.

21 3. Of the funds appropriated in this subsection, \$212,000
22 shall be used by the state training school at Eldora for a
23 substance use disorder treatment program at the institution for
24 the fiscal year beginning July 1, 2020.

25 4. Notwithstanding section 8.33, moneys appropriated in
26 this section that remain unencumbered or unobligated at the
27 close of the fiscal year shall not revert but shall remain
28 available for expenditure for the purposes designated until the
29 close of the succeeding fiscal year.

30 DIVISION V

31 PROPERTY TAX CREDITS

32 Sec. 12. PROPERTY TAX CREDITS.

33 1. In lieu of the standing appropriations in the following
34 designated sections, for the fiscal year beginning July 1,
35 2020, and ending June 30, 2021, there is appropriated from

1 the general fund of the state the following amounts for the
2 following designated purposes:

3 a. For reimbursement for the homestead property tax credit
4 under section 425.1:

5 \$139,984,518

6 b. For implementing the elderly and disabled tax credit and
7 reimbursement pursuant to sections 425.16 through 425.40:

8 \$ 20,500,000

9 2. If the director of revenue determines that the amount of
10 claims for credit for property taxes due pursuant to paragraphs
11 "a" and "b", plus the amount of claims for reimbursement for
12 rent constituting property taxes paid which are to be paid
13 during a fiscal year may exceed the total amount appropriated
14 for that fiscal year, the director shall estimate the
15 percentage of the credits and reimbursements which will be
16 funded by the appropriation. The county treasurer shall notify
17 the director of the amount of property tax credits claimed by
18 June 26, 2020. The director shall estimate the percentage of
19 the property tax credits and rent reimbursement claims that
20 will be funded by the appropriation and notify the county
21 treasurer of the percentage estimate by June 30, 2020. The
22 estimated percentage shall be used in computing for each claim
23 the amount of property tax credit and reimbursement for rent
24 constituting property taxes paid for that fiscal year. If
25 the director overestimates the percentage of funding, claims
26 for reimbursement for rent constituting property taxes paid
27 shall be paid until they can no longer be paid at the estimated
28 percentage of funding. Rent reimbursement claims filed after
29 that point in time shall receive priority and shall be paid in
30 the following fiscal year.

31 Sec. 13. RETROACTIVE APPLICABILITY. This division of this
32 Act, if approved by the governor after June 26, 2020, applies
33 retroactively to June 26, 2020.

34 DIVISION VI
35 CORRECTIVE PROVISIONS

1 Sec. 14. Section 100B.41, as enacted by 2020 Iowa Acts,
2 Senate File 2259, section 1, is amended to read as follows:

3 **100B.41 Donation of fire fighting, emergency medical
4 response, and law enforcement equipment.**

5 A fire department, emergency medical services provider, or
6 law enforcement agency may donate used vehicles or equipment
7 to an organization that provides fire response or emergency
8 medical services, or to a law enforcement agency. An entity
9 making a good faith donation of equipment pursuant to this
10 ~~subsection~~ section shall be immune from civil liability from
11 any claim arising from the performance, failure to perform,
12 nature, age, condition, or packaging of any vehicle or
13 equipment used in fire fighting, emergency medical response,
14 or law enforcement.

15 Sec. 15. Section 260C.48, subsection 1, paragraph a,
16 subparagraph (2), Code 2020, as enacted by 2020 Iowa Acts,
17 House File 2454, section 1, is amended to read as follows:

18 (2) For purposes of subparagraph (1), subparagraph
19 divisions (b) and (c), if the instructor is a licensed
20 practitioner who holds a career and technical endorsement under
21 chapter 272, relevant work experience in the occupational area
22 includes but is not limited to classroom instruction in a
23 career and technical education subject area offered by a school
24 district or accredited nonpublic school.

25 Sec. 16. Section 321.279, subsection 2, paragraph b, as
26 enacted by 2020 Iowa Acts, Senate File 2275, section 1, is
27 amended to read as follows:

28 **b.** The driver of a motor vehicle who commits a violation
29 under this ~~section~~ subsection and who has previously committed
30 a violation under this ~~section~~ subsection or subsection 3 is,
31 upon conviction, guilty of a class "D" felony.

32 Sec. 17. Section 514C.35, subsection 4, paragraph d,
33 subparagraph (1), if enacted by 2020 Iowa Acts, Senate File
34 2261, section 5, is amended to read as follows:

35 (1) ~~A any~~ Any school, other than a public school, that is

1 accredited pursuant to section 256.11 for any and all levels
2 for grades one through twelve.

3 Sec. 18. Section 709.23, subsection 2, if enacted by 2020
4 Iowa Acts, House File 2554, section 4, is amended to read as
5 follows:

6 2. A person who commits continuous sexual abuse of a
7 child is, upon conviction, guilty of a class "B" felony.
8 Notwithstanding section 902.9, subsection 1, paragraph "b",
9 a person convicted of a violation of this ~~subsection~~ section
10 involving any combination of three or more acts of sexual abuse
11 that includes a violation of section 709.3 or 709.4 shall be
12 confined for no more than fifty years.

13 Sec. 19. 2020 Iowa Acts, Senate File 2357, section 9,
14 subsection 2, paragraph b, subparagraph (1), subparagraph
15 division (a), is amended to read as follows:

16 (a) Review of requirements. The supervising physician and
17 the physician assistant shall review all of the requirements
18 of physician assistant licensure, practice, supervision, and
19 delegation of medical services as set forth in section 148.13
20 and chapter 148C, the Iowa administrative code ~~chapter~~ chapters
21 under 653 IAC, and 645 IAC chapters 326 to 329.

22 Sec. 20. 2020 Iowa Acts, Senate File 2357, section 10,
23 subsection 1, unnumbered paragraph 1, is amended to read as
24 follows:

25 ~~The~~ Notwithstanding section 148C.5, the board of physician
26 assistants shall rescind all of the following:

27 Sec. 21. EFFECTIVE DATE. This division of this Act, being
28 deemed of immediate importance, takes effect upon enactment.

29 Sec. 22. RETROACTIVE APPLICABILITY. The following apply
30 retroactively to March 18, 2020:

31 1. The section of this division of this Act amending 2020
32 Iowa Acts, Senate File 2357, section 9.

33 2. The section of this division of this Act amending 2020
34 Iowa Acts, Senate File 2357, section 10.

35

DIVISION VII

H-8276 (Continued)

1 CONTINGENT EFFECTIVE DATE AND RETROACTIVE APPLICABILITY

2 Sec. 23. EFFECTIVE UPON ENACTMENT. Unless otherwise
3 provided, this Act, if approved by the governor on or after
4 July 1, 2020, takes effect upon enactment.

5 Sec. 24. RETROACTIVE APPLICABILITY. Unless otherwise
6 provided, this Act, if approved by the governor on or after
7 July 1, 2020, applies retroactively to July 1, 2020.>

By HALL of Woodbury

H-8276 FILED JUNE 11, 2020

HOUSE FILE 2643

H-8280

1 Amend House File 2643 as follows:

2 1. Page 11, after line 19 by inserting:

3 <DIVISION ____
4 LOCAL FOOD AND FARM PROGRAM

5 Sec. ____ LOCAL FOOD AND FARM PROGRAM.

6 1. There is appropriated from the general fund of the state
7 to the department of agriculture and land stewardship for the
8 fiscal year beginning July 1, 2020, and ending June 30, 2021,
9 the following amount, or so much thereof as is necessary, to be
10 used for the purposes designated:

11 For purposes of supporting the local food and farm program
12 pursuant to chapter 267A:

13 \$ 100,000

14 2. Of the moneys appropriated in subsection 1, the
15 department shall use not more than \$25,000 to develop an
16 incentive program for the purchase of food products by
17 government entities from farmers for distribution at the
18 local level. The department shall submit a report regarding
19 the initiative to the chairperson and ranking members of the
20 joint appropriations subcommittee on agriculture and natural
21 resources not later than December 1, 2021. The report shall
22 include findings and recommendations to improve the program.

23 3. The department shall enter into a cost-sharing agreement
24 with the Iowa state university of science and technology to
25 support the local food and farm program coordinator position
26 as part of the university's cooperative extension service in
27 agriculture and home economics pursuant to chapter 267A.

28 4. Notwithstanding section 8.33, moneys appropriated in
29 this section that remain unencumbered or unobligated at the
30 close of the fiscal year shall not revert but shall remain
31 available to be used for the purposes designated until the
32 close of the succeeding fiscal year.>

33 2. By renumbering as necessary.

By ISENHART of Dubuque

H-8280 (Continued)

H-8280 FILED JUNE 11, 2020

HOUSE FILE 2643

H-8293

1 Amend House File 2643 as follows:

2 1. Page 13, after line 20 by inserting:

3 <DIVISION ____
4 FOREIGN ANIMAL DISEASES AFFLICTING LIVESTOCK
5 Sec. ____ . DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP —
6 APPROPRIATION.

7 1. There is appropriated from the general fund of the state
8 to the department of agriculture and land stewardship for the
9 fiscal year beginning July 1, 2020, and ending June 30, 2021,
10 the following amount, or so much thereof as is necessary, to be
11 used for the purposes designated:

12 For deposit in the foreign animal disease preparedness and
13 response fund created in section 163.3B:
14 \$ 550,000

15 2. Of the amount appropriated in subsection 1, not more
16 than \$50,000 shall be used to contract with Iowa state
17 university of science and technology to conduct an assessment
18 of factors which may contribute to the vulnerability to
19 disease of this state's livestock population, including genetic
20 diversity and production concentration. The university shall
21 prepare a report of its assessment, including findings and
22 recommendations, which shall be submitted to the department,
23 the governor, and the general assembly not later than January
24 15, 2021.

25 DIVISION ____
26 FLOODPLAIN MANAGEMENT AND DAM SAFETY
27 Sec. ____ . DEPARTMENT OF NATURAL RESOURCES. In
28 administering floodplain management and dam safety projects
29 supported by moneys appropriated by this Act, the department
30 shall provide support to government entities seeking to receive
31 assistance from the federal emergency management agency under
32 the federal building resilient infrastructure and communities
33 grant program.

34 DIVISION ____
35 PESTICIDE DRIFT REPORTING

HOUSE FILE 2643

H-8294

1 Amend House File 2643 as follows:

2 1. Page 2, line 13, by striking <2021> and inserting <2021,
3 and any specified date contained therein shall apply one year
4 later than specified in such chapters>

5 2. Page 3, by striking lines 20 through 24.

6 3. Page 3, line 33, by striking <subparagraph (2)> and
7 inserting <subparagraph (2), as amended in this Act>

8 4. Page 12, before line 1 by inserting:

9 <Sec. _____. Section 124E.9, subsection 15, if enacted by 2020
10 Iowa Acts, House File 2589, section 20, is amended to read as
11 follows:

12 15. A medical cannabidiol dispensary may dispense more
13 than a combined total of four and one-half grams of total
14 tetrahydrocannabinol to a patient and the patient's primary
15 caregiver in a ninety-day period if any of the following apply:

16 a. The health care practitioner who certified the patient to
17 receive a medical cannabidiol registration card certifies that
18 patient's debilitating medical condition is a terminal illness
19 with a life expectancy of less than one year. A certification
20 issued pursuant to this paragraph shall include a total
21 tetrahydrocannabinol cap deemed appropriate by the patient's
22 health care practitioner.

23 b. The health care practitioner who certified the patient
24 to receive a medical cannabidiol registration card certifies
25 that the patient has participated in the medical cannabidiol
26 program and that the health care practitioner has determined
27 that four and one-half grams of total tetrahydrocannabinol
28 in a ninety-day period is insufficient to treat the
29 patient's debilitating medical condition. A certification
30 issued pursuant to this paragraph shall include a total
31 tetrahydrocannabinol cap deemed appropriate by the patient's
32 health care practitioner.

33 Sec. _____. Section 218.70, Code 2020, as amended by 2020 Iowa
34 Acts, House File 2536, section 78, if enacted, is amended to
35 read as follows:

1 be removed from office for cause by the chief judge of the
2 judicial district, after consultation with the district judges
3 of the judicial election district. Prior to removal, the
4 clerk of the district court shall be notified of the cause for
5 removal.

6 DIVISION ____

7 DEPARTMENT OF PUBLIC SAFETY APPROPRIATION — FY 2019-2020

8 Sec. ____ . DEPARTMENT OF PUBLIC SAFETY. There is
9 appropriated from the general fund of the state to the
10 department of public safety for the fiscal year beginning July
11 1, 2019, and ending June 30, 2020, the following amount, or
12 so much thereof as is necessary, to be used for the purposes
13 designated:

14 For overtime expenses, including salaries, support,
15 maintenance, and miscellaneous purposes:

16 \$ 2,400,000

17 Sec. ____ . APPROPRIATION NOT APPLICABLE TO FY 2020-2021. The
18 appropriation set forth in this division of this Act is not
19 applicable for the fiscal year beginning July 1, 2020, and
20 ending June 30, 2021, notwithstanding section 1 of this Act.

21 Sec. ____ . EFFECTIVE DATE. This division of this Act, being
22 deemed of immediate importance, takes effect upon enactment.

23 Sec. ____ . RETROACTIVE APPLICABILITY. This division of this
24 Act, if approved by the governor on or after July 1, 2020,
25 applies retroactively to June 30, 2020.

26 DIVISION ____

27 ALARM SYSTEM CONTRACTORS — FEES AND FINES

28 Sec. ____ . Section 100C.1, Code 2020, is amended by adding
29 the following new subsection:

30 NEW SUBSECTION. 8A. *“False alarm”* means the activation of
31 an alarm system when a situation requiring emergency response
32 does not actually exist. For purposes of this chapter, *“false*
33 *alarm”* does not include the activation of an alarm system as a
34 result of weather conditions.

35 Sec. ____ . Section 100C.6, subsection 1, Code 2020, is

1 amended to read as follows:

2 1. Relieve any person from payment of any local permit or
3 building fee, except as provided in section 100C.11.

4 Sec. ____ . NEW SECTION. 100C.11 **Alarm systems — fees or**
5 **finances — limitations.**

6 A political subdivision shall not adopt or enforce an
7 ordinance, resolution, rule, or other measure requiring an
8 alarm system contractor to pay a fee or fine associated with
9 any of the following:

10 1. False alarms.

11 2. Emergency response to false alarms.

12 3. Permits associated with placing or keeping an alarm
13 system in service, not including any installation permits
14 required by the political subdivision's building code.

15 Sec. ____ . NEW SECTION. 100C.12 **Collection of fees.**

16 1. If, prior to the effective date of this division of this
17 Act, an alarm system contractor charged its customers an amount
18 equal to the costs the political subdivision of the state
19 imposed on the alarm system contractor for permits associated
20 with placing or keeping an alarm in service, as shown on a
21 separate line item on the customer's invoice, the alarm system
22 contractor may continue to collect from its customers such fees
23 until December 31, 2020. The alarm system contractor shall
24 pay to the political subdivision of the state or its designee
25 the fees collected under this section in accordance with the
26 instructions of the political subdivision or the political
27 subdivision's designee.

28 2. Fees collected by an alarm system contractor under
29 this section shall not be subject to audit by a political
30 subdivision or the political subdivision's designee.

31 Sec. ____ . **EFFECTIVE DATE.** This division of this Act, being
32 deemed of immediate importance, takes effect upon enactment.

33 DIVISION ____

34 **ECONOMIC DEVELOPMENT AUTHORITY**

35 Sec. ____ . 2019 Iowa Acts, chapter 154, section 3, subsection

1 1, paragraph b, is amended by adding the following new
2 subparagraph:

3 NEW SUBPARAGRAPH. (7) For technical assistance to
4 communications service providers in completing applications for
5 federal funds, or any other funds from any public or private
6 sources, related to improving broadband infrastructure.

7 Sec. _____. POWERS APPLICABLE TO FY 2020-2021. The powers
8 set forth in 2019 Iowa Acts, chapter 154, section 3, subsection
9 1, paragraph b, as amended in this division of this Act, are
10 applicable to the associated appropriation made for the fiscal
11 year beginning July 1, 2020, and ending June 30, 2021, pursuant
12 to section 1 of this Act.

13 Sec. _____. INSURANCE ECONOMIC DEVELOPMENT. From the
14 moneys collected by the insurance division in excess of the
15 anticipated gross revenues under section 505.7, subsection
16 3, during the fiscal year beginning July 1, 2020, \$100,000
17 shall be transferred to the economic development authority for
18 insurance economic development and international insurance
19 economic development.

20 Sec. _____. UNEMPLOYMENT COMPENSATION
21 PROGRAM. Notwithstanding section 96.9, subsection 4, paragraph
22 "a", moneys credited to the state by the secretary of the
23 treasury of the United States pursuant to section 903 of the
24 Social Security Act are appropriated to the department of
25 workforce development and shall be used by the department for
26 the administration of the unemployment compensation program
27 only. This appropriation shall not apply to any fiscal year
28 beginning after December 31, 2020.

29 Sec. _____. EFFECTIVE DATE. This division of this Act, being
30 deemed of immediate importance, takes effect upon enactment.

31 Sec. _____. RETROACTIVE APPLICABILITY. The following applies
32 retroactively to July 1, 2019:

33 The section of this division of this Act enacting 2019
34 Iowa Acts, chapter 154, section 3, subsection 1, paragraph b,
35 subparagraph (7).

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DIVISION ____

CONTINGENT APPROPRIATIONS — FY 2020-2021

Sec. ____ . COLLEGE STUDENT AID COMMISSION. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For implementation of 2020 Iowa Acts, House File 2629, if enacted, including salaries, support, maintenance, and miscellaneous purposes:
..... \$ 32,000

Sec. ____ . DEPARTMENT OF PUBLIC SAFETY. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For implementation of 2020 Iowa Acts, House File 2581, as amended in this Act, if enacted, including salaries, support, maintenance, and miscellaneous purposes:
..... \$ 411,000

Sec. ____ . IOWA LAW ENFORCEMENT ACADEMY. There is appropriated from the general fund of the state to the Iowa law enforcement academy for the fiscal year beginning July 1, 2020, and ending June 30, 2021, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For implementation of 2020 Iowa Acts, House File 2647, if enacted, including salaries, support, maintenance, and miscellaneous purposes:
..... \$ 140,000

Sec. ____ . CONTINGENT REPEAL. The section of this division of this Act appropriating moneys to the college student aid commission is repealed if 2020 Iowa Acts, House File 2629, is

1 not enacted.

2 Sec. _____. CONTINGENT EFFECTIVE DATE. The following takes
3 effect on the effective date of 2020 Iowa Acts, House File
4 2581, as amended in this Act, if enacted:

5 The section of this division of this Act appropriating moneys
6 to the department of public safety.

7 Sec. _____. CONTINGENT EFFECTIVE DATE. The following takes
8 effect on the effective date of 2020 Iowa Acts, House File
9 2647, if enacted:

10 The section of this division of this Act appropriating
11 moneys to the Iowa law enforcement academy.

12 DIVISION _____

13 ADJUSTMENT TO SCHOOL FOUNDATION AID

14 Sec. _____. ADJUSTMENT TO STATE FOUNDATION AID FOR SCHOOL
15 BUDGET YEAR 2020-2021.

16 1. If a school district was required to repay property
17 taxes paid or had a reduction in property taxes due for school
18 taxes levied for the school budget year beginning July 1, 2019,
19 on a property that received an assessed value reduction for
20 the assessment year beginning January 1, 2018, by action of
21 the board of review or property assessment appeal board, or
22 by judicial action, and the amount of the reduction for the
23 property exceeded \$47,000,000, the school district is eligible
24 for an adjustment in state foundation aid for the budget year
25 beginning July 1, 2020.

26 2. To receive the adjustment in state foundation aid, the
27 school district shall apply to the department of management
28 within thirty days following the effective date of this
29 division of this Act and section 257.12, subsection 3, shall
30 not apply. The department of management shall determine the
31 amount of adjustment in state foundation aid pursuant to
32 subsection 3.

33 3. The department of management shall determine the amount
34 of state foundation aid which the school district would
35 have received under section 257.1 for the school budget year

1 beginning July 1, 2019, in the manner provided in section
2 257.12, subsection 2. The adjustment in state foundation aid
3 under this section shall be paid as provided in section 257.16.
4 Sec. _____. EFFECTIVE DATE. This division of this Act, being
5 deemed of immediate importance, takes effect upon enactment.

6 DIVISION ____

7 HEMP REGULATION

8 Sec. _____. REPEAL. 2020 Iowa Acts, House File 2581, section
9 19, if enacted, is repealed.

10 Sec. _____. 2020 Iowa Acts, House File 2581, if enacted, is
11 amended by adding the following new section:

12 NEW SECTION. 19A. EFFECTIVE DATE. This Act, being deemed
13 of immediate importance, takes effect upon enactment.

14 Sec. _____. RETROACTIVE APPLICABILITY. The following applies
15 retroactively to the effective date of 2020 Iowa Acts, House
16 File 2581, as amended in this division of this Act, if enacted:

17 The section of this division of this Act repealing 2020 Iowa
18 Acts, House File 2581, section 19.>

19 6. By renumbering, redesignating, and correcting internal
20 references as necessary.

By MOHR of Scott

[H-8294](#) FILED JUNE 11, 2020

HOUSE FILE 2644

H-8291

- 1 Amend House File 2644, as passed by the House, as follows:
2 1. Page 5, after line 14 by inserting:
3 <Sec. _____. The department of transportation shall submit
4 an annual report to the general assembly on or before December
5 31 for the next five fiscal years which shall include any cost
6 savings to the department from adding additional full-time
7 equivalent employees from the fiscal year prior.>
8 2. By renumbering as necessary.

By BOSSMAN of Woodbury

H-8291 FILED JUNE 11, 2020

SENATE FILE 457

H-8288

1 Amend the amendment, H-8248, to Senate File 457, as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. Page 3, after line 16 by inserting:

4 <Sec. ____ . Section 602.8107, subsection 1, paragraph b,
5 Code 2020, is amended to read as follows:

6 *b. (1) "Installment agreement" means an agreement made for*
7 *the payment of court debt in excess of one hundred dollars in*
8 *installments.*

9 *(2) The judicial branch may establish a threshold*
10 *amount that is lower than the threshold amount specified in*
11 *subparagraph (1) by court rule.*>

12 2. By renumbering as necessary.

By WOLFE of Clinton

H-8288 FILED JUNE 11, 2020

SENATE FILE 457

H-8292

1 Amend the amendment, H-8248, to Senate File 457, as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. Page 5, line 5, after <state> by inserting <, and
4 the amount deposited is appropriated to the department of
5 agriculture and land stewardship to support the Iowa emergency
6 food purchase program fund established in section 190B.201>

7 2. Page 40, after line 33 by inserting:

8 <DIVISION ____

9 IOWA EMERGENCY FOOD PURCHASE PROGRAM FUND

10 Sec. ____ . NEW SECTION. 190B.201 Iowa emergency food
11 purchase program fund.

12 1. An Iowa emergency food purchase program fund is
13 established in the state treasury and shall be administered
14 by the department of agriculture and land stewardship. The
15 fund shall consist of moneys appropriated to the fund pursuant
16 to section 602.8108, subsection 13, and any other moneys
17 appropriated to the fund.

18 2. The purpose of the fund is to relieve situations of
19 emergency experienced by families or individuals who reside in
20 this state, including low-income families and individuals and
21 unemployed families and individuals, by distributing food to
22 those persons, and the department may contract with an Iowa
23 food bank association to manage the program.

24 3. The Iowa food bank association managing the program
25 shall distribute food under the program to emergency feeding
26 organizations in this state. The Iowa food bank association
27 shall report to the department as required by the department.

28 4. "*Iowa food bank association*" means a private nonprofit
29 entity that meets all of the following requirements:

30 a. The association is organized under chapter 504.

31 b. The association qualifies under section 501(c)(3) of the
32 Internal Revenue Code as an organization exempt from federal
33 income tax under section 501(a) of the Internal Revenue Code.

34 c. The association's members include food banks, or
35 affiliations of food banks, that together serve all counties

H-8292 (Continued)

1 in this state.

2 d. The association's principal office is located in this
3 state.

4 5. Notwithstanding section 8.33, moneys in the fund
5 that remain unencumbered or unobligated at the close of
6 the fiscal year shall not revert but shall remain available
7 for expenditure for the purposes designated until two years
8 following the last day of the fiscal year in which the funds
9 were originally appropriated.>

10 3. By renumbering as necessary.

By STAED of Linn

H-8292 FILED JUNE 11, 2020

SENATE FILE 2349

H-8264

1 Amend the amendment, H-8197, to Senate File 2349, as
2 amended, passed, and reprinted by the Senate, as follows:

3 1. Page 2, after line 25 by inserting:

4

<DIVISION ____

5

INTERNET EXCHANGE POINT FEASIBILITY STUDY

6 Sec. ____ . INTERNET EXCHANGE POINT FEASIBILITY STUDY. The
7 office of the chief information officer and the Iowa
8 telecommunications and technology commission shall jointly
9 conduct a feasibility study regarding the construction and
10 installation of an internet exchange point. The office and the
11 commission shall assess a timeline to construct and install an
12 internet exchange point, the cost to construct and install an
13 internet exchange point, internet exchange point maintenance
14 requirements, internet exchange point maintenance costs,
15 internet exchange point upgrade costs, upgrades recommended to
16 be performed on an internet exchange point, and the optimum
17 number of internet exchange points for the state. The office
18 and the commission shall submit a report, including findings
19 and recommendations, to the general assembly by December 15,
20 2020.>

21 2. Page 2, line 27, after <reporting,> by inserting <a joint
22 feasibility study relating to internet exchange points,>

23 3. By renumbering as necessary.

By SORENSEN of Adair

H-8264 FILED JUNE 11, 2020

ADOPTED



[SF 457](#) – Criminal Surcharge and Court Fee Reform (LSB1922SZV.2)
Staff Contact: Laura Book (515.205.9275) laura.book@legis.iowa.gov
Fiscal Note Version – As amended by [H-8248](#)

Description

[Senate File 457](#) as amended by [H-8248](#), which strikes everything after the enacting clause, relates to surcharges added to criminal penalties, court funds, civil fees, misdemeanor and felony fines, and fines associated with scheduled violations. This Bill takes effect July 15, 2020.

Fiscal Impact **Summary Tables** are available at the end of this document starting on page 10.

Division I — Surcharges Added to Criminal Penalties and Distribution

Description

Iowa Code Chapter 911 Surcharges

Division I makes the following changes to the surcharges under Iowa Code chapter 911:

- Changes the name of the Criminal Penalty Surcharge to the Crime Services Surcharge and reduces the surcharge from 35.0% to 15.0% of the fine or forfeiture imposed. The Crime Services Surcharge is remitted to the State Court Administrator and is distributed as follows:
 - 46.0% to the Juvenile Detention Home Fund.
 - 32.0% to the Victim Compensation Fund.
 - 20.0% to Criminalistics Laboratory Fund.
 - 2.0% to the Drug Abuse Resistance Education (DARE) Fund established in this Bill.
- Repeals the Law Enforcement Initiative Surcharge in Iowa Code section [911.3](#), the DARE Surcharge in Iowa Code section [911.2](#), and the County Enforcement Surcharge in Iowa Code section [911.4](#).
- Combines the domestic abuse surcharges under Iowa Code sections [911.2B](#) and [911.2C](#) into a single surcharge of \$90 per applicable offense.
- Establishes the Agricultural Property Offense Surcharge under Iowa Code section 911.5. A person convicted of a crime relating to agricultural property is subject to a surcharge equal to \$500. The collections generated from the assessment of the surcharge are required to be remitted by the clerk of court to the State Court Administrator and deposited in the State General Fund.

Court Costs

Division I reduces the court costs under Iowa Code section [602.8106](#) from \$60 to \$55.

See **Attachments A and B** for the distribution of the Criminal Penalty Surcharge under current law and the proposed Crime Services Surcharge distribution under amendment H-8248.

City Fines

Division I modifies the city/State fine and forfeited bail distribution under Iowa Code section 602.8106(2). Under the modified distribution, 80.0% of all fines and forfeited bail is distributed to the city that was the plaintiff in the action, and the remaining 20.0% is remitted to the State General Fund.

County Fines

Division I adds a provision under Iowa Code section [602.8106](#)(4) that distributes the fine revenue for a violation that occurred within the boundaries of the county as follows: 91.0% to the State Court Administrator and 9.0% to the county where the violation occurred or citation was issued. Of the 91.0% remitted to the State Court Administrator, 1.3% is distributed to the Emergency Medical Services Fund and the remainder is deposited in the State General Fund.

Division I provides that the moneys collected and credited to the county general fund from county ordinances shall be distributed in the manner described in Iowa Code section [356.7](#). The Division also amends Iowa Code section 356.7 to include medical and prescription drug costs of inmates in jail as a purpose for which county ordinance fine revenue may be used.

Background

Criminal Penalty Surcharge — Iowa Code Section [911.1](#)

When the court imposes a fine or forfeiture for a violation of State law or a city or county ordinance, except a parking ordinance, the clerk of court imposes an additional penalty in the form of a Criminal Penalty Surcharge equal to 35.0% of the fine or forfeiture imposed by the court. This surcharge does not apply to civil penalties.

Under current law, the Criminal Penalty Surcharge revenue is divided as follows: 95.0% is remitted to the State, and the remaining 5.0% is remitted to the county treasurer of the county or the city clerk of the city that was the plaintiff in the action. Of the amount remitted to the State, 17.0% is deposited in the Victim Compensation Fund (Iowa Code section [915.94](#)), and 83.0% is deposited in the State General Fund. Refer to the Legislative Services Agency (LSA) **Fiscal Topic** [Criminal Fine Revenue and Surcharge Distribution](#) for further information.

Domestic Abuse Surcharges — Iowa Code Sections [911.2B](#) and [911.2C](#)

Currently, under Iowa Code section 911.2B, in addition to any other surcharge, a surcharge of \$100 is assessed if an adjudication of guilt or a deferred judgment has been entered for a violation of Iowa Code section [708.2A](#), [708.11](#), or [710A.2](#), or Iowa Code chapter [709](#). Under Iowa Code section 911.2C, a surcharge of \$50 is assessed against a defendant who is held in contempt of court for violating a domestic abuse protective order. The revenue collected from assessment of Iowa Code sections 911.2B and 911.2C surcharges is deposited in the Address Confidentiality Revolving Fund established in Iowa Code section [9.8](#).

Law Enforcement Initiative Surcharge — Iowa Code Section [911.3](#)

Under current law, in addition to any other surcharge, the court is required to assess a Law Enforcement Initiative Surcharge of \$125 if an adjudication of guilt or a deferred judgment has been entered for a criminal violation under any of the following: Iowa Code chapter [124](#), [155A](#), [453B](#), [713](#), [714](#), [715A](#), or [716](#), or Iowa Code section [719.7](#), [719.8](#), [725.1](#), [725.2](#), or [725.3](#). The collections generated from the assessment of the surcharge are deposited in the State General Fund.

Drug Abuse Resistance Education Surcharge — Iowa Code Section [911.2](#)

Currently, in addition to any other surcharge, the court is required to assess a DARE Surcharge of \$10 if a violation arises out of an offense provided for in Iowa Code chapter [321J](#) or [124](#), [subchapter IV](#). The collections generated from the assessment of the surcharge are deposited in the State General Fund, and the amount deposited is appropriated to the Governor's Office of Drug Control Policy (ODCP) for use by the DARE Program and other programs with a similar purpose.

County Enforcement Surcharge — Iowa Code Section 911.4

Under current law, if a county has adopted a resolution pursuant to Iowa Code section [331.301](#)(16), and a court imposes a fine or forfeiture for any simple misdemeanor punishable as a scheduled violation pursuant to a citation issued by a sheriff, the court shall assess a surcharge in the amount of \$5 for each applicable violation in addition to any fine, forfeiture, or other surcharge. The surcharge revenue is deposited in the county general fund of the county where the citation was issued.

Juvenile Detention Home Fund

Under current law, civil penalties assessed and collected by the Department of Transportation (DOT) under Iowa Code sections [321.218A](#) and [321A.32A](#) are deposited into the Juvenile Detention Home Fund. The purpose of the fund is to provide State assistance to juvenile detention homes for reimbursement of operation expenses. The Department of Human Services has the authority to then allocate these collected funds to State juvenile detention homes.

City and County Fine Distribution

Under current law, the clerk of the district court must remit 90.0% of all fines and forfeited bail to the city that was the plaintiff in any action, and the remaining 10.0% is submitted to the State Court Administrator and deposited in the State General Fund.

Under current law, the clerk of the district court must remit all fines and forfeited bail for violation of a county ordinance, except an ordinance relating to vehicle speed or weight restrictions, to the county treasurer of the county that was the plaintiff in the action. However, if a county ordinance provides a penalty for a violation which is also penalized under State law, the fines and forfeited bail collected for the violation shall be remitted to the State.

Emergency Medical Services Fund

The Emergency Medical Services Fund is established in Iowa Code section [135.25](#) and is under the control of the Department of Public Health. Currently, the Fund may receive amounts appropriated by the General Assembly and other moneys available from federal or private sources. The purpose of the Fund is to assist counties by matching, on a dollar-for-dollar basis, moneys spent by a county for the acquisition of equipment for the provision of emergency medical services and by providing grants to counties for education and training in the delivery of emergency medical services.

Assumptions

- The following collection rates from FY 2019 will remain consistent in future fiscal years:
 - Criminal Penalty Surcharge — 42.4%
 - Municipal infractions — 39.0%
 - Simple misdemeanors — 28.9%
 - Serious misdemeanors — 21.7%
 - Aggravated misdemeanors — 14.7%
 - Felonies — 16.2%
- Deposits to the Victim Compensation Fund will increase by 16.0%.
- A 9.0% increase in fines assessed for misdemeanors and felonies is revenue-neutral to collections to the General Fund from the Law Enforcement Initiative Surcharge under current law.
- A 28.0% increase in fines under the provisions of this Bill is revenue-neutral to the General Fund fine and surcharge revenue under current law. An additional fine increase of \$5 would be revenue-neutral for the court costs reduction.
- Eighty percent of collected fines are scheduled fines.

- In FY 2019, \$15.6 million of the Criminal Penalty Surcharge collections was distributed to the State. In FY 2018, \$15.9 million of the Criminal Penalty Surcharge collections was distributed to the State. The Criminal Penalty Surcharge collection levels will remain consistent in subsequent years.
- The average collections and assessments from the following fines and surcharges in FY 2018 and FY 2019 will remain consistent in subsequent years:
 - Iowa Code Section 911.2B Surcharge (Domestic Abuse): An average of \$288,000 was assessed each fiscal year. The average number of assessments each fiscal year was 2,858.
 - Iowa Code Section 911.2C Surcharge (Domestic Abuse): An average of \$42,000 was assessed each fiscal year. The average number of assessments each fiscal year was 846.
 - Law Enforcement Initiative Surcharge: An average of \$4.1 million was assessed and an average of \$2.5 million was collected each year.
 - Scheduled and Nonscheduled Fines: An average of \$83.9 million was assessed and an average of \$68.5 million was collected each year.
 - DARE Surcharge: An average of \$138,000 was collected each year.
- The following FY 2019 revenues will remain consistent in future fiscal years:
 - Juvenile Home Detention Fund — \$4.1 million was collected and deposited into the Juvenile Detention Home Fund revenue from civil penalties under Iowa Code sections [321.218A](#) and [321A.32A](#).
 - City Revenue — Cities collected a total of \$113,000 from the Criminal Penalty Surcharge and \$5.9 million in revenue from city fines/infractions and forfeited bail.
 - County Revenue — Counties collected a total of \$326,000 from the County Enforcement Surcharge and \$726,000 from the Criminal Penalty Surcharge.

Fiscal Impact

Crime Services Surcharge and Law Enforcement Initiative Surcharge

Division I is estimated to be revenue-neutral to the State General Fund. The increase in fine amounts and the new percentage distribution under Division I of this Bill are estimated to generate:

- \$430,000 in additional revenue to the Victim Compensation Fund.
- \$2.0 million in additional revenue to the Criminalistics Laboratory Fund.
- \$400,000 in additional revenue to the Juvenile Detention Home Fund.
- \$190,000 in collections to the DARE Fund, which is a \$50,000 increase compared to the current DARE Program funding generated by the DARE Surcharge and appropriated to the ODCP.

Under current law, the General Fund portion of the Criminal Penalty Surcharge distribution is approximately 28.0% of the fine. Under Division IV of amendment H-8248, the scheduled fines are increased by approximately 33.0%, replacing the revenue from the Criminal Penalty Surcharge as well as the \$5 reduction in court costs in Division I. Due to this increase, the collections to the General Fund are estimated to remain revenue-neutral. Under Division V, the misdemeanor and felony fines are increased by approximately 37.0%. This is equal to both the General Fund portion of the Criminal Penalty Surcharge and the General Fund revenue from the Law Enforcement Initiative Surcharge under current law.

It is important to note that the increase in fine amounts may also result in additional revenue to the State General Fund from deferred judgments. When a defendant accepts a deferred judgment, the criminal fine is converted to a civil penalty. Typically, the civil penalty is the minimum amount of the fine and the defendant is not assessed the applicable surcharges.

For information on the distribution of the proposed fine amounts under the Crime Services Surcharge, see **Attachments A** and **C** to this document. **Attachments B** and **D** show the distribution under current law.

Domestic Abuse Surcharges

Division I is estimated to be revenue-neutral to the Address Confidentiality Revolving Fund based on the total average amount assessed and collected from the Iowa Code sections [911.2B](#) and [911.2C](#) surcharges.

Agricultural Property Offense Surcharge

The fiscal impact of the Agricultural Property Offense Surcharge cannot be estimated based on current figures because the criminal code does not currently differentiate between theft and agricultural theft. Based on the collection rates for felonies and aggravated misdemeanors, it is estimated that the General Fund would collect approximately 15.5% of the amount assessed from the Agricultural Property Offense Surcharge.

County and City Fine Revenue Distribution Formulas

Under the new distributions in this Division, cities and counties are estimated to receive the following increases in new fine revenue:

- Cities — \$670,000. Under the new distributions, the cities are estimated to receive an increase of \$770,000 in fine revenue. After accounting for the \$100,000 of lost revenue to cities from the Criminal Penalty Surcharge repealed under this amendment, the cities are estimated to receive \$670,000 in new funds.
- Counties — \$8.5 million. This represents an additional \$7.4 million in revenue for counties after accounting for the lost revenue from the repeal of the County Enforcement Surcharge and the Criminal Penalty Surcharge. In addition to the new revenue to the counties, an increase in court debt collections by county attorneys may also occur as a result of the fine increases.
- State — Revenue-neutral. The increased fines will allow the State to maintain its revenue from scheduled fines and the funding previously generated from the Criminal Penalty Surcharge and the Law Enforcement Initiative Surcharge.

Emergency Medical Services Fund

The Fund is estimated to receive additional annual revenue of \$1.1 million under the new fine distribution formula. In FY 2019, the Fund had receipts totaling \$405,000.

Divisions II and III — Court Funds and Civil Fees

Description

Divisions II and III make the following changes to court funds:

- Repeal the Enhanced Court Collections Fund established in Iowa Code section [602.1304\(2\)](#) and transfer the \$4.0 million allocation to the Court Technology and Modernization Fund.
- Increase the allowable allocation to the Court Technology and Modernization Fund established in Iowa Code section [602.8108](#) from \$1.0 million to \$7.0 million, which includes the transfer from the Enhanced Court Collections Fund.
- Amend Iowa Code sections [602.8105](#) and [631.6](#) to increase fees in civil cases by \$10.
- Eliminate the filing fee for an adoption under Iowa Code section 602.8105(1).
- Repeal the filing fee for entering a final decree of dissolution of marriage under Iowa Code section 602.8105(d) and combine this filing with the filing fee for the dissolution of marriage.

Background

Court Technology and Modernization Fund — Iowa Code Section 602.8108(9)

Of the fines and fees collected by the Judicial Branch, prior to their deposit in the General Fund, the State Court Administrator is permitted to annually allocate \$1.0 million to the Court Technology and Modernization Fund. The Fund is used to enhance the ability of the Judicial Branch to process cases quickly and efficiently; to electronically transmit information to State government, local governments, law enforcement agencies, and the public; and to improve public access to the court system.

Enhanced Court Collections Fund — Iowa Code Section 602.1304

Currently, a maximum of \$4.0 million per year generated from fines, fees, civil penalties, costs, surcharges, and other revenues collected by the Judicial Branch is permitted to be deposited into the Enhanced Court Collections Fund. Refer to the LSA **Budget Unit Brief** [Enhanced Court Collections Fund](#) for further information.

Assumptions

- In FY 2019, approximately \$15.0 million was assessed in civil fees outlined in Division III. The amount of civil fees assessed will remain consistent in future fiscal years.
- On average, 100.0% of civil fees assessed are collected.

Fiscal Impact

Division III is estimated to increase civil fee revenue by approximately \$2.3 million. Of this estimated increase in revenue, \$2.0 million would be deposited in the Court Technology and Modernization Fund and the remaining \$300,000 in the State General Fund.

The repeal of the adoption fee under Iowa Code section [602.8105](#)(1)(e) is estimated to have a minimal fiscal impact. The average annual number of adoption filings is 1,500, with an annual collection of approximately \$150,000. The overall increase in filing fees would maintain the existing revenue from this fee.

The repeal of the final decree of dissolution of marriage filing fee under Iowa Code section [602.8105](#)(1)(d) is not estimated to have a fiscal impact. In FY 2019, there were 9,429 final decree of dissolution of marriage filings. Under the Division, this filing fee is combined with the dissolution of marriage fee for a total of \$265. The 20.0% allocation from the dissolution of marriage filing fee, intended for sexual assault and domestic violence centers, would increase revenue for this purpose by approximately \$25,000.

Divisions IV and V — Scheduled Violations and Misdemeanor and Felony Fines

Description

Divisions IV and V make the following changes:

- Reclassify some simple misdemeanors to be punishable as scheduled violations.
- Raise nearly all of the fines for simple misdemeanors punishable as scheduled violations in Iowa Code sections [805.8A](#) (Motor vehicle and transportation), [805.8B](#) (Navigation, recreation, hunting, and fishing), and [805.8C](#) (Miscellaneous) by approximately 28.0%, plus \$5 due to the decrease in court costs from \$60 to \$55.
- Raises the minimum and maximum criminal fines for misdemeanors and felonies by approximately 37.0%.

For information on the proposed fine amounts and the fine distribution under the proposed Crime Services Surcharge, see the attachments to this document.

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.

Correctional Impact

The fine increases in Divisions IV and V are not estimated to have a correctional impact. Increasing the fines is not estimated to result in additional convictions of scheduled violations, misdemeanors, or felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

Division IV reclassifies some simple misdemeanors to be punishable as scheduled violations and raises the fines. **Table 1** provides the demographics of scheduled violation convictions in FY 2018.

Table 1 — FY 2018 Scheduled Violation Conviction Demographics

	Convictions	Percent of Total Convictions	Percent of Iowa Population
Caucasian	189,278	70.5%	90.2%
African-American	22,927	8.5%	3.6%
Hispanic	3,349	1.2%	6.1%
Native American	1,007	0.4%	0.4%
Asian	4,026	1.5%	2.5%
Other	7,868	2.9%	N/A
Unknown*	40,010	14.9%	N/A
Total	268,465		

*For scheduled violations, race of the individual is determined by the law enforcement officer when the citation is issued. Races are listed as unknown if nothing is indicated.

Division V increases the minimum and maximum fine range for misdemeanors and felonies. **Table 2** provides the demographics of misdemeanor convictions in FY 2018.

Table 2 — FY 2018 Misdemeanor Conviction Demographics

	Aggravated Misdemeanor	Percent of Aggr. Misd.	Serious Misdemeanor	Percent of Serious Misd.	Simple Misdemeanor	Percent of Simple Misd.	Percent of Iowa Population
Caucasian	11,456	68.1%	15,556	68.1%	20,754	67.1%	90.2%
African-American	3,197	19.0%	3,609	15.8%	5,243	17.0%	3.6%
Hispanic	502	3.0%	765	3.3%	866	2.8%	6.1%
Native American	159	0.9%	304	1.3%	693	2.2%	0.4%
Asian	146	0.9%	265	1.2%	369	1.2%	2.5%
Other	129	0.8%	231	1.0%	310	1.0%	N/A
Unknown	1,236	7.3%	2,109	9.2%	2,697	8.7%	N/A
Total Convictions	16,825		22,839		30,932		

Table 3 provides the demographics for felony convictions in FY 2018.

Table 3 — FY 2018 Felony Conviction Demographics

	Class C Felony	Percent of Class C Felony	Class D Felony	Percent of Class D Felony	Percent of Iowa Population
Caucasian	1,221	63.4%	4,555	66.5%	90.2%
African-American	416	21.6%	1,355	19.8%	3.6%
Hispanic	63	3.3%	167	2.4%	6.1%
Native American	16	0.8%	94	1.4%	0.4%
Asian	11	0.6%	44	0.6%	2.5%
Other	27	1.4%	61	0.9%	N/A
Unknown	172	8.9%	572	8.4%	N/A
Total	1,926		6,848		

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

Divisions IV and V are estimated to be revenue-neutral to the General Fund. The increased fines are estimated to result in revenue-neutral collections to the General Fund after modification of the Criminal Penalty Surcharge and the repeal of the Law Enforcement Initiative Surcharge. The reclassification of simple misdemeanors as scheduled violations may result in reduced judge time per case, but the impact is estimated to be minor. Refer to Division I of this **Fiscal Note** for further analysis of the fiscal impact of increasing the fines and modifying the Criminal Penalty Surcharge.

Divisions VI, VII, and VIII — Criminalistics Laboratory Fund, DARE Fund, and Emergency Medical Services Fund

Divisions V and VIII expand the funds permitted to be deposited in the Criminalistics Laboratory Fund and Emergency Medical Services Fund to include collections from the Crime Services Surcharge. Division VI also expands the permitted uses of the Criminalistics Laboratory Fund.

Division VII establishes a DARE Fund under the control of the ODCP for use by DARE and other programs with a similar purpose. The Fund consists of appropriations made to the Fund and transfers of interest, moneys collected from the Crime Services Surcharge, and earnings. All moneys in the Fund are appropriated to the ODCP, and any remaining balance at the end of the fiscal year does not revert.

Fiscal Impact

Divisions VI, VII, and VIII are not estimated to have a fiscal impact.

Division IX — Juvenile Detention Home Fund

Description

Division IX modifies the Juvenile Detention Home Fund to allow funds from the Crime Services Surcharge to be deposited in the Fund and repeals the civil penalties under Iowa Code sections [321.218A](#) and [321A.32A](#).

Background

Under Iowa Code sections 321.218A and 321A.32A, when the DOT suspends, revokes, or bars a person's driver's license or nonresident operating privilege for a conviction under Iowa Code chapter [321](#) or [321A](#), the DOT is required to assess the person a civil penalty of \$200, or \$50 for persons age 19 or under. The moneys collected are deposited in the Juvenile Detention Home Fund.

Assumptions

- In FY 2019, the Juvenile Detention Home Fund received approximately \$4.1 million in revenue from the civil penalties. This revenue would remain consistent in future fiscal years.
- Fifty percent of the civil penalties are collected in person or by mail. The DOT Motor Vehicle Division operations costs for processing civil penalty payments are \$0.41 per minute. The Motor Vehicle Division serves 7,065 customers per year, spending 5 minutes with each customer.

Fiscal Impact

For fiscal estimates related to the Juvenile Detention Home Fund, see Division I of this **Fiscal Note**. Due to the elimination of the civil penalties under Iowa Code sections 321.218A and 321A.32A, it is estimated that the DOT would have a savings of \$16,000 to Motor Vehicle Division operations due to the decrease in payment processing and reduced inquiries into the call center, which would reduce congestion in service centers and increase staff availability.

Division X — Nonresident State Park User Fee Pilot Program

Description

Division X amends Iowa Code sections [455A.14A](#) and [455A.14B](#) related to the State park user fee pilot program at Lake Manawa State Park and Waubonsie State Park. Amendment H-8248 specifies that the entrance fee of \$5 per vehicle is if the vehicle is operated by a nonresident of the State.

Division X establishes a scheduled violation under Iowa Code section [805.8C](#) for failure to pay the entrance fee by a nonresident operator of a vehicle under Iowa Code sections [455A.14A](#) and [455A.14B](#). The scheduled fine for a violation is \$15.

Fiscal Impact

The fiscal impact of Division X is estimated to be minimal. The fee is an existing fee under current law and is distributed to the Conservation Fund. The scheduled fine may generate

some revenue to the State General Fund, but the fine revenue cannot be estimated because it is a new fine.

Fiscal Impact Summary of Amendment H-8248

Table 4 summarizes the estimated annual fiscal impact of Divisions I, IV, and V.

**Table 4 — Divisions I, IV, and V
Annual Revenue Adjustments Beginning FY 2021**

Fund	Est. Annual Revenue Increase
General Fund	\$ 0
Victim Compensation Fund	\$ 430,000
Criminalistics Laboratory Fund	\$ 2,000,000
DARE Fund/ODCP	\$ 50,000
Juvenile Detention Home Fund	\$ 400,000
Address Confidentiality Revolving Fund	\$ 0
County General Funds (Fine Revenue)	\$ 7,400,000
Emergency Medical Services Fund	\$ 1,100,000
City General Funds (Fine Revenue)	\$ 670,000

Table 5 summarizes the annual estimated fiscal impact of Division II on the Court Technology and Modernization Fund.

**Table 5 — Division II
Court Technology and Modernization Fund
Estimated Available Funds Beginning FY 2021**

Provision	Current Law	Division II	Total
Current Funding	\$ 1,000,000	\$ 0	\$ 1,000,000
Transfer of Enhanced Court Collections Fund	0	4,000,000	4,000,000
Additional Allocation	0	2,000,000	2,000,000
Court Technology Fund Total	\$ 1,000,000	\$ 6,000,000	\$ 7,000,000

Table 6 summarizes the estimated annual fiscal impact of Divisions II and III of the amendment H-8248 on the State General Fund.

**Table 6 — Divisions II and III
State General Fund
Annual Estimated Revenue Increase Beginning FY 2021**

Amendment Division/Provision	Est. Annual Revenue Increase
III - Civil Fee \$20 Increase	\$ 2,300,000
II - Additional Allocation to Court Technology Fund	- 2,000,000
TOTAL	\$ 300,000

Sources

Judicial Branch
Criminal and Juvenile Justice Planning Division, Department of Human Rights
LSA calculations and analysis
Department of Transportation

/s/ Holly M. Lyons

June 11, 2020

Doc ID 1137282

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

www.legis.iowa.gov

Amendment H-8148 - Scheduled Fines - Proposed Crime Services Surcharge Distribution

Current Fine	Proposed Fine	15.0% Crime Services Surcharge	State Distribution				46.0% to Juvenile Home Detention Fund	Court Costs	Proposed Total Fine
			100.0% to State	32.0% to Victim Comp. Fund	20.0% to Criminalistics Lab Fund	2.0% to DARE*			
\$5.00	\$11.00	\$1.65	\$1.65	\$0.53	\$0.35	\$0.03	\$0.76	\$55.00	\$67.65
\$10.00	\$20.00	\$3.00	\$3.00	\$0.96	\$0.60	\$0.06	\$1.38	\$55.00	\$78.00
\$15.00	\$25.00	\$3.75	\$3.75	\$1.20	\$0.75	\$0.08	\$1.73	\$55.00	\$83.75
\$20.00	\$30.00	\$4.50	\$4.50	\$1.44	\$0.90	\$0.09	\$2.07	\$55.00	\$89.50
\$25.00	\$35.00	\$5.25	\$5.25	\$1.68	\$1.05	\$0.11	\$2.42	\$55.00	\$95.25
\$30.00	\$45.00	\$6.75	\$6.75	\$2.16	\$1.35	\$0.14	\$3.11	\$55.00	\$106.75
\$35.00	\$50.00	\$7.50	\$7.50	\$2.40	\$1.50	\$0.15	\$3.45	\$55.00	\$112.50
\$40.00	\$55.00	\$8.25	\$8.25	\$2.64	\$1.65	\$0.17	\$3.80	\$55.00	\$118.25
\$50.00	\$70.00	\$10.50	\$10.50	\$3.36	\$2.10	\$0.21	\$4.83	\$55.00	\$135.50
\$60.00	\$85.00	\$12.75	\$12.75	\$4.08	\$2.55	\$0.26	\$5.87	\$55.00	\$152.75
\$70.00	\$95.00	\$14.25	\$14.25	\$4.56	\$2.85	\$0.29	\$6.56	\$55.00	\$164.25
\$75.00	\$100.00	\$15.00	\$15.00	\$4.80	\$3.00	\$0.30	\$6.90	\$55.00	\$170.00
\$80.00	\$105.00	\$15.75	\$15.75	\$5.04	\$3.15	\$0.32	\$7.25	\$55.00	\$175.75
\$90.00	\$120.00	\$18.00	\$18.00	\$5.76	\$3.60	\$0.36	\$8.28	\$55.00	\$193.00
\$100.00	\$135.00	\$20.25	\$20.25	\$6.48	\$4.05	\$0.41	\$9.32	\$55.00	\$210.25
\$105.00	\$140.00	\$21.00	\$21.00	\$6.72	\$4.20	\$0.42	\$9.66	\$55.00	\$216.00
\$110.00	\$145.00	\$21.75	\$21.75	\$6.96	\$4.35	\$0.44	\$10.01	\$55.00	\$221.75
\$115.00	\$155.00	\$23.25	\$23.25	\$7.44	\$4.65	\$0.47	\$10.70	\$55.00	\$233.25
\$120.00	\$160.00	\$24.00	\$24.00	\$7.68	\$4.80	\$0.48	\$11.04	\$55.00	\$239.00
\$125.00	\$165.00	\$24.75	\$24.75	\$7.92	\$4.95	\$0.50	\$11.39	\$55.00	\$244.75
\$130.00	\$170.00	\$25.50	\$25.50	\$8.16	\$5.10	\$0.51	\$11.73	\$55.00	\$250.50
\$135.00	\$180.00	\$27.00	\$27.00	\$8.64	\$5.40	\$0.54	\$12.42	\$55.00	\$262.00
\$140.00	\$185.00	\$27.75	\$27.75	\$8.88	\$5.55	\$0.56	\$12.77	\$55.00	\$267.75
\$145.00	\$190.00	\$28.50	\$28.50	\$9.12	\$5.70	\$0.57	\$13.11	\$55.00	\$273.50
\$150.00	\$195.00	\$29.25	\$29.25	\$9.36	\$5.85	\$0.59	\$13.46	\$55.00	\$279.25
\$155.00	\$205.00	\$30.75	\$30.75	\$9.84	\$6.15	\$0.62	\$14.15	\$55.00	\$290.75

Note: The fine adjustment is the sum of the current fine and the General Fund portion of the Criminal Penalty Surcharge under current law plus \$5. The General Fund portion of the Criminal Penalty Surcharge equals approximately 28.0% of the current fine.

*Drug Abuse Resistance Education (DARE)

Amendment H-8148 - Scheduled Fines - Proposed Crime Services Surcharge Distribution

Current Fine	Proposed Fine	15.0% Crime Services Surcharge	State Distribution				46.0% to Juvenile Home Detention Fund	Court Costs	Proposed Total Fine
			100.0% to State	32.0% to Victim Comp. Fund	20.0% to Criminalistics Lab Fund	2.0% to DARE Fund			
\$160.00	\$210.00	\$31.50	\$31.50	\$10.08	\$6.30	\$0.63	\$14.49	\$55.00	\$296.50
\$165.00	\$215.00	\$32.25	\$32.25	\$10.32	\$6.45	\$0.65	\$14.84	\$55.00	\$302.25
\$170.00	\$225.00	\$33.75	\$33.75	\$10.80	\$6.75	\$0.68	\$15.53	\$55.00	\$313.75
\$175.00	\$230.00	\$34.50	\$34.50	\$11.04	\$6.90	\$0.69	\$15.87	\$55.00	\$319.50
\$180.00	\$235.00	\$35.25	\$35.25	\$11.28	\$7.05	\$0.71	\$16.22	\$55.00	\$325.25
\$185.00	\$245.00	\$36.75	\$36.75	\$11.76	\$7.35	\$0.74	\$16.91	\$55.00	\$336.75
\$190.00	\$250.00	\$37.50	\$37.50	\$12.00	\$7.50	\$0.75	\$17.25	\$55.00	\$342.50
\$195.00	\$255.00	\$38.25	\$38.25	\$12.24	\$7.65	\$0.77	\$17.60	\$55.00	\$348.25
\$200.00	\$260.00	\$39.00	\$39.00	\$12.48	\$7.80	\$0.78	\$17.94	\$55.00	\$354.00
\$205.00	\$265.00	\$39.75	\$39.75	\$12.72	\$7.95	\$0.80	\$18.29	\$55.00	\$359.75
\$210.00	\$275.00	\$41.25	\$41.25	\$13.20	\$8.25	\$0.83	\$18.98	\$55.00	\$371.25
\$215.00	\$280.00	\$42.00	\$42.00	\$13.44	\$8.40	\$0.84	\$19.32	\$55.00	\$377.00
\$220.00	\$285.00	\$42.75	\$42.75	\$13.68	\$8.55	\$0.86	\$19.67	\$55.00	\$382.75
\$225.00	\$295.00	\$44.25	\$44.25	\$14.16	\$8.85	\$0.89	\$20.36	\$55.00	\$394.25
\$230.00	\$300.00	\$45.00	\$45.00	\$14.40	\$9.00	\$0.90	\$20.70	\$55.00	\$400.00
\$235.00	\$305.00	\$45.75	\$45.75	\$14.64	\$9.15	\$0.92	\$21.05	\$55.00	\$405.75
\$240.00	\$315.00	\$47.25	\$47.25	\$15.12	\$9.45	\$0.95	\$21.74	\$55.00	\$417.25
\$245.00	\$320.00	\$48.00	\$48.00	\$15.36	\$9.60	\$0.96	\$22.08	\$55.00	\$423.00
\$250.00	\$325.00	\$48.75	\$48.75	\$15.60	\$9.75	\$0.98	\$22.43	\$55.00	\$428.75
\$300.00	\$390.00	\$58.50	\$58.50	\$18.72	\$11.70	\$1.17	\$26.91	\$55.00	\$503.50
\$500.00	\$645.00	\$96.75	\$96.75	\$30.96	\$19.35	\$1.94	\$44.51	\$55.00	\$796.75
\$1,000.00	\$1,285.00	\$192.75	\$192.75	\$61.68	\$38.55	\$3.86	\$88.67	\$55.00	\$1,532.75
\$1,500.00	\$1,920.00	\$288.00	\$288.00	\$92.16	\$57.60	\$5.76	\$132.48	\$55.00	\$2,263.00
\$2,000.00	\$2,565.00	\$384.75	\$384.75	\$123.12	\$76.95	\$7.70	\$176.99	\$55.00	\$3,004.75

Note: The fine adjustment is the sum of the current fine and the General Fund portion of the Criminal Penalty Surcharge under current law plus \$5. The General Fund portion of the Criminal Penalty Surcharge equals approximately 28.0% of the current fine.

Current Law — Criminal Penalty Surcharge Distribution

Current Fine	35.0% Criminal Penalty Surcharge	35.0% Surcharge Distribution		State Distribution		Court Costs	Total Fine
		5.0% to County/City	95.0% to State	17.0% to Victim Comp. Fund	83.0% to General Fund		
\$5.00	\$1.75	\$0.09	\$1.66	\$0.28	\$1.38	\$60.00	\$66.75
\$10.00	\$3.50	\$0.18	\$3.33	\$0.57	\$2.76	\$60.00	\$73.50
\$15.00	\$5.25	\$0.26	\$4.99	\$0.85	\$4.14	\$60.00	\$80.25
\$20.00	\$7.00	\$0.35	\$6.65	\$1.13	\$5.52	\$60.00	\$87.00
\$25.00	\$8.75	\$0.44	\$8.31	\$1.41	\$6.90	\$60.00	\$93.75
\$30.00	\$10.50	\$0.53	\$9.98	\$1.70	\$8.28	\$60.00	\$100.50
\$35.00	\$12.25	\$0.61	\$11.64	\$1.98	\$9.66	\$60.00	\$107.25
\$40.00	\$14.00	\$0.70	\$13.30	\$2.26	\$11.04	\$60.00	\$114.00
\$50.00	\$17.50	\$0.88	\$16.63	\$2.83	\$13.80	\$60.00	\$127.50
\$60.00	\$21.00	\$1.05	\$19.95	\$3.39	\$16.56	\$60.00	\$141.00
\$70.00	\$24.50	\$1.23	\$23.28	\$3.96	\$19.32	\$60.00	\$154.50
\$75.00	\$26.25	\$1.31	\$24.94	\$4.24	\$20.70	\$60.00	\$161.25
\$80.00	\$28.00	\$1.40	\$26.60	\$4.52	\$22.08	\$60.00	\$168.00
\$90.00	\$31.50	\$1.58	\$29.93	\$5.09	\$24.84	\$60.00	\$181.50
\$100.00	\$35.00	\$1.75	\$33.25	\$5.65	\$27.60	\$60.00	\$195.00
\$105.00	\$36.75	\$1.84	\$34.91	\$5.94	\$28.98	\$60.00	\$201.75
\$110.00	\$38.50	\$1.93	\$36.58	\$6.22	\$30.36	\$60.00	\$208.50
\$115.00	\$40.25	\$2.01	\$38.24	\$6.50	\$31.74	\$60.00	\$215.25
\$120.00	\$42.00	\$2.10	\$39.90	\$6.78	\$33.12	\$60.00	\$222.00
\$125.00	\$43.75	\$2.19	\$41.56	\$7.07	\$34.50	\$60.00	\$228.75
\$130.00	\$45.50	\$2.28	\$43.23	\$7.35	\$35.88	\$60.00	\$235.50
\$135.00	\$47.25	\$2.36	\$44.89	\$7.63	\$37.26	\$60.00	\$242.25
\$140.00	\$49.00	\$2.45	\$46.55	\$7.91	\$38.64	\$60.00	\$249.00
\$145.00	\$50.75	\$2.54	\$48.21	\$8.20	\$40.02	\$60.00	\$255.75
\$150.00	\$52.50	\$2.63	\$49.88	\$8.48	\$41.40	\$60.00	\$262.50
\$155.00	\$54.25	\$2.71	\$51.54	\$8.76	\$42.78	\$60.00	\$269.25
\$160.00	\$56.00	\$2.80	\$53.20	\$9.04	\$44.16	\$60.00	\$276.00
\$165.00	\$57.75	\$2.89	\$54.86	\$9.33	\$45.54	\$60.00	\$282.75
\$170.00	\$59.50	\$2.98	\$56.53	\$9.61	\$46.92	\$60.00	\$289.50

Current Law — Criminal Penalty Surcharge Distribution

Current Fine	35.0% Criminal Penalty Surcharge	35.0% Surcharge Distribution		State Distribution		Court Costs	Total Fine
		5.0% to County/City	95.0% to State	17.0% to Victim Comp. Fund	83.0% to General Fund		
\$175.00	\$61.25	\$3.06	\$58.19	\$9.89	\$48.30	\$60.00	\$296.25
\$180.00	\$63.00	\$3.15	\$59.85	\$10.17	\$49.68	\$60.00	\$303.00
\$185.00	\$64.75	\$3.24	\$61.51	\$10.46	\$51.06	\$60.00	\$309.75
\$190.00	\$66.50	\$3.33	\$63.18	\$10.74	\$52.44	\$60.00	\$316.50
\$195.00	\$68.25	\$3.41	\$64.84	\$11.02	\$53.82	\$60.00	\$323.25
\$200.00	\$70.00	\$3.50	\$66.50	\$11.31	\$55.20	\$60.00	\$330.00
\$205.00	\$71.75	\$3.59	\$68.16	\$11.59	\$56.57	\$60.00	\$336.75
\$210.00	\$73.50	\$3.68	\$69.83	\$11.87	\$57.95	\$60.00	\$343.50
\$215.00	\$75.25	\$3.76	\$71.49	\$12.15	\$59.33	\$60.00	\$350.25
\$220.00	\$77.00	\$3.85	\$73.15	\$12.44	\$60.71	\$60.00	\$357.00
\$225.00	\$78.75	\$3.94	\$74.81	\$12.72	\$62.09	\$60.00	\$363.75
\$230.00	\$80.50	\$4.03	\$76.48	\$13.00	\$63.47	\$60.00	\$370.50
\$235.00	\$82.25	\$4.11	\$78.14	\$13.28	\$64.85	\$60.00	\$377.25
\$240.00	\$84.00	\$4.20	\$79.80	\$13.57	\$66.23	\$60.00	\$384.00
\$245.00	\$85.75	\$4.29	\$81.46	\$13.85	\$67.61	\$60.00	\$390.75
\$250.00	\$87.50	\$4.38	\$83.13	\$14.13	\$68.99	\$60.00	\$397.50
\$300.00	\$105.00	\$5.25	\$99.75	\$16.96	\$82.79	\$60.00	\$465.00
\$500.00	\$175.00	\$8.75	\$166.25	\$28.26	\$137.99	\$60.00	\$735.00
\$1,000.00	\$350.00	\$17.50	\$332.50	\$56.53	\$275.98	\$60.00	\$1,410.00
\$1,500.00	\$525.00	\$26.25	\$498.75	\$84.79	\$413.96	\$60.00	\$2,085.00
\$2,000.00	\$700.00	\$35.00	\$665.00	\$113.05	\$551.95	\$60.00	\$2,760.00

Amendment H-8148 - Misdemeanors and Felonies — Proposed Crime Services Surcharge Distribution

Penalty	Current Fine	Proposed Fine	15.0% Crime Services Surcharge	State Distribution					Court Costs	Proposed Total Fine
				100.0% to State	32.0% to Victim Comp. Fund	20.0% to Criminalistics Lab Fund	2.0% to DARE Fund	46.0% to Juvenile Home Detention Fund		
Simple Misd.	\$65.00	\$105.00	\$15.75	\$15.75	\$5.04	\$3.15	\$0.32	\$7.25	\$55.00	\$175.75
	\$625.00	\$855.00	\$128.25	\$128.25	\$41.04	\$25.65	\$2.57	\$59.00	\$55.00	\$1,038.25
Serious Misd.	\$315.00	\$430.00	\$64.50	\$64.50	\$20.64	\$12.90	\$1.29	\$29.67	\$55.00	\$549.50
	\$1,875.00	\$2,560.00	\$384.00	\$384.00	\$122.88	\$76.80	\$7.68	\$176.64	\$55.00	\$2,999.00
Aggr. Misd.	\$625.00	\$855.00	\$128.25	\$128.25	\$41.04	\$25.65	\$2.57	\$59.00	\$55.00	\$1,038.25
	\$6,250.00	\$8,540.00	\$1,281.00	\$1,281.00	\$409.92	\$256.20	\$25.62	\$589.26	\$55.00	\$9,876.00
Class D Felony	\$750.00	\$1,025.00	\$153.75	\$153.75	\$49.20	\$30.75	\$3.08	\$70.73	\$55.00	\$1,233.75
	\$7,500.00	\$10,245.00	\$1,536.75	\$1,536.75	\$491.76	\$307.35	\$30.74	\$706.91	\$55.00	\$11,836.75
Class C Felony	\$1,000.00	\$1,370.00	\$205.50	\$205.50	\$65.76	\$41.10	\$4.11	\$94.53	\$55.00	\$1,630.50
	\$10,000.00	\$13,660.00	\$2,049.00	\$2,049.00	\$655.68	\$409.80	\$40.98	\$942.54	\$55.00	\$15,764.00

Notes:

- 1) The fine adjustment is the sum of the current fine, the General Fund portion of the Criminal Penalty Surcharge under current law, and the Law Enforcement Initiative Surcharge adjustment.
- 2) The adjustment for the removal of the Law Enforcement Initiative Surcharge equals approximately 9.0% of the current fine.
- 3) The upper and lower fine numbers represent the minimum and maximum fines that may be assessed by the court.

Current Law — Criminal Penalty Surcharge Distribution

Penalty	Current Fine (Min. and Max.)	35.0% Criminal Penalty Surcharge	35.0% Surcharge Distribution		State Distribution		Court Costs	Total Fine
			5.0% to County/City	95.0% to State	17.0% to Victim Comp. Fund	83.0% to General Fund		
Simple Misd.	\$65.00	\$22.75	\$1.14	\$21.61	\$3.67	\$17.94	\$60.00	\$147.75
	\$625.00	\$218.75	\$10.94	\$207.81	\$35.33	\$172.48	\$60.00	\$903.75
Serious Misd.	\$315.00	\$110.25	\$5.51	\$104.74	\$17.81	\$86.93	\$60.00	\$485.25
	\$1,875.00	\$656.25	\$32.81	\$623.44	\$105.98	\$517.45	\$60.00	\$2,591.25
Aggr. Misd.	\$625.00	\$218.75	\$10.94	\$207.81	\$35.33	\$172.48	\$60.00	\$903.75
	\$6,250.00	\$2,187.50	\$109.38	\$2,078.13	\$353.28	\$1,724.84	\$60.00	\$8,497.50
Class D Felony	\$750.00	\$262.50	\$13.13	\$249.38	\$42.39	\$206.98	\$60.00	\$1,072.50
	\$7,500.00	\$2,625.00	\$131.25	\$2,493.75	\$423.94	\$2,069.81	\$60.00	\$10,185.00
Class C Felony	\$1,000.00	\$350.00	\$17.50	\$332.50	\$56.53	\$275.98	\$60.00	\$1,410.00
	\$10,000.00	\$3,500.00	\$175.00	\$3,325.00	\$565.25	\$2,759.75	\$60.00	\$13,560.00



[SF 2268](#) – Tobacco and Vaping, Minimum Age (LSB5507SV)
Staff Contact: Kenneth Ohms (515.725.2200) kenneth.ohms@legis.iowa.gov
Fiscal Note Version – Revised

Description

[Senate File 2268](#) changes the legal age for purchasing and using any cigarettes, tobacco, tobacco products, alternative nicotine products, and vapor products from 18 to 21 years of age.

Background

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

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

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

Assumptions

Correctional Impact

- 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.

Cigarette and Tobacco Taxes

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

Cigarettes and Tobacco Products — Sales Tax Impact

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

Alternative Nicotine Products and Vapor Products — Sales Tax Impact

- National sales of vapor products in 2018 totaled \$3.600 billion.
- Since [Iowa's population](#) is approximately 1.0% of the national population, it is assumed that a proportionate amount of sales was to Iowa consumers.
- Consumption by Iowa adults from the age of 18 through 20 is estimated to be 7.5% of all vapor products purchased.
- The annual growth rate of vapor product sales will be 8.3%.

Enforcement Assumptions

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

Correctional Impact

The correctional impact of SF 2268 cannot be determined. The Bill revises a current offense by expanding the age prohibition on legally purchasing cigarettes, tobacco, tobacco products, alternative nicotine products, and vapor products, and the number of new convictions cannot be determined.

The Criminal and Juvenile Justice Planning (CJJP) Division of the Department of Human Rights reported that in FY 2019, there were:

- 1,949 convictions for a minor using or possessing cigarettes, tobacco, tobacco products, alternative nicotine products, or vapor products.
- 250 convictions for an employee of a retailer selling cigarettes, tobacco, tobacco products, alternative nicotine products, or vapor products to an underage person.
- 47 convictions for a person providing a minor cigarettes, tobacco, tobacco products, alternative nicotine products, or vapor products.

However, it should be noted that cigarette, tobacco, tobacco product, alternative nicotine product, and vapor product sales prohibitions can be enforced at a local level through county and municipal ordinances. The CJJP reports the following convictions related to these local convictions:

- 82 convictions for a minor using or possessing cigarettes, tobacco, tobacco products, alternative nicotine products, or vapor products.
- 18 convictions for an employee of a retailer selling cigarettes, tobacco, tobacco products, alternative nicotine products, or vapor products to an underage person.

The last convictions of misuse of a driver's license or nonoperator's identification card to acquire cigarettes, tobacco, tobacco products, alternative nicotine products, or vapor products were in FY 2017 (three convictions).

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

Minority Impact

The minority impact of SF 2268 is unknown. For the 2,246 convictions outlined above, 84.5% were Caucasian, 9.9% were African-American, 2.3% were Hispanic, and 3.3% were other. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

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

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

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

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

Sources

- Department of Revenue
- Department of Commerce, Alcoholic Beverages Division
- Department of Human Rights, Criminal and Juvenile Justice Planning Division
- LSA analysis and calculations

/s/ Holly M. Lyons

June 11, 2020

Doc ID 1137326

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.



[HF 2418](#) – School Budget Review Committee (LSB6026HV)
Staff Contact: Michael Guanci (515.725.1286) michael.guanci@legis.iowa.gov
Fiscal Note Version – New (as amended by [H-8254](#))

Description

[House File 2418](#), as amended by [H-8254](#), directs the Department of Education (DE) to notify the Board of Educational Examiners (BoEE) of an error in the Basic Education Data Survey (BEDS) as reported by a school district that resulted in an incorrect determination by the BoEE affecting licensure and allows for corrective action by the BoEE.

The Bill further directs that the School Budget Review Committee (SBRC) may grant a modified supplemental amount (MSA) for at-risk, alternative school, and returning dropout and dropout prevention programs for school districts that submit a request after January 15 but before March 1 of the budget year preceding the budget year during which the program will be offered.

Background

School districts with approved at-risk, alternative school, and returning dropout and dropout prevention programs may request permission from the SBRC to levy additional property taxes to fund the program. Up to 75.0% of the program's budget may be funded through the MSA, which comes from property taxes, with the remaining 25.0% supported by a school district's general fund. Under current law, school districts must file their request no later than January 15 of the budget year preceding the budget year for which the funds are being requested. The total estimated FY 2021 MSA for the programs is \$131.8 million.

Assumptions

- For FY 2021, four school districts are eligible for review by the SBRC.
- It is not known if the SBRC will approve the four eligible districts for FY 2021.

Fiscal Impact

[House File 2418](#) as amended has no fiscal impact to the State. There may be an estimated increase of up to \$1.0 million in FY 2021 in local property taxes if the SBRC grants MSAs for the eligible school districts. The following table shows the four school districts and eligible amounts.

HF 2418 as Amended

School District	Eligible MSA
Alta-Aurelia	\$ 275,472
Carroll	463,432
Clarinda	170,555
Collins-Maxwell	110,564
Total	\$ 1,020,023

Source

Department of Education

/s/ Holly M. Lyons

June 11, 2020

Doc ID 1137446

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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[House File 2627](#) – Professional Licensing (LSB5563HZ)
Staff Contact: Angel Banks-Adams (515.281.6301) angel.banks-adams@legis.iowa.gov
Fiscal Note Version – Revised

Description

[House File 2627](#) relates to the regulation of professional licenses in Iowa, including the recognition of out-of-state professional licenses and stated disqualification provisions for criminal convictions. The Bill does the following:

- Excludes misdemeanors from the offenses that are grounds for professional license denial, revocation, or suspension for electrical and plumbing licenses.
- Adds language providing that only certain felony convictions are grounds for professional licensure denial, revocation, or suspension, and only if an unreasonable risk to public safety exists because the offense directly relates to the duties and responsibilities of the profession and the professional licensing board does not grant an exception. This language applies only to electrical and plumbing licenses.
- Allows an applicant to petition the professional licensing board for a determination of whether the applicant’s criminal history results in the denial of a license, and allows the professional licensing board to charge a fee to the applicant for the administrative work involved in reviewing the petition. The fee cannot exceed \$25.
- Provides that professional licensing boards issuing licenses to apprentice and unclassified electricians cannot reject an application for professional licensure solely due to incarceration status or duration of time since the release of an applicant from incarceration.
- Requires that specified professional licensing boards issue professional licenses to applicants with out-of-state licenses if the applicants have established Iowa residency and met specified conditions.
- Waives the initial application and background check fees for any professional licensure applicant if the applicant’s household income is at or below 200.0% of the federal poverty level and the applicant has not previously applied for that professional license in Iowa.

The Bill is effective on January 1, 2021.

Background

Background checks and criminal history record checks are provided by the Division of Criminal Investigation within the Department of Public Safety on the behalf of the entities conferring professional licenses in [HF 2627](#). The following felony convictions are grounds for the denial of an electrical or plumbing professional license, in addition to the revocation and suspension of that license:

- Sexual abuse in violation of Iowa Code section [709.4](#)
- Sexual violence as defined in Iowa Code section [229A.2](#)
- Dependent adult abuse in violation of Iowa Code section [235B.20](#)
- Domestic abuse assault in violation of Iowa Code section [708.2A](#)

The Bill provides that these felony convictions are grounds for the denial, revocation, or suspension of a license only if an unreasonable risk to public safety exists because the offense directly relates to the duties and responsibilities of the profession and the professional licensing board does not grant an exception. The Bill specifies that other felony convictions and all misdemeanor offenses are not grounds for license denial, revocation, or suspension.

Assumptions

- Professional licensing system software changes will be necessary to accommodate the licensing changes in the Bill. The DPH estimates a one-time cost of \$40,000 to update its professional licensing software. The BoEE estimates a one-time cost of \$10,000 to update its professional licensing software.
- The number of new applications received in FY 2021 by DPH licensing boards will be similar to the average number of applications received for fiscal years 2018 and 2019.
- 200.0% of the federal poverty level (FPL) is as follows for calendar year 2020:
 - For a household of 1: \$25,520
 - For a household of 2: \$34,480
 - For a household of 3: \$43,440
 - For a household of 4: \$52,400
- Approximately 80.0% of first-time applicants (4,863 applicants) for teaching and educational support licenses conferred by the BoEE will meet the 200.0% FPL criteria for fee waivers.
- It is assumed the number of new applications received annually by the BoEE will be similar to the number received in FY 2019.
- For estimating purposes, it is assumed that between 1.0% and 5.0% of new applicants for DPH professional licenses will meet the 200.0% FPL criteria for fee waivers (**Table 3**).
- Professional licensing boards will assess the maximum \$25 fee for reviewing petitions.
- For estimating purposes, it is assumed that between 1.0% and 5.0% of the new license applications received by the DPH will have petitions filed and be subject to the \$25 petition fee (**Table 4**).
- The Bill will not affect accountants, architects, engineers and land surveyors, landscape architects, and interior designers as these professions require an apprentice period before qualifying for licensure and it is assumed that the individuals in those positions will be earning more than 200.0% of the federal poverty level regardless of household size at the time of applying for licensure.
- The following percentages of applicants will qualify for the fee waiver:
 - Real estate salespersons: 25.0% of applicants
 - Real estate appraisers: 75.0% of applicants
 - Certified residential appraisers: 50.0% of applicants
 - Certified general appraisers: 25.0% of applicants
- A 2.0% growth rate was applied to provide PLB calculations pertaining to real estate salespersons for FY 2021.
- The number of new applications received annually by the PLB (with the exception of real estate salesperson license applications) will be similar to the number received in FY 2019.
- For estimating purposes, it is assumed that between 1.0% and 5.0% of the new license applications received by the PLB will have petitions filed and be subject to the \$25 petition fee (**Table 7**).

Fiscal Impact

Board of Educational Examiners – Background Information

The Iowa Board of Educational Examiners (BoEE) transfers 25.0% of fees collected annually to the Treasurer of State for deposit into the General Fund.

The BoEE processed 6,079 new professional license applications in FY 2019, which generated \$503,000 in new license fee revenue. The cost for administering background checks for the new licenses was \$136,000, and the BoEE collected approximately \$18,000 in convenience fees.

Board of Educational Examiners – Estimated FY 2021 Impact

The revenue reduction to the BoEE in FY 2021, a partial year of implementation, is estimated to be a total of \$348,000, including a one-time cost of \$10,000 to update the BoEE’s professional licensing system software. The amount transferred to the General Fund from BoEE license fees would be reduced by \$56,000. In subsequent years (FY 2022 and beyond), the revenue reduction to the BoEE is estimated to be \$676,000. The revenue reduction to the General Fund is estimated to be \$111,000 in subsequent years.

Additionally, a professional licensing board can administer a maximum fee of \$25 to applicants petitioning the licensing board for a determination of whether the applicant’s criminal history results in the denial of a license for the administrative work involved in reviewing the petition.

Table 1 shows the range of the estimated increase from petition fee revenue to be generated by applicants filing petitions for the awarding of licenses based on a fee of \$25. The fiscal estimate for new administrative fee revenue from petitions to the BoEE ranges from \$2,000 to \$8,000.

Table 1 — BoEE Revenue from Petition Fees

New License Applications	1.0% Petition	3.0% Petition	5.0% Petition
6,079	\$ 1,520	\$ 4,559	\$ 7,599

Department of Public Health – Background Information

Licensing boards under the purview of the Department of Public Health (DPH) processed an average of 20,414 new professional license applications during FY 2018 and FY 2019, which generated an average of \$2.1 million in new license fee revenue. The cost for administering the background checks for the new licenses averaged \$329,000.

Table 2 — DPH Average Annual License Fee Revenue

Division/Board	New Applications	New License Revenue	Background Check Costs
ADPER/EH	4,078	\$ 284,815	\$ 70,950
PL	4,690	473,849	30,000
Pharmacy	4,073	326,690	37,980
Nursing	4,578	305,369	162,750
Dental	1,430	102,225	12,788
Medicine	1,565	593,100	14,040
Total	20,414	\$ 2,086,048	\$ 328,508

ADPER/EH = Acute Disease Prevention and Emergency Response/Environmental Health
 PL= Professional Licensure

Department of Public Health – Estimated FY 2021 Impact

The revenue reduction to the DPH in the first year of implementation of HF 2627 ranges from \$61,000 to \$234,000, as the percentage of waived application fees will determine the fiscal impact. To implement the license fee and background check waiver provision in the Bill, the Department estimates a one-time cost of \$40,000 will be incurred to update the professional licensing system software. **Table 3** shows the estimated decrease in fee revenue the Department may experience, depending on the percentage of applicants qualifying for the fee waiver.

Table 3 — DPH Fiscal Impact

Division/Board	New Applications	1.0% Meet FPL Criteria	3.0% Meet FPL Criteria	5.0% Meet FPL Criteria
ADPER/EH	4,078	2,848	8,544	14,240
PL	4,690	4,738	14,215	47,383
Pharmacy	4,073	3,267	9,801	32,670
Nursing	4,578	3,054	9,161	30,535
Dental	1,430	1,022	3,067	10,223
Medicine	1,565	5,931	17,793	59,309
One-Time Software Update		40,000	40,000	40,000
Total Revenue Reduction	20,414	60,860	102,580	234,360

Totals may not sum due to rounding.

Table 4 shows the range of the estimated increase from petition fee revenue to be generated by applicants filing petitions for the awarding of licenses based on a fee of \$25. The fiscal estimate for new administrative fee revenue from petitions to the DPH ranges from \$5,000 to \$77,000 annually.

Table 4 — DPH Fee Revenue from Petition Fees

Division/Board	New Applications	1.0% Petition	5.0% Petition	15.0% Petition
ADPER/EH	4,078	1,020	5,098	15,293
PL	4,690	1,173	5,863	17,588
Pharmacy	4,073	1,018	5,091	15,274
Nursing	4,578	1,145	5,723	17,168
Dental	1,430	358	1,788	5,363
Medicine	1,565	391	1,956	5,869
Total Revenue Increase	20,414	5,104	25,518	76,553

Totals may not sum due to rounding.

Division of Banking — PLB Background Information

In FY 2019, licensing boards under the purview of the Professional Licensing Bureau (PLB) processed 922 new applications. These applications generated \$119,000 in fee revenue, and the cost for background checks was approximately \$17,000.

Table 5 — FY 2019 PLB Licensing Fee Revenue

License Type	New Applications	Fee Revenue	Background Check Costs
Real Estate Salespersons	892	\$ 51,290	\$ 16,056
Real Estate Appraisers	27	37,910	486
Certified Residential Appraisers	2	22,300	36
Certified General Appraisers	1	7,680	18
Total	922	\$ 119,180	\$ 16,596

Division of Banking — PLB – FY 2021 Estimated Impact

Table 6 shows the estimated decrease in licensing fee revenue the PLB may experience as a result of the fee waiver in the Bill during the first year of implementation, after a 2.0% growth rate in new real estate salesperson license applications has been applied. The annual revenue decrease to the PLB as a result of the fee waiver in the Bill is estimated to be \$35,000.

**Table 6 — PLB Licensing Fee Revenue Loss
FY 2021 Compared to Estimated FY 2020**

License Type	Revenue Loss
Real Estate Salespersons	\$ 13,973
Real Estate Appraisers	10,328
Certified Residential Appraisers	6,075
Certified General Appraisers	4,810
Total Revenue Reduction	\$ 35,185

Table 7 shows the estimated administrative fee revenue to be generated by a certain percentage of applicants filing petitions for reinstatement of licenses based on a fee of \$25. The estimate ranges from \$300 to \$1,000.

Table 7 — PLB Fee Revenue from Petition Fees

License Type	New Applications	1.0% Petition	3.0% Petition	5.0% Petition
Real Estate Salespersons	1,058	\$ 275	\$ 800	\$ 1,325
Real Estate Appraisers	24	0	25	25
Certified Residential Appraisers	3	0	0	0
Certified General Appraisers	1	0	0	0
Total Revenue Increase	1,086	\$ 275	\$ 825	\$ 1,350

Summary of FY 2021 Impact

Table 8 summarizes the FY 2021 fiscal impact for the BoEE, the DPH, and the PLB in the Division of Banking.

Table 8 — Summary of Fiscal Impact

	FY 2021*	FY 2021	FY 2021
	Board Fee Revenue Impact - Low Estimate	Board Fee Revenue Impact - High Estimate	General Fund Transfer Reduction
BoEE			
Revenue Reduction**	-\$337,946	-\$337,946	-\$56,000
One-time Software Cost	-10,000	10,000	
Petition Fee Revenue	7,599	1,520	
Net Revenue Reduction	-\$341,347	-\$346,426	-\$56,000
DPH			
Revenue Reduction	-\$60,860	-\$234,360	
One-time Software Cost	-40,000	-40,000	
Petition Fee Revenue	5,104	76,553	
Net Revenue Reduction	-\$95,756	-\$197,807	
PLB			
Revenue Reduction	-\$35,185	-\$35,185	
Petition Fee Revenue	1,350	275	
Net Revenue Reduction	-\$33,835	-\$34,910	
Total Revenue Reduction	-\$470,938	-\$579,143	-\$56,000

*Partial fiscal year.

**In subsequent fiscal years (FY 2022 and beyond), the revenue reduction to the BoEE is estimated to be \$676,000. The revenue reduction to the General Fund is estimated to be \$111,000.

Sources

Board of Educational Examiners

Department of Public Health

Department of Commerce, Division of Banking, Professional Licensing Bureau

U.S. Department of Health and Human Services

/s/ Holly M. Lyons

June 10, 2020

Doc ID 1136757

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 2641](#) – Department of Revenue, Omnibus Bill (LSB5409HV)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2641](#) contains 18 divisions. Please note that for this **Fiscal Note**, the term “Department” refers to the Department of Revenue and the term “sales tax” also refers to the use tax when applicable.

- **Division I** relates to Iowa tax administration and tax penalties. The Division:
 - Allows the Department, through agreements, to collect taxes and fees from sellers making sales at the State fair and at county fairs.
 - Creates monetary penalties for persons who fail to file certain income tax forms.
 - Expands and creates criminal penalties for situations where a person willfully makes false or frivolous applications for tax refunds, rebates, credits, or other tax benefits (perjury).
 - Expands the availability of power of attorney or other authority procedures that will allow others to act and receive information on behalf of a taxpayer.
 - Allows the Department to distribute a website reference (instead of a physical document) specifying the rights of the taxpayer and obligations of the Department during an audit, taxpayer appeal procedures, and the procedures the Department may use in enforcing the tax laws, including notices of assessment and jeopardy assessment and the filing and enforcement of liens (Taxpayer Bill of Rights).
 - Allows a taxpayer to elect to receive correspondence from the Department electronically.
 - Allows the Department to redact information prior to disclosure of a record in a court or contested case.
 - Provides that the period of examination is unlimited in any action by the Department to recover or rescind a tax expenditure.
 - Removes the role of the Department in the application for reinstatement for various forms of corporations.
 - Establishes a due date that is the last day of the fourth month following the end of the taxpayer’s tax year (April 30 for calendar year filers) for the moneys and credits tax (credit unions) and requires that the tax return be on a form prepared by the Department.
- **Division II** relates to sales and use tax. The Division:
 - Requires that, at the time of registration of a snowmobile or all-terrain vehicle, and in situations where there is not satisfactory evidence that the sales tax has already been paid, the county recorder shall collect sales tax. The tax shall be remitted to the Department on a monthly basis.
 - Adds services arising from software sold as tangible personal property to the description of services subject to the State sales tax.
 - Adds the term “specified digital product” to the description of components of a transaction that make that transaction not a bundled transaction.
 - Expands the existing sales tax exemption for preserve whitetail deer to apply the exemption to the commercial service of whitetail deer hunting. Based on existing language, the exemption applies to sales that occurred between July 1, 2005, and December 31, 2015. Specifies that refunds of taxes already paid on these transactions

are not allowed. The tax exemption will only apply to taxpayers who have yet to pay the tax on the exempted service.

- Exempts the purchase of diapers from the sales tax if the purchase is eligible under medical assistance as defined in Iowa Code section [249A.2](#).
- Clarifies existing sales tax exemptions available for tribal governments, designated exempt entities, and governmental entity construction contracts.
- Removes language that applies the use tax at a rate of 6.0% to the purchase or installed price of manufactured housing. A reference applying the use tax at a rate of 5.0% remains.
- Clarifies the duty to collect and remit sales and use taxes and also clarifies the joint liability of the purchaser and retailer for the payment of the tax until the tax is paid.
- **Division III** modifies required loss carryback provisions for taxpayers who report a net operating loss. Specifies that a taxpayer may elect to waive a carryback period in favor of a loss carryforward period of up to 20 years. The change applies to tax year 2020 and after.
- **Division IV** allows for an increase in the total annual maximum dollar amount of School Tuition Organization Tax Credits that may be issued in a calendar year, beginning after January 1, 2022. Under current law, the annual maximum is \$15.0 million. Under the Bill, the annual amount could reach a maximum of \$20.0 million.
- **Division V** updates federal Internal Revenue Code references related to the Research Activities Tax Credit. The changes are effective upon enactment and apply to tax year 2019 and after.
- **Division VI** relates to partnership and other pass-through entity tax returns and audits.
- **Division VII** amends 2020 Iowa Acts, [SF 2328](#) or [HF 2565](#) (Public Agency Payment Setoff Bill), if either is enacted by making changes to effective dates and requiring the adoption of administrative rules. The changes are effective upon enactment and apply beginning with the enactment date of either SF 2328 or HF 2565.
- **Division VIII** relates to business taxation, the business interest expense deduction, and Global Intangible Low-Taxed Income (GILTI). The Division:
 - Decouples Iowa tax law from recent federal Internal Revenue Code changes that limit the deduction of business interest expenses for income tax purposes, beginning tax year 2020. The change will reduce business taxable income.
 - Allows business taxpayers to deduct GILTI from Iowa business taxable income. The change will reduce business taxable income.
 - Rescinds recent Department rules related to the GILTI deduction.
- **Division IX** expands the existing State sales tax and State hotel and motel tax diversion for the support of reinvestment districts. The Division:
 - Expands the definition of “municipality” to include a joint board or other legal entity established between two or more contiguous municipalities. Under current law, the term only refers to a county or a city.
 - Allows the Economic Development Authority Board to approve additional reinvestment districts for a time period beginning July 1, 2020, through June 30, 2025. The aggregate amount of State sales tax and State hotel and motel tax diversions allowed for all districts approved during the new timeframe may total up to \$100.0 million. The maximum size allowed for a single new district is 75 acres.
 - Allows the Economic Development Authority Board to extend the 20-year maximum number of years a reinvestment district may receive State sales tax and State hotel and motel tax diversions for up to an additional 5 years under specified circumstances.
- **Division X** exempts certain sales of computer peripherals from the sales tax. The new exemption applies to the sale of computer peripherals in the same manner as a similar exemption applies to the sale of computers. The term “computer peripheral” is defined as an ancillary device connected to the computer digitally, by cable, or by other medium, used to put information into or get information out of a computer.

- **Division XI** increases the current restriction limiting corporate taxpayers to no more than 25.0% of the annual maximum amount of School Tuition Organization Tax Credits allowed for a calendar year. The current restriction is 10.0%.
- **Division XII** excludes from Iowa income taxation the amount of any federal, State, or local grant provided to a communications service provider where the proceeds of the grant were used to install broadband infrastructure in targeted service areas. The change takes effect upon enactment and applies to tax year 2019 and after.
- **Division XIII** relates to local assessors. The Division:
 - Requires local assessor appointments to be confirmed by the Department before the appointment is effective.
 - Prohibits a local assessor from personally assessing property the assessor or a member of the assessor's immediate family owns.
 - Requires approval of the relevant city attorney or county attorney when a [Conference Board](#) employs special counsel to assist with litigation involving assessments.
- **Division XIV** excludes the forgiven loan proceeds a business receives through the federal Paycheck Protection Program (PPP) from taxable income for Iowa income tax purposes.
- **Division XV** exempts purchases made by a nonprofit food bank from the sales and use tax.
- **Division XVI** specifies how an Iowa resident's share of a business entity's entity-level tax payments to another state or foreign country on income that is also subject to Iowa income tax is to be determined for Iowa income tax purposes. This change will reduce Iowa taxable income.
- **Division XVII** allows the Racing and Gaming Commission to alter requirements related to the duration of horse racing seasons and purse moneys in the event of the issuance of a proclamation of disaster emergency by the Governor that results in the closure of licensed racetrack facilities in Iowa.
- **Division XVIII** relates to port authorities. Iowa currently has one port authority ([SIREPA — Southeast Iowa Regional Economic & Port Authority](#)). The Division makes the following changes to Iowa Code chapter [28J](#):
 - Expands the definition of "political subdivision" to include all levels of municipalities as defined in Iowa Code section [16.151](#). That section defines "municipality" to include all governmental bodies, including a State agency or a political subdivision of the State, and all combinations of two or more governmental bodies acting jointly.
 - Reduces the number of political subdivisions that are required to create a port authority from two or more to one or more. Specifies that the creation of a port authority must be done by resolution of the political subdivision(s). Specifies that a port authority may be located anywhere in Iowa and is not required to be near a body of water.
 - Authorizes port authorities to enter into lease contracts and loan agreements. Allows a port authority to enter into trust agreements with a trust company or bank for the purpose of securitization of lease contracts and loan agreements.
 - Allows a governmental agency to cooperate in the operation of a port authority. Current law limits the cooperation to acquisition and construction of port authority facilities.
 - Expands the definition of "government agency" to include any city utility, any political subdivision, and special purpose districts and authorities.
 - Adds infrastructure, utility service, and flood control to the authorized purposes of a port authority.
 - Expands the definition of "city" to include a city enterprise as defined in Iowa Code section [384.24](#).
 - Adds architectural services, technical services, preliminary reports, property valuations, consequential damages or costs, provisions for contingencies, supervision, inspection, and testing to the definition of "cost" as that term relates to port authorities. Among the provisions of Iowa Code chapter 28J, the term "cost" applies to the issuance of revenue bonds and other indebtedness, the issuance of pledge orders to contractors, the ability

of a port authority to enter into contracts, and the contents of an annual report that must be submitted to the Iowa Economic Development Authority.

- Adds interest and costs of issuance on loan agreements, lease contracts, certificates of participation, and other participatory interests to the definition of “cost” as that term applies to port authorities.
- Expands the definitions of “facility” and “port authority facility” to include any project for which tax-exempt financing is authorized by the federal Internal Revenue Code and to include all real and personal property constructed by or for a port authority.

Provisions with No Fiscal Impact

The Department has determined that the following provisions have no fiscal impact on tax revenue:

- Department Administrative Changes (Division I)
- Research Activities Tax Credit Update (Division V)
- Partnership and Pass-Through Entity Audits (Division VI)
- Setoff Procedures Effective Date (Division VII)
- Local Assessor Changes (Division XIII)
- Horse Racing Disaster Emergency Proclamation (Division XVII)
- Port Authority Expansion (Division XVIII)

Fiscal Impact Assumptions

Diapers Purchased Through Medical Assistance (Medicaid). Based on Department estimates, diapers were purchased through Medicaid for the use of 16,120 persons in FY 2018, and the average cost per person was \$960 for the year. This equates to \$15.5 million in purchases during FY 2018. The Legislative Services Agency (LSA) estimates that increases in price and Medicaid eligibility will increase the total dollar amount purchased by 2.9% per year. The State sales tax rate is 5.0%, the school infrastructure sales tax rate is 1.0%, and the local option sales tax (LOST) rate averages 0.8%.

Preserve Whitetail Deer Hunting. The estimated amount of sales tax owed by taxpayers for preserve whitetail deer hunting over the applicable timeframe is estimated from Department records to be \$0.2 million.

Net Operating Loss Carryforward. The estimate for this change was provided by the Department.

School Tuition Organization Tax Credit Increase. The estimate for this change was provided by the Department based on the previous patterns of tax credit award and redemption for this tax credit and further assuming that the tax credit limit will reach the maximum \$20.0 million in annual credits in the shortest timeframe allowed under the change (calendar year 2025). The Department also assumes that the change is first applicable to calendar year 2022.

Business Interest Expense Deduction. The estimate for this change was developed by the Department based on the business interest expense deduction from tax year 2018 corporate income tax filings, projected interest rates provided by Moody’s Analytics, and a projected 25.0%/75.0% spread of the impact between the current fiscal year the succeeding fiscal year.

Global Intangible Low-Taxed Income Exemption. The Department bases the fiscal impact estimate for this provision on the [Joint Committee on Taxation](#) estimated national impact of the provision when the provision was adopted by Congress. The Department warns that the actual impact of the Iowa exemption could differ significantly from this estimate.

Reinvestment District Sales Tax. The Department assumes that the maximum \$100.0 million State sales and State hotel and motel sales tax diversion will occur in 20 equal installments (\$5.0 million per year).

Computer Peripherals Sales Tax Exemption. The Department concludes that the addition of items attached to a computer, physically or digitally, will not increase the value of the sales tax exemption to qualified purchasers of the peripherals (no fiscal impact). This would be true if the change simply codifies current practice. The Department response does not provide a reason as to why this change has no fiscal impact.

Corporate School Tuition Tax Credit. The Department reports that corporate donations account for less than the current 10.0% maximum of total credits allocated under current law and therefore the increase to 25.0% will have no fiscal impact. The LSA agrees that under the current maximum School Tuition Tax Credit limit of \$15.0 million per year, this change will have no fiscal impact. However, combined with the annual limit increase provided in Division IV, the corporate income tax percentage increase to 25.0% could result in a fiscal impact until if and when the tax credit cap reaches \$20.0 million. Any additional fiscal impact from the combination of divisions IV and XI will not occur until at least FY 2023 and is not included in the fiscal impact calculation for this Bill.

Broadband Infrastructure Grant Tax Exemption. There is no information available within Iowa income tax records concerning the amount of income individuals or for-profit entities receive through State, federal, and local broadband infrastructure grants. The fiscal impact estimate was developed using award amounts available from published sources. Since the exemption applies beginning tax year 2019, and since taxpayers have until July 31, 2020, to file tax year 2019 returns, the change has a projected impact for FY 2020.

Federal Paycheck Protection Program (PPP). The exemption for business income generated through forgiven PPP loans applies to a subset of Iowa business entities whose forgiven PPP loans are not already tax-exempt under current law. The Department estimates that the total amount of PPP loans forgiven in Iowa will be \$4,959.1 million and that the new exemption will impact \$1,105.0 million of that amount. The Department assumes that the associated exclusion of business expenses paid for with forgiven PPP loans will equal 90.0% of the \$1,105.0 million and this will result in a net statewide decrease in taxable business income of \$110.5 million. The Department estimates that across all types of businesses with projected PPP loans forgiven, the average tax rate will equal 5.2%. The combination of assumptions results in a tax decrease of \$5.8 million as a result of this provision.

Food Bank Sales Tax Exemption. The Department reports that there are six large food bank organizations operating in Iowa and approximately 60 smaller food banks. The [Fiscal Note](#) estimate for [HF 2103](#) (Food Bank Sales Tax Exemption Bill) was used to establish the fiscal estimate for this exemption. The State sales tax rate is 5.0%, the school infrastructure sales tax rate is 1.0%, and the local option sales tax (LOST) rate averages 0.8%.

Entity-Level Exemption for Income Tax Paid to Others. In tax year 2017, Iowa Out-of-State Tax Credit claims totaled \$102.8 million. Of this amount, \$12.6 million was claimed for income earned in 11 states that impose income tax at the entity level for pass-through entities. Of the taxpayers who claimed the Iowa credit who also identified states that taxed pass-through entities at the entity level, approximately 33.3% of claim amounts were identified by taxpayers who reported pass-through income on their Iowa Schedule E tax form. It is therefore assumed that claims for the Out-of-State Tax Credit will increase by 33.3% of \$12.6 million under the proposal (\$4.2 million annually).

Fiscal Impact

Table 1 provides the projected net State General Fund fiscal impact of the various provisions of the Bill.

Table 1

General Fund Estimated Fiscal Impact by Provision							
In Millions							
<u>Division</u>	<u>Provision</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
II	Diapers Through Medicaid Sales Tax	\$ 0.0	\$ -0.8	\$ -0.8	\$ -0.8	\$ -0.9	\$ -0.9
II	Preserve Whitetail Deer Sales Tax	0.0	-0.2	0.0	0.0	0.0	0.0
III	Net Operating Loss	0.0	-1.0	-1.0	-1.1	-1.1	-1.1
IV	School Tuition Tax Credit	0.0	0.0	0.0	-1.0	-2.5	-4.1
VIII	Business Interest Expense	0.0	-6.0	-4.1	-8.8	-14.4	-16.7
VIII	Global Intangible Low-Taxed Income	0.0	-13.8	-5.1	-5.1	-5.2	-5.3
IX	Reinvestment Districts Sales Tax Diversion	0.0	-5.0	-5.0	-5.0	-5.0	-5.0
X	Computer Peripherals Sales Tax Exemption	0.0	0.0	0.0	0.0	0.0	0.0
XI	Corporate School Tuition Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0
XII	Broadband Infrastructure Grants Exemption	-0.9	-2.3	-1.5	-1.5	-1.6	-1.6
XIV	Paycheck Protection Program Loans	0.0	-5.8	0.0	0.0	0.0	0.0
XV	Food Banks Sales Tax Exemption	0.0	-0.1	-0.1	-0.1	-0.2	-0.2
XVI	Entity-Level Income Tax Paid	0.0	-4.2	-4.2	-4.3	-4.3	-4.4
	Total	\$ -0.9	\$ -39.2	\$ -21.8	\$ -27.7	\$ -35.2	\$ -39.3

In addition to the reductions in State General Fund revenue, the sales tax exemptions are projected to reduce school infrastructure tax collections by \$0.2 million per year and local option sales tax collections by \$0.2 million per year, with both impacts beginning FY 2021. A minor reduction in the yield from the income tax surtax for schools is also projected.

Correctional Impact

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.

Fraudulent Practice

The amendment to Iowa Code section [421.27\(6\)](#) makes numerous changes to and expands the criminal offense of fraudulent practice. The penalty for fraudulent practice is defined in Iowa Code sections [714.9](#) through [714.13](#). The penalty for fraudulent practice ranges from a simple misdemeanor to a Class C felony depending on the amount of money or value of property involved. In addition to the criminal penalties, a person who commits a fraudulent practice is liable for a penalty of \$1,500 or an amount equal to 75.0% of the tax benefit fraudulently claimed.

Correctional Impact

The Bill expands the current offense of fraudulent practice, and the correctional impact cannot be determined due to a lack of data. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

The Bill expands the definition of an existing offense, and the minority impact cannot be determined due to a lack of data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this section cannot be estimated due to the unknown correctional impact. The State cost for a fraudulent practice conviction ranges from \$40 to \$350 for a simple misdemeanor and \$11,600 to \$19,400 for a Class C felony. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Perjury

The Bill enacts new Iowa Code section 421.27A by creating a criminal offense for perjury and defines the circumstances in which a person commits perjury. A person who commits the criminal offense of perjury under this new language commits a Class D felony. A Class D felony is punishable by confinement for no more than five years and fine of at least \$750 but not more than \$7,500.

Correctional Impact

The Bill creates a new offense, and the correctional impact cannot be estimated. **Table 2** provides 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 aggravated misdemeanors and Class D felonies.

Table 2 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 19 Avg Length of Stay Prison (months)	FY 19 Marginal Cost/Day Prison	FY 19 Avg Length of Stay Parole (months)	FY 19 Marginal Cost/Day Parole	Percent to Probation	FY 19 Avg Length of Stay Probation (months)	FY 19 Avg Cost/Day Probation	Percent to CBC Residential Facility	FY 19 CBC Marginal Cost/Day	Percent to County Jail	Avg Length of Stay in County Jail	Marginal Cost/Day
Class D Felony Non-Persons	76.0%	12.2	\$20.38	13.0	\$6.12	64.0%	31.8	\$6.12	12.0%	\$12.58	29.0%	N/A	\$50.00

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

Minority Impact

The Bill creates a new offense, and the minority impact cannot be determined. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this new offense cannot be estimated due to the unknown correctional impact. The State cost for one Class D felony conviction ranges from \$10,000 to \$14,700. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Unlawful Disclosure of Tax Return Information and Tax Investigation Information

The amendment to Iowa Code section [422.20](#)(1) adds an intent element, “willfully or recklessly,” to the criminal offense related to the unlawful disclosure of tax return information by State personnel or former State personnel. A person who commits a violation under Iowa Code section 422.20(1) commits a serious misdemeanor.

The amendment to Iowa Code section [422.72](#)(1)(a) adds the intent element of “willfully or recklessly” to the criminal offense related to the unlawful disclosure by State personnel or former State personnel of the business affairs, operations, or information obtained through a tax-related investigation. A person who unlawfully discloses such information commits a serious misdemeanor under Iowa Code section 422.72(4).

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.

Correctional Impact

The Bill adds an intent element to the current offenses under Iowa Code sections 422.20(1) and 422.72(1)(a), and the correctional impact cannot be determined due to a lack of data. Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

The Bill modifies the definition of existing offenses, and the minority impact cannot be determined due to a lack of data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of the modified offenses cannot be estimated due to the unknown correctional impact. The State cost for one serious misdemeanor conviction ranges from \$410 to \$4,900. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Sources

Iowa Department of Revenue

Moody's Analytics

[House File 2103 Fiscal Note](#)

[Cost Estimates Used for Correctional Impact Statements](#)

[Minority Impact Statement](#)

Legislative Services Agency calculations

/s/ Holly M. Lyons

June 11, 2020

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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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