

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

June 12, 2020

Clip Sheet Summary

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

Bill	Amendment	Action	Sponsor
<u>HF 638</u>	<u>H-8297</u>		LOHSE of Polk
<u>HF 638</u>	<u>H-8306</u>		LOHSE of Polk
<u>HF 760</u>	<u>CCH-760</u>		DUSTIN HITE, CHAIRPERSON, et al
<u>HF 2540</u>	<u>H-8305</u>		RECEIVED FROM THE SENATE
<u>HF 2627</u>	<u>H-8299</u>		LUNDGREN of Dubuque
<u>HF 2627</u>	<u>H-8301</u>		LUNDGREN of Dubuque
<u>HF 2642</u>	<u>H-8300</u>		BOSSMAN of Woodbury
<u>HF 2643</u>	<u>H-8295</u>		FRY of Clarke
<u>HF 2643</u>	<u>H-8296</u>		SHIPLEY of Van Buren
<u>HF 2643</u>	<u>H-8298</u>		MOHR of Scott
<u>HF 2643</u>	<u>H-8302</u>		HALL of Woodbury
<u>HF 2643</u>	<u>H-8303</u>		HALL of Woodbury
<u>HF 2643</u>	<u>H-8304</u>		HALL of Woodbury

Fiscal Notes

[HF 2629](#) — [Future Ready Iowa](#) (LSB5595HZ.2)

[HF 2641](#) — [Department of Revenue, Omnibus Bill](#) (LSB5409HV.1)

[HF 2647](#) — [Criminal Justice Reform](#) (LSB6421YH)

HOUSE FILE 638

H-8297

1 Amend the Senate amendment, H-1317, to House File 638, as
2 passed by the House, as follows:

3 1. By striking page 1, line 4, through page 2, line 18, and
4 inserting:

5 <<DIVISION ____

6 GROUNDS FOR TERMINATION OF TENANCY

7 Sec. ____ . Section 562B.10, Code 2020, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 4A. *a.* A landlord may only terminate a
10 tenancy if the tenant engages in any of the following or for
11 any of the following reasons:

12 (1) A material noncompliance with the rental agreement.

13 (2) A material violation of the manufactured home community
14 or mobile home park rules or regulations.

15 (3) Any other violation of this chapter for which
16 termination is a remedy.

17 (4) A legitimate and material business reason the impact of
18 which is not specific to one tenant.

19 (5) A change in the use of the land if change in the use
20 of the land is included in the rental agreement as grounds for
21 termination or nonrenewal.

22 *b.* A landlord may, upon providing ninety-day prior written
23 notice, elect to not renew a tenancy for any reason not
24 otherwise prohibited by law.

25 *c.* If the landlord presents evidence of written notice to a
26 tenant on at least three occasions, each notice dated not less
27 than ten days apart, of a condition identified in paragraph
28 "a", subparagraph (1), (2), or (3), such evidence creates a
29 presumption of the existence of the condition unless and until
30 evidence is introduced which would support a finding of the
31 condition's nonexistence.

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

34 Sec. ____ . APPLICABILITY. This division of this Act applies
35 to landlord decisions to not renew tenancies on or after the

1 effective date of this division of this Act.

2 DIVISION ____

3 RETALIATION

4 Sec. ____ . Section 562B.32, subsection 1, paragraph d, Code
5 2020, is amended to read as follows:

6 *d.* For exercising any of the rights and remedies pursuant
7 to this chapter or chapter 216.

8 Sec. ____ . Section 562B.32, subsection 2, Code 2020, is
9 amended to read as follows:

10 2. If the landlord acts in violation of subsection 1
11 of this section, the tenant is entitled to the remedies
12 provided in section 562B.24 and has a defense in an action for
13 possession. In an action by or against the tenant, evidence
14 of a complaint within ~~six months~~ one year prior to the alleged
15 act of retaliation creates a presumption that the landlord's
16 conduct was in retaliation. The presumption does not arise
17 if the tenant made the complaint after notice of termination
18 of the rental agreement. For the purpose of this subsection,
19 "*presumption*" means that the trier of fact must find the
20 existence of the fact presumed unless and until evidence is
21 introduced which would support a finding of its nonexistence.

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

24 DIVISION ____

25 RENT INCREASES

26 Sec. ____ . Section 562B.14, subsection 7, Code 2020, is
27 amended to read as follows:

28 7. Each tenant shall be notified, in writing, of any rent
29 increase at least ~~sixty~~ one hundred twenty days before the
30 effective date. Such effective date shall not be sooner than
31 the expiration date of the original rental agreement or any
32 renewal or extension thereof.

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

35 Sec. ____ . APPLICABILITY. This division of this Act applies

1 to rent increases under chapter 562B occurring on or after the
2 effective date of this division of this Act.

3 DIVISION ____
4 LANDLORD REMEDIES AND PROCEDURES

5 Sec. ____ . Section 555B.3, Code 2020, is amended to read as
6 follows:

7 **555B.3 Action for abandonment — jurisdiction.**

8 A real property owner not requesting notification by the
9 sheriff as provided in section 555B.2 may bring an action
10 alleging abandonment in the court within the county where the
11 real property is located ~~provided that there is no lien on~~
12 ~~the mobile home or personal property other than a tax lien~~
13 ~~pursuant to chapter 435.~~ The action shall be tried as an
14 equitable action. Unless commenced as a small claim, the
15 petition shall be presented to a district judge. Upon receipt
16 of the petition, either the court or the clerk of the district
17 court shall set a date for a hearing not later than fourteen
18 days from the date of the receipt of the petition, except when
19 there is a lien on the mobile home or personal property, other
20 than a tax lien, the court or the clerk of the district court
21 shall set a date for a hearing no sooner than twenty-five days
22 from the date of the receipt of the petition so as to allow for
23 service on the lienholder.

24 Sec. ____ . Section 555B.4, Code 2020, is amended by adding
25 the following new subsection:

26 NEW SUBSECTION. 4. If a lien, other than a tax lien, exists
27 on the mobile home or personal property at the time an action
28 for abandonment is initiated, personal service pursuant to rule
29 of civil procedure 1.305 shall be made upon the lienholder
30 no less than twenty days before the hearing. The notice to
31 the lienholder shall describe the mobile home and shall state
32 the docket, case number, date, time at which the hearing is
33 scheduled, and the lienholder's right to assert a claim to
34 the mobile home at the hearing. The notice shall also state
35 that failure to assert a claim to the mobile home within the

1 judicial proceedings is deemed a waiver of all right, title,
2 claim, and interest in the mobile home and is deemed consent to
3 the sale or disposal of the mobile home. If personal service
4 upon the lienholder cannot be completed in time to give the
5 lienholder the minimum notice required by this section, the
6 court may set a new hearing date.

7 Sec. _____. Section 555B.8, subsections 2 and 3, Code 2020,
8 are amended to read as follows:

9 2. If Except as otherwise ordered by the court, if the
10 mobile home owner or other claimant asserts a claim to the
11 property, the judgment shall be satisfied before the mobile
12 home owner or other claimant may take possession of the mobile
13 home or personal property.

14 3. If no claim is asserted to the mobile home or personal
15 property or if the judgment is not satisfied at the time of
16 entry, an order shall be entered allowing the real property
17 owner to sell or otherwise dispose of the mobile home and
18 personal property pursuant to section 555B.9. If Except as
19 otherwise ordered by the court, if a claimant satisfies the
20 judgment at the time of entry, the court shall enter an order
21 permitting and directing the claimant to remove the mobile home
22 or personal property from its location within a reasonable time
23 to be fixed by the court. The court shall also determine the
24 amount of further rent or storage charges to be paid by the
25 claimant to the real property owner at the time of removal.

26 Sec. _____. Section 555B.9, subsections 1, 2, 3, and 4, Code
27 2020, are amended to read as follows:

28 1. Pursuant to an order for disposal under section 555B.8,
29 subsection 3, the real property owner shall dispose of the
30 mobile home and personal property by public or private sale in
31 a commercially reasonable manner. If the personal property,
32 lienholder, owner, or other claimant has asserted a claim
33 to the mobile home or personal property within the judicial
34 proceedings, that person shall be notified of the sale by
35 restricted certified mail not less than five days before the

1 sale. The notice is deemed given upon the mailing. The real
2 property owner may buy at any public sale, and if the mobile
3 home or personal property is of a type customarily sold in
4 a recognized market or is the subject of widely distributed
5 standard price quotations, the real property owner may buy at a
6 private sale.

7 2. A sale pursuant to subsection 1 transfers to the
8 purchaser for value, all of the mobile home owner's rights
9 in the mobile home and personal property, and discharges the
10 real property owner's interest in the mobile home and personal
11 property, and any tax lien, and any other lien. The purchaser
12 takes free of all rights and interests even though the real
13 property owner fails to comply with the requirements of this
14 chapter or of any judicial proceedings, if the purchaser acts
15 in good faith.

16 3. The proceeds of the sale of mobile home and personal
17 property shall be distributed as follows:

18 a. First, to satisfy the real property owner's judgment
19 obtained under section 555B.8.

20 b. Second, to satisfy any tax lien for which a claim was
21 asserted pursuant to section 555B.4, subsection 3.

22 0c. Third, to satisfy any other lien for which a claim was
23 asserted pursuant to section 555B.4, subsection 4.

24 c. Any surplus remaining after the proceeds are distributed
25 shall be held by the real property owner for six months. If
26 the mobile home owner fails to claim the surplus in that time,
27 the surplus may be retained by the real property owner. If
28 a deficiency remains after distribution of the proceeds, the
29 mobile home owner is liable for the amount of the deficiency.

30 4. Notwithstanding subsections 1 through 3, the real
31 property owner may propose to retain the mobile home and
32 personal property in satisfaction of the judgment obtained
33 pursuant to section 555B.8. Written notice of the proposal
34 shall be sent to the mobile home owner, lienholder, or other
35 claimant, if that person has asserted a claim to the mobile

1 home or personal property in the judicial proceedings. If
2 the real property owner receives objection in writing from
3 the mobile home owner, lienholder, or other claimant within
4 twenty-one days after the notice was sent, the real property
5 owner shall dispose of the mobile home and personal property
6 pursuant to subsection 1. If no written objection is received
7 by the real property owner within twenty-one days after the
8 notice was sent, the mobile home and personal property may be
9 retained. Retention of the mobile home and personal property
10 discharges the judgment of the real property owner, and any tax
11 lien, and any other lien.

12 Sec. _____. Section 562A.9, subsection 4, Code 2020, is
13 amended to read as follows:

14 4. For rental agreements in which the rent does not exceed
15 seven hundred dollars per month, a rental agreement shall not
16 provide for a late fee that exceeds twelve dollars per day or a
17 total amount of sixty dollars per month. For rental agreements
18 in which the rent is greater than seven hundred dollars per
19 month but less than one thousand four hundred dollars per
20 month, a rental agreement shall not provide for a late fee that
21 exceeds twenty dollars per day or a total amount of one hundred
22 dollars per month. For rental agreements in which the rent is
23 at least one thousand four hundred dollars per month, a rental
24 agreement shall not provide for a late fee that exceeds two
25 percent of the rent per day or a total amount of ten percent of
26 the rent per month.

27 Sec. _____. Section 562B.10, subsections 4 and 7, Code 2020,
28 are amended to read as follows:

29 4. For rental agreements in which the rent does not exceed
30 seven hundred dollars per month, a rental agreement shall not
31 provide for a late fee that exceeds twelve dollars per day or a
32 total amount of sixty dollars per month. For rental agreements
33 in which the rent is greater than seven hundred dollars per
34 month but less than one thousand four hundred dollars per
35 month, a rental agreement shall not provide for a late fee that

1 exceeds twenty dollars per day or a total amount of one hundred
2 dollars per month. For rental agreements in which the rent is
3 at least one thousand four hundred dollars per month, a rental
4 agreement shall not provide for a late fee that exceeds two
5 percent of the rent per day or a total amount of ten percent of
6 the rent per month.

7 7. a. If a tenant who was sole owner of a mobile home dies
8 during the term of a rental agreement then that person's heirs
9 or legal representative or the landlord shall have the right
10 to cancel the tenant's lease by giving sixty days' written
11 notice to the person's heirs or legal representative or to
12 the landlord, whichever is appropriate, and the heirs or the
13 legal representative shall have the same rights, privileges and
14 liabilities of the original tenant.

15 b. (1) If a tenant who was sole owner of a mobile home dies
16 during the term of a rental agreement resulting in the mobile
17 home being abandoned as provided in section 562B.27, subsection
18 1, and the landlord cannot, despite due diligence, locate such
19 tenant's heirs or legal representatives, then the landlord may
20 bring an action for abandonment as provided in section 555B.3,
21 naming as defendants the estate of the tenant and any and all
22 unknown heirs of the tenant and, upon the landlord's filing
23 of an affidavit that personal service cannot be had on any
24 heir, legal representative, or estate of the tenant, the court
25 shall permit original notice of such action to be served by
26 publication pursuant to subparagraph (2) of this paragraph.

27 (2) Publication of the original notice shall be made
28 once each week for three consecutive weeks in a newspaper of
29 general circulation published in the county where the petition
30 is filed, as provided in rules of civil procedure 1.313 and
31 1.314. Service is complete after the third consecutive weekly
32 publication.

33 (3) In the event any tax lien or other lien exists on
34 the mobile home, the landlord may proceed with an action for
35 abandonment as provided in section 555B.3, except that:

1 landlord's noncompliance which shall be reimbursed on a pro
2 rata basis.

3 2. If the tenant proceeds under this section, the tenant may
4 not proceed under section 562B.22 as to that breach.

5 3. The rights under this section do not arise until the
6 tenant has given notice to the landlord or if the condition was
7 caused by the deliberate or negligent act or omission of the
8 tenant, a member of the tenant's family, or other person on the
9 premises with the consent of the tenant.

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

12 Sec. _____. APPLICABILITY. This division of this Act applies
13 to actions under section 562B.23A filed on or after the
14 effective date of this division of this Act.

15 DIVISION ____

16 HOME EQUIPMENT MODIFICATIONS — PROHIBITED RENTAL AGREEMENT
17 PROVISIONS

18 Sec. _____. Section 562B.11, subsection 1, Code 2020, is
19 amended by adding the following new paragraph:

20 NEW PARAGRAPH. e. Agrees to modify the mobile home,
21 manufactured home, or modular home in a way that would
22 substantially impair the ability of the tenant to move the
23 home from the mobile home space, unless such modification is
24 required by federal law, including but not limited to the
25 model manufactured home installation standards, 24 C.F.R. pt.
26 3285, the manufactured home construction and safety standards,
27 24 C.F.R. pt. 3280, or the manufactured home procedural and
28 enforcement regulations, 24 C.F.R. pt. 3282, or by state or
29 local law, the manufacturer's installation instructions, any
30 requirement arising from the landlord's financing of the home
31 or of the mobile home park or manufactured home community in
32 which the home is located, or unless such modification is
33 otherwise necessary for the safe and proper installation of the
34 home.

35 DIVISION ____

LANDLORD SALES

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Sec. ____ . NEW SECTION. 562B.17A Sale of mobile home by landlord.

1. Any sale of a mobile home located in a manufactured home community or mobile home park by a landlord or landlord's agent shall be by written agreement and the landlord shall produce and assign the current certificate of title obtained from the department of transportation. The agreement shall state the basic terms of sale, including the total cost of the mobile home, finance charges, annual percentage rate, and the frequency and amount of each installment payment. Such agreement shall comply with the finance charge rate limitation in section 103A.58, subsection 1.

2. Any such sale that does not comply with this section may be voided by the buyer and the buyer may recover damages incurred, amounts paid as a rental deposit in excess of two months' rent for the mobile home, and reasonable attorney fees.

3. A claim under subsection 2 may be combined with an action under chapter 648.

Sec. ____ . Section 648.19, subsection 1, Code 2020, is amended to read as follows:

1. An action under this chapter shall not be filed in connection with any other action, with the exception of a claim for rent or recovery as provided in section 555B.3, 562A.24, 562A.32, 562B.17A, 562B.22, 562B.25, or 562B.27, nor shall it be made the subject of counterclaim.

DIVISION ____

DISCLOSURE OF UTILITY CHARGES

Sec. ____ . Section 562B.14, subsection 6, Code 2020, is amended to read as follows:

6. a. The landlord or any person authorized to enter into a rental agreement on the landlord's behalf shall provide a written explanation of utility rates, charges and services to the prospective tenant before the rental agreement is signed unless the utility charges are paid by the tenant directly to

1 the utility company.

2 b. If a landlord obtains a utility service from a utility
3 provider and furnishes the utility to the tenant and the
4 landlord's charge to the tenant is based upon the utility
5 provider's charge or rate for the use of such utility to
6 consumers, an increase in the landlord's charge to a tenant
7 for the utility that corresponds to the same increase in the
8 utility provider's charge or rate to the landlord shall be
9 effective thirty days after the landlord provides written
10 notice of such increase to the tenant, unless the landlord does
11 not receive at least sixty days' prior notice of such increase
12 from the utility provider in which case no prior notice of the
13 increase from the landlord to the tenant is required for the
14 increase to be effective.

15 DIVISION ____

16 FURNISHING OF WATER AND UTILITY CHARGES

17 Sec. ____ . Section 423.3, subsection 103, Code 2020, is
18 amended to read as follows:

19 103. a. (1) The sales price from the sale or furnishing by
20 a water utility of a water service in the state to consumers or
21 users.

22 (2) Water service furnished by a mobile home park that does
23 not engage in the sale of water service. For purposes of this
24 subsection, a mobile home park does not engage in the sale of
25 water service if all of the following apply:

26 (a) The water service is not furnished to tenants for a
27 separately itemized price.

28 (b) The water service is not otherwise identifiable from
29 an invoice, bill, catalogue, price list, rate card, receipt,
30 agreement, or other similar document, including where the total
31 sales price increases when water service is included in the
32 sale to tenants.

33 (c) The water service is incidental to the rental of real
34 property.

35 b. For purposes of this subsection:

1 (1) "Mobile home park" means the same as defined in section
2 562B.7.

3 ~~(1)~~ (2) "Water service" means the delivery of water by
4 piped distribution system.

5 ~~(2)~~ (3) "Water utility" means a public utility as defined
6 in section 476.1 that furnishes water by piped distribution
7 system to the public for compensation.

8 Sec. _____. Section 423G.4, Code 2020, is amended by striking
9 the section and inserting in lieu thereof the following:

10 **423G.4 Exemptions.**

11 There is exempted from the tax imposed by this chapter the
12 following:

13 1. The sales price from transactions exempt from state
14 sales tax under section 423.3. However, the sales price from
15 transactions exempt from state sales tax under section 423.3,
16 subsection 103, shall not be exempt unless as provided in
17 subsection 2 or 3.

18 2. *a.* The sales price from the sale or furnishing of water
19 by a mobile home park through a piped distribution system
20 maintained by the mobile home park, to a consumer or user of
21 water who is a tenant, if all of the following apply:

22 (1) The water was obtained from a water utility.

23 (2) A tax was imposed by this chapter on the sales price
24 from the sale or furnishing of water by a water utility to the
25 mobile home park based upon readings of the master meter of the
26 mobile home park.

27 (3) The tenant is not charged for water by the mobile home
28 park in an amount that is more than the rate the tenant would be
29 charged for consuming or using water from the water utility,
30 plus an administrative fee under section 562B.16, subsection 3,
31 not to exceed five dollars per month.

32 *b.* As used in this section:

33 (1) "Master meter" means a single meter used in determining
34 the amount of water provided to a mobile home park.

35 (2) "Mobile home park" means the same as defined in section

1 562B.7 and also includes a *"manufactured home community"*, as
2 defined in section 562B.7.

3 (3) *"Piped distribution system"* includes a submetered
4 distribution system.

5 (4) *"Tenant"* means the same as defined in section 562B.7.

6 (5) *"Water utility"* means a public utility as defined in
7 section 476.1 that furnishes water by a piped distribution
8 system to the public for compensation.

9 3. Water service furnished by a mobile home park that does
10 not engage in the sale of water service. For purposes of this
11 subsection, a mobile home park does not engage in the sale of
12 water service if all of the following apply:

13 a. The water service is not furnished to tenants for a
14 separately itemized price.

15 b. The water service is not otherwise identifiable from
16 an invoice, bill, catalogue, price list, rate card, receipt,
17 agreement, or other similar document, including where the total
18 sales price increases when water service is included in the
19 sale to tenants.

20 c. The water service is incidental to the rental of real
21 property.

22 Sec. _____. Section 455B.171, subsection 26, Code 2020, is
23 amended to read as follows:

24 26. *"Public water supply system"* means, except as provided
25 in section 455B.200, a system for the provision to the public
26 of piped water for human consumption, if the system has at
27 least fifteen service connections or regularly serves at least
28 twenty-five individuals. The term includes any source of
29 water and any collection, treatment, storage, and distribution
30 facilities under control of the operator of the system and used
31 primarily in connection with the system, and any collection or
32 pretreatment storage facilities not under such control which
33 are used primarily in connection with the system.

34 Sec. _____. NEW SECTION. 455B.200 **Mobile home parks.**

35 1. As used in this section:

1 *a.* "Mobile home park" means the same as defined in section
2 423G.4.

3 *b.* "Tenant" means the same as defined in section 562B.7.

4 *c.* "Water utility" means a public utility as defined in
5 section 476.1 that furnishes water by a piped distribution
6 system to the public for compensation.

7 2. For purposes of this part 1, a mobile home park shall
8 not be considered a public water supply system if the mobile
9 home park sells or furnishes water to a tenant and all of the
10 following apply:

11 *a.* The water was obtained from a water utility prior to
12 selling or furnishing the water to a tenant.

13 *b.* The tenant is not charged more than the rate the tenant
14 would be charged for consuming or using water from the water
15 utility, plus an administrative fee under section 562B.16,
16 subsection 3, not to exceed five dollars per month.

17 Sec. _____. Section 562B.14, subsection 6, Code 2020, is
18 amended to read as follows:

19 6. The landlord or any person authorized to enter into
20 a rental agreement on the landlord's behalf shall provide
21 a written explanation of utility rates, fees, charges, and
22 services, subject to section 562B.16, subsection 3, to the
23 prospective tenant before the rental agreement is signed unless
24 the utility charges are paid by the tenant directly to the
25 utility company.

26 Sec. _____. Section 562B.16, Code 2020, is amended by adding
27 the following new subsection:

28 NEW SUBSECTION. 3. A landlord that is responsible for
29 payment of utilities being provided to the tenant shall not
30 charge to the tenant an amount in excess of the actual cost of
31 the utility and as specified in writing under section 562B.14,
32 subsection 6. However, in addition to the actual cost of the
33 utility, a landlord that is responsible for the payment of one
34 or more utilities being provided to the tenant may impose a
35 monthly utility administration fee to each tenant not to exceed

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1 five dollars per month.

2 Sec. _____. Section 562B.25, Code 2020, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 2A. The failure of a tenant to pay utility
5 charges that exceed the actual cost of the utility provided
6 as required by section 562B.16, subsection 3, shall not be
7 considered noncompliance with the rental agreement.>

8 2. Page 2, by striking lines 20 through 22 and inserting <An
9 Act relating to property law by modifying provisions relating
10 to rental properties, manufactured home communities, mobile
11 home parks, and manufactured mobile home communities, modifying
12 provisions governing actions relating to such properties, and
13 including effective date and applicability provisions.>>

14 3. By renumbering as necessary.

By LOHSE of Polk

[H-8297](#) FILED JUNE 12, 2020

HOUSE FILE 638

H-8306

1 Amend the Senate amendment, H-1317, to House File 638, as
2 passed by the House, as follows:

3 1. By striking page 1, line 4, through page 2, line 18, and
4 inserting:

5 <<DIVISION ____
6 RETALIATION

7 Sec. ____ . Section 562B.32, subsection 1, paragraph d, Code
8 2020, is amended to read as follows:

9 d. For exercising any of the rights and remedies pursuant
10 to this chapter or chapter 216.

11 Sec. ____ . Section 562B.32, subsection 2, Code 2020, is
12 amended to read as follows:

13 2. If the landlord acts in violation of subsection 1
14 of this section, the tenant is entitled to the remedies
15 provided in section 562B.24 and has a defense in an action for
16 possession. In an action by or against the tenant, evidence
17 of a complaint within ~~six months~~ one year prior to the alleged
18 act of retaliation creates a presumption that the landlord's
19 conduct was in retaliation. The presumption does not arise
20 if the tenant made the complaint after notice of termination
21 of the rental agreement. For the purpose of this subsection,
22 "*presumption*" means that the trier of fact must find the
23 existence of the fact presumed unless and until evidence is
24 introduced which would support a finding of its nonexistence.

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

27 DIVISION ____
28 RENT INCREASES

29 Sec. ____ . Section 562B.14, subsection 7, Code 2020, is
30 amended to read as follows:

31 7. Each tenant shall be notified, in writing, of any rent
32 increase at least ~~sixty~~ one hundred twenty days before the
33 effective date. Such effective date shall not be sooner than
34 the expiration date of the original rental agreement or any
35 renewal or extension thereof.

1 scheduled, and the lienholder's right to assert a claim to
2 the mobile home at the hearing. The notice shall also state
3 that failure to assert a claim to the mobile home within the
4 judicial proceedings is deemed a waiver of all right, title,
5 claim, and interest in the mobile home and is deemed consent to
6 the sale or disposal of the mobile home. If personal service
7 upon the lienholder cannot be completed in time to give the
8 lienholder the minimum notice required by this section, the
9 court may set a new hearing date.

10 Sec. _____. Section 555B.8, subsections 2 and 3, Code 2020,
11 are amended to read as follows:

12 2. ~~If~~ Except as otherwise ordered by the court, if the
13 mobile home owner or other claimant asserts a claim to the
14 property, the judgment shall be satisfied before the mobile
15 home owner or other claimant may take possession of the mobile
16 home or personal property.

17 3. If no claim is asserted to the mobile home or personal
18 property or if the judgment is not satisfied at the time of
19 entry, an order shall be entered allowing the real property
20 owner to sell or otherwise dispose of the mobile home and
21 personal property pursuant to section 555B.9. ~~If~~ Except as
22 otherwise ordered by the court, if a claimant satisfies the
23 judgment at the time of entry, the court shall enter an order
24 permitting and directing the claimant to remove the mobile home
25 or personal property from its location within a reasonable time
26 to be fixed by the court. The court shall also determine the
27 amount of further rent or storage charges to be paid by the
28 claimant to the real property owner at the time of removal.

29 Sec. _____. Section 555B.9, subsections 1, 2, 3, and 4, Code
30 2020, are amended to read as follows:

31 1. Pursuant to an order for disposal under section 555B.8,
32 subsection 3, the real property owner shall dispose of the
33 mobile home and personal property by public or private sale in
34 a commercially reasonable manner. If the personal property,
35 lienholder, owner, or other claimant has asserted a claim

1 to the mobile home or personal property within the judicial
2 proceedings, that person shall be notified of the sale by
3 restricted certified mail not less than five days before the
4 sale. The notice is deemed given upon the mailing. The real
5 property owner may buy at any public sale, and if the mobile
6 home or personal property is of a type customarily sold in
7 a recognized market or is the subject of widely distributed
8 standard price quotations, the real property owner may buy at a
9 private sale.

10 2. A sale pursuant to subsection 1 transfers to the
11 purchaser for value, all of the mobile home owner's rights
12 in the mobile home and personal property, and discharges the
13 real property owner's interest in the mobile home and personal
14 property, and any tax lien, and any other lien. The purchaser
15 takes free of all rights and interests even though the real
16 property owner fails to comply with the requirements of this
17 chapter or of any judicial proceedings, if the purchaser acts
18 in good faith.

19 3. The proceeds of the sale of mobile home and personal
20 property shall be distributed as follows:

21 a. First, to satisfy the real property owner's judgment
22 obtained under section 555B.8.

23 b. Second, to satisfy any tax lien for which a claim was
24 asserted pursuant to section 555B.4, subsection 3.

25 0c. Third, to satisfy any other lien for which a claim was
26 asserted pursuant to section 555B.4, subsection 4.

27 c. Any surplus remaining after the proceeds are distributed
28 shall be held by the real property owner for six months. If
29 the mobile home owner fails to claim the surplus in that time,
30 the surplus may be retained by the real property owner. If
31 a deficiency remains after distribution of the proceeds, the
32 mobile home owner is liable for the amount of the deficiency.

33 4. Notwithstanding subsections 1 through 3, the real
34 property owner may propose to retain the mobile home and
35 personal property in satisfaction of the judgment obtained

1 pursuant to section 555B.8. Written notice of the proposal
2 shall be sent to the mobile home owner, lienholder, or other
3 claimant, if that person has asserted a claim to the mobile
4 home or personal property in the judicial proceedings. If
5 the real property owner receives objection in writing from
6 the mobile home owner, lienholder, or other claimant within
7 twenty-one days after the notice was sent, the real property
8 owner shall dispose of the mobile home and personal property
9 pursuant to subsection 1. If no written objection is received
10 by the real property owner within twenty-one days after the
11 notice was sent, the mobile home and personal property may be
12 retained. Retention of the mobile home and personal property
13 discharges the judgment of the real property owner, and any tax
14 lien, and any other lien.

15 Sec. _____. Section 562A.9, subsection 4, Code 2020, is
16 amended to read as follows:

17 4. For rental agreements in which the rent does not exceed
18 seven hundred dollars per month, a rental agreement shall not
19 provide for a late fee that exceeds twelve dollars per day or a
20 total amount of sixty dollars per month. For rental agreements
21 in which the rent is greater than seven hundred dollars per
22 month but less than one thousand four hundred dollars per
23 month, a rental agreement shall not provide for a late fee that
24 exceeds twenty dollars per day or a total amount of one hundred
25 dollars per month. For rental agreements in which the rent is
26 at least one thousand four hundred dollars per month, a rental
27 agreement shall not provide for a late fee that exceeds two
28 percent of the rent per day or a total amount of ten percent of
29 the rent per month.

30 Sec. _____. Section 562B.10, subsections 4 and 7, Code 2020,
31 are amended to read as follows:

32 4. For rental agreements in which the rent does not exceed
33 seven hundred dollars per month, a rental agreement shall not
34 provide for a late fee that exceeds twelve dollars per day or a
35 total amount of sixty dollars per month. For rental agreements

1 in which the rent is greater than seven hundred dollars per
2 month but less than one thousand four hundred dollars per
3 month, a rental agreement shall not provide for a late fee that
4 exceeds twenty dollars per day or a total amount of one hundred
5 dollars per month. For rental agreements in which the rent is
6 at least one thousand four hundred dollars per month, a rental
7 agreement shall not provide for a late fee that exceeds two
8 percent of the rent per day or a total amount of ten percent of
9 the rent per month.

10 7. a. If a tenant who was sole owner of a mobile home dies
11 during the term of a rental agreement then that person's heirs
12 or legal representative or the landlord shall have the right
13 to cancel the tenant's lease by giving sixty days' written
14 notice to the person's heirs or legal representative or to
15 the landlord, whichever is appropriate, and the heirs or the
16 legal representative shall have the same rights, privileges and
17 liabilities of the original tenant.

18 b. (1) If a tenant who was sole owner of a mobile home dies
19 during the term of a rental agreement resulting in the mobile
20 home being abandoned as provided in section 562B.27, subsection
21 1, and the landlord cannot, despite due diligence, locate such
22 tenant's heirs or legal representatives, then the landlord may
23 bring an action for abandonment as provided in section 555B.3,
24 naming as defendants the estate of the tenant and any and all
25 unknown heirs of the tenant and, upon the landlord's filing
26 of an affidavit that personal service cannot be had on any
27 heir, legal representative, or estate of the tenant, the court
28 shall permit original notice of such action to be served by
29 publication pursuant to subparagraph (2) of this paragraph.

30 (2) Publication of the original notice shall be made
31 once each week for three consecutive weeks in a newspaper of
32 general circulation published in the county where the petition
33 is filed, as provided in rules of civil procedure 1.313 and
34 1.314. Service is complete after the third consecutive weekly
35 publication.

1 (3) In the event any tax lien or other lien exists on
2 the mobile home, the landlord may proceed with an action for
3 abandonment as provided in section 555B.3, except that:

4 (a) Notice shall be provided to the county treasurer as
5 provided in section 555B.4, subsection 3, if a tax lien exists.

6 (b) Personal service pursuant to rule of civil procedure
7 1.305 shall be made upon any lienholder no less than twenty
8 days before the hearing.

9 (4) Any notice to a lienholder shall state that failure
10 to assert a claim to the mobile home is deemed a waiver of
11 all right, title, claim, and interest in the mobile home and
12 is deemed consent to the sale or disposal of the mobile home.
13 If personal service upon the lienholder cannot be completed
14 in time to give the lienholder the minimum notice required by
15 subparagraph (3), the court may set a new hearing date.

16 Sec. _____. Section 648.5, subsection 1, Code 2020, is amended
17 to read as follows:

18 1. An action for forcible entry and detainer shall be
19 brought in a county where all or part of the premises is
20 located. Such an action shall be tried as an equitable action.
21 Upon receipt of the petition, the court shall set a date,
22 time, and place for hearing. The court shall set the date
23 of hearing no later than eight days from the filing date,
24 except that the court shall set a later hearing date no later
25 than fifteen days from the date of filing if the plaintiff
26 requests or consents to the later date of hearing. The
27 requirement regarding the setting of the initial hearing is not
28 a jurisdictional requirement and does not affect the court's
29 subject matter jurisdiction to hear the action for forcible
30 entry and detainer.

31 Sec. _____. EFFECTIVE DATE. The following take effect January
32 1, 2021:

33 1. The section of this division of this Act amending section
34 562A.9, subsection 4.

35 2. The portion of the section of this division of this Act

1 amending section 562B.10, subsection 4.

2 DIVISION ____

3 UNLAWFUL OUSTER

4 Sec. ____ . Section 562B.24, Code 2020, is amended to read as
5 follows:

6 **562B.24 Tenant's remedies for landlord's unlawful ouster,
7 exclusion or diminution of services.**

8 If the landlord unlawfully removes or excludes the tenant
9 from the manufactured home community or mobile home park or
10 willfully diminishes services to the tenant by interrupting
11 or causing the interruption of electric, gas, water, or
12 other essential service to the tenant, the tenant may recover
13 possession, require the restoration of essential services or
14 terminate the rental agreement and, in either case, recover an
15 amount not to exceed two months' periodic rent, ~~and~~ twice the
16 actual damages sustained by the tenant, and reasonable attorney
17 fees. If the rental agreement is terminated, the landlord
18 shall return all prepaid rent and security.

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

21 Sec. ____ . APPLICABILITY. This division of this Act
22 applies to actions under section 562B.24 filed on or after the
23 effective date of this division of this Act.

24 DIVISION ____

25 WRONGFUL FAILURE TO PROVIDE ESSENTIAL SERVICES

26 Sec. ____ . NEW SECTION. **562B.23A Wrongful failure to supply
27 running water or essential services.**

28 1. If contrary to the rental agreement or section 562B.16
29 the landlord deliberately or negligently fails to supply
30 running water or other essential services, the tenant may give
31 written notice to the landlord specifying the breach and may
32 do one of the following:

33 a. Procure reasonable amounts of water or other essential
34 services during the period of the landlord's noncompliance and
35 deduct the actual and reasonable cost from the rent.

1 *b.* Recover damages based upon the diminution in the fair
2 market value of the mobile home space.

3 *c.* Recover any rent already paid for the period of the
4 landlord's noncompliance which shall be reimbursed on a pro
5 rata basis.

6 2. If the tenant proceeds under this section, the tenant may
7 not proceed under section 562B.22 as to that breach.

8 3. The rights under this section do not arise until the
9 tenant has given notice to the landlord or if the condition was
10 caused by the deliberate or negligent act or omission of the
11 tenant, a member of the tenant's family, or other person on the
12 premises with the consent of the tenant.

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

15 Sec. _____. APPLICABILITY. This division of this Act applies
16 to actions under section 562B.23A filed on or after the
17 effective date of this division of this Act.

18

DIVISION ____

19 HOME EQUIPMENT MODIFICATIONS — PROHIBITED RENTAL AGREEMENT

20

PROVISIONS

21 Sec. _____. Section 562B.11, subsection 1, Code 2020, is
22 amended by adding the following new paragraph:

23 NEW PARAGRAPH. *e.* Agrees to modify the mobile home,
24 manufactured home, or modular home in a way that would
25 substantially impair the ability of the tenant to move the
26 home from the mobile home space, unless such modification is
27 required by federal law, including but not limited to the
28 model manufactured home installation standards, 24 C.F.R. pt.
29 3285, the manufactured home construction and safety standards,
30 24 C.F.R. pt. 3280, or the manufactured home procedural and
31 enforcement regulations, 24 C.F.R. pt. 3282, or by state or
32 local law, the manufacturer's installation instructions, any
33 requirement arising from the landlord's financing of the home
34 or of the mobile home park or manufactured home community in
35 which the home is located, or unless such modification is

1 otherwise necessary for the safe and proper installation of the
2 home.

3 DIVISION ____
4 LANDLORD SALES

5 Sec. ____ . NEW SECTION. 562B.17A Sale of mobile home by
6 landlord.

7 1. Any sale of a mobile home located in a manufactured
8 home community or mobile home park by a landlord or landlord's
9 agent shall be by written agreement and the landlord shall
10 produce and assign the current certificate of title obtained
11 from the department of transportation. The agreement shall
12 state the basic terms of sale, including the total cost of
13 the mobile home, finance charges, annual percentage rate, and
14 the frequency and amount of each installment payment. Such
15 agreement shall comply with the finance charge rate limitation
16 in section 103A.58, subsection 1.

17 2. Any such sale that does not comply with this section
18 may be voided by the buyer and the buyer may recover damages
19 incurred, amounts paid as a rental deposit in excess of two
20 months' rent for the mobile home, and reasonable attorney fees.

21 3. A claim under subsection 2 may be combined with an action
22 under chapter 648.

23 Sec. ____ . Section 648.19, subsection 1, Code 2020, is
24 amended to read as follows:

25 1. An action under this chapter shall not be filed in
26 connection with any other action, with the exception of a claim
27 for rent or recovery as provided in section 555B.3, 562A.24,
28 562A.32, 562B.17A, 562B.22, 562B.25, or 562B.27, nor shall it
29 be made the subject of counterclaim.

30 DIVISION ____
31 DISCLOSURE OF UTILITY CHARGES

32 Sec. ____ . Section 562B.14, subsection 6, Code 2020, is
33 amended to read as follows:

34 6. a. The landlord or any person authorized to enter into
35 a rental agreement on the landlord's behalf shall provide a

1 written explanation of utility rates, charges and services to
2 the prospective tenant before the rental agreement is signed
3 unless the utility charges are paid by the tenant directly to
4 the utility company.

5 b. If a landlord obtains a utility service from a utility
6 provider and furnishes the utility to the tenant and the
7 landlord's charge to the tenant is based upon the utility
8 provider's charge or rate for the use of such utility to
9 consumers, an increase in the landlord's charge to a tenant
10 for the utility that corresponds to the same increase in the
11 utility provider's charge or rate to the landlord shall be
12 effective thirty days after the landlord provides written
13 notice of such increase to the tenant, unless the landlord does
14 not receive at least sixty days' prior notice of such increase
15 from the utility provider in which case no prior notice of the
16 increase from the landlord to the tenant is required for the
17 increase to be effective.

18 DIVISION ____

19 FURNISHING OF WATER AND UTILITY CHARGES

20 Sec. ____ . Section 423.3, subsection 103, Code 2020, is
21 amended to read as follows:

22 103. a. (1) The sales price from the sale or furnishing by
23 a water utility of a water service in the state to consumers or
24 users.

25 (2) Water service furnished by a mobile home park that does
26 not engage in the sale of water service. For purposes of this
27 subsection, a mobile home park does not engage in the sale of
28 water service if all of the following apply:

29 (a) The water service is not furnished to tenants for a
30 separately itemized price.

31 (b) The water service is not otherwise identifiable from
32 an invoice, bill, catalogue, price list, rate card, receipt,
33 agreement, or other similar document, including where the total
34 sales price increases when water service is included in the
35 sale to tenants.

1 (c) The water service is incidental to the rental of real
2 property.

3 **b.** For purposes of this subsection:

4 (1) "Mobile home park" means the same as defined in section
5 562B.7.

6 ~~(1)~~ (2) "Water service" means the delivery of water by
7 piped distribution system.

8 ~~(2)~~ (3) "Water utility" means a public utility as defined
9 in section 476.1 that furnishes water by piped distribution
10 system to the public for compensation.

11 Sec. _____. Section 423G.4, Code 2020, is amended by striking
12 the section and inserting in lieu thereof the following:

13 **423G.4 Exemptions.**

14 There is exempted from the tax imposed by this chapter the
15 following:

16 1. The sales price from transactions exempt from state
17 sales tax under section 423.3. However, the sales price from
18 transactions exempt from state sales tax under section 423.3,
19 subsection 103, shall not be exempt unless as provided in
20 subsection 2 or 3.

21 2. *a.* The sales price from the sale or furnishing of water
22 by a mobile home park through a piped distribution system
23 maintained by the mobile home park, to a consumer or user of
24 water who is a tenant, if all of the following apply:

25 (1) The water was obtained from a water utility.

26 (2) A tax was imposed by this chapter on the sales price
27 from the sale or furnishing of water by a water utility to the
28 mobile home park based upon readings of the master meter of the
29 mobile home park.

30 (3) The tenant is not charged for water by the mobile home
31 park in an amount that is more than the rate the tenant would be
32 charged for consuming or using water from the water utility,
33 plus an administrative fee under section 562B.16, subsection 3,
34 not to exceed five dollars per month.

35 **b.** As used in this section:

1 (1) *"Master meter"* means a single meter used in determining
2 the amount of water provided to a mobile home park.

3 (2) *"Mobile home park"* means the same as defined in section
4 562B.7 and also includes a *"manufactured home community"*, as
5 defined in section 562B.7.

6 (3) *"Piped distribution system"* includes a submetered
7 distribution system.

8 (4) *"Tenant"* means the same as defined in section 562B.7.

9 (5) *"Water utility"* means a public utility as defined in
10 section 476.1 that furnishes water by a piped distribution
11 system to the public for compensation.

12 3. Water service furnished by a mobile home park that does
13 not engage in the sale of water service. For purposes of this
14 subsection, a mobile home park does not engage in the sale of
15 water service if all of the following apply:

16 a. The water service is not furnished to tenants for a
17 separately itemized price.

18 b. The water service is not otherwise identifiable from
19 an invoice, bill, catalogue, price list, rate card, receipt,
20 agreement, or other similar document, including where the total
21 sales price increases when water service is included in the
22 sale to tenants.

23 c. The water service is incidental to the rental of real
24 property.

25 Sec. _____. Section 455B.171, subsection 26, Code 2020, is
26 amended to read as follows:

27 26. *"Public water supply system"* means, except as provided
28 in section 455B.200, a system for the provision to the public
29 of piped water for human consumption, if the system has at
30 least fifteen service connections or regularly serves at least
31 twenty-five individuals. The term includes any source of
32 water and any collection, treatment, storage, and distribution
33 facilities under control of the operator of the system and used
34 primarily in connection with the system, and any collection or
35 pretreatment storage facilities not under such control which

1 are used primarily in connection with the system.

2 Sec. _____. NEW SECTION. 455B.200 Mobile home parks.

3 1. As used in this section:

4 a. "Mobile home park" means the same as defined in section
5 423G.4.

6 b. "Tenant" means the same as defined in section 562B.7.

7 c. "Water utility" means a public utility as defined in
8 section 476.1 that furnishes water by a piped distribution
9 system to the public for compensation.

10 2. For purposes of this part 1, a mobile home park shall
11 not be considered a public water supply system if the mobile
12 home park sells or furnishes water to a tenant and all of the
13 following apply:

14 a. The water was obtained from a water utility prior to
15 selling or furnishing the water to a tenant.

16 b. The tenant is not charged more than the rate the tenant
17 would be charged for consuming or using water from the water
18 utility, plus an administrative fee under section 562B.16,
19 subsection 3, not to exceed five dollars per month.

20 Sec. _____. Section 562B.14, subsection 6, Code 2020, is
21 amended to read as follows:

22 6. The landlord or any person authorized to enter into
23 a rental agreement on the landlord's behalf shall provide
24 a written explanation of utility rates, fees, charges, and
25 services, subject to section 562B.16, subsection 3, to the
26 prospective tenant before the rental agreement is signed unless
27 the utility charges are paid by the tenant directly to the
28 utility company.

29 Sec. _____. Section 562B.16, Code 2020, is amended by adding
30 the following new subsection:

31 NEW SUBSECTION. 3. A landlord that is responsible for
32 payment of utilities being provided to the tenant shall not
33 charge to the tenant an amount in excess of the actual cost of
34 the utility and as specified in writing under section 562B.14,
35 subsection 6. However, in addition to the actual cost of the

H-8306 (Continued)

1 utility, a landlord that is responsible for the payment of one
2 or more utilities being provided to the tenant may impose a
3 monthly utility administration fee to each tenant not to exceed
4 five dollars per month.

5 Sec. _____. Section 562B.25, Code 2020, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. 2A. The failure of a tenant to pay utility
8 charges that exceed the actual cost of the utility provided
9 as required by section 562B.16, subsection 3, shall not be
10 considered noncompliance with the rental agreement.>

11 2. Page 2, by striking lines 20 through 22 and inserting <An
12 Act relating to property law by modifying provisions relating
13 to rental properties, manufactured home communities, mobile
14 home parks, and manufactured mobile home communities, modifying
15 provisions governing water service and actions relating to such
16 properties, and including effective date and applicability
17 provisions.>>

18 3. By renumbering as necessary.

By LOHSE of Polk

H-8306 FILED JUNE 12, 2020

CCH-760

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 760

To the Speaker of the House of Representatives and the President of the Senate:

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 760, a bill for an Act relating to the exemption from the hotel and motel taxes for the renting of lodging after a certain number of consecutive days, respectfully make the following report:

1. That the House recedes from its amendment, S-3261.
2. That the Senate recedes from its amendment, H-1316.
3. That House File 760, as amended, passed, and reprinted by

the House, is amended to read as follows:

1. Page 1, by striking lines 1 through 13 and inserting:

<Section 1. Section 423A.5, subsection 1, Code 2020, is amended to read as follows:

1. a. The sales price from the renting of lodging ~~which is rented by the same person to a person where the lodging is rented by the same person~~ for a period of more than thirty-one consecutive days, except as provided in paragraph "b".

b. The sales price from the renting of lodging to a person where the lodging is rented by the same person for the period beginning after ninety consecutive days of rental by such person, if the rental is a room, apartment, or sleeping quarter in a hotel, motel, inn, public lodging house, or rooming house, or in any place where sleeping accommodations are furnished to a transient guest.

Sec. 2. Section 423A.5, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 4. a. The sales price of lodging furnished to the guests of a nonprofit lodging provider and the purpose of renting is to provide a place for the friends and family of

CCH-760 (Continued)

a hospital patient during a time of medical need of the patient and the length of stay is based upon the needs of the friends, family, or patient.

b. For purposes of this subsection, "*nonprofit lodging provider*" means a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code that maintains an established facility that provides lodging to friends and family of a hospital patient during a time of medical need of the patient.>

2. Title page, lines 2 and 3, by striking <after a certain number of consecutive days>

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

DUSTIN HITE, CHAIRPERSON

ROBY SMITH, CHAIRPERSON

MONICA KURTH

JERRY BEHN

NORLIN MOMMSEN

CHRIS COURNOYER

JOHN WILLS

PAM JOCHUM

MARY WOLFE

ZACH WAHLS

[CCH-760](#) FILED JUNE 12, 2020

SENATE AMENDMENT TO
HOUSE FILE 2540

H-8305

1 Amend House File 2540, as amended, passed, and reprinted by
2 the House, as follows:

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

<DIVISION I

CHARITY BEER, SPIRITS, AND WINE EVENT PERMIT

7 Section 1. Section 123.32, subsection 1, paragraph b, Code
8 2020, is amended by adding the following new subparagraph:
9 NEW SUBPARAGRAPH. (7A) A charity beer, spirits, and wine
10 event permit as provided in section 123.173B.

11 Sec. 2. NEW SECTION. 123.173B Charity beer, spirits, and
12 wine event permit.

13 1. For purposes of this section, "*authorized nonprofit*
14 *entity*" includes a nonprofit entity which has a principal office
15 in the state, a nonprofit corporation organized under chapter
16 504, or a foreign corporation as defined in section 504.141,
17 whose income is exempt from federal taxation under section
18 501(c) of the Internal Revenue Code.

19 2. Upon application to the division and receipt of a charity
20 beer, spirits, and wine event permit, an authorized nonprofit
21 entity may conduct an event at which the entity is authorized
22 to serve the event's attendees beer, spirits, and wine for
23 consumption on the premises of the event, regardless of whether
24 the entity charges an admission fee to the event or otherwise
25 collects the cost of the beer, spirits, and wine served from
26 the event's attendees and subject to the requirements of this
27 section.

28 3. An application for a charity beer, spirits, and wine
29 event permit shall include all of the following information:

30 a. The date and time when the charity beer, spirits, and
31 wine event is to be conducted and the location of the premises
32 in this state where the charity beer, spirits, and wine event
33 is to be physically conducted.

34 b. The liquor control license or wine or beer permit number
35 issued by the division for the premises where the charity beer,

1 spirits, and wine event is to be conducted.

2 *c.* A certification that the objective of the charity beer,
3 spirits, and wine event is to raise funds solely to be used for
4 educational, religious, or charitable purposes and that the
5 entire proceeds from the charity beer, spirits, and wine event
6 are to be expended for any of the purposes described in section
7 423.3, subsection 78.

8 4. A charity beer, spirits, and wine event shall comply with
9 all of the following requirements:

10 *a.* The event is to be conducted on a premises covered by a
11 valid liquor control license or wine or beer permit issued by
12 the division.

13 *b.* The authorized nonprofit entity shall have a written
14 agreement with the liquor control licensee or wine or beer
15 permittee covering the premises where the event is to be
16 conducted specifying that that licensee or permittee shall act
17 as the agent of the authorized nonprofit entity for the purpose
18 of providing and serving alcoholic beverages to the attendees
19 of the event.

20 *c.* The liquor control licensee or wine or beer permittee
21 covering the premises where the event is to be conducted shall
22 supply all alcoholic beverages served to the attendees of the
23 event.

24 *d.* Only those types of alcoholic beverages as are authorized
25 to be sold by the liquor control license or wine or beer permit
26 covering the premises where the event is to be conducted are to
27 be served to the attendees of the event.

28 5. An authorized nonprofit entity shall be eligible to
29 receive no more than two charity beer, spirits, and wine event
30 permits during a calendar year and each charity beer, spirits,
31 and wine event permit shall be valid for a period not to exceed
32 thirty-six consecutive hours.

33 6. Any violation of the requirements of this chapter or
34 the rules adopted pursuant to this chapter shall subject the
35 charity beer, spirits, and wine event permit holder to the

1 general penalties provided in this chapter and shall constitute
2 grounds for imposition of a civil penalty, suspension of
3 the permit, or revocation of the permit after notice and
4 opportunity for a hearing pursuant to section 123.39 and
5 chapter 17A.

6 Sec. 3. Section 123.179, Code 2020, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 7. The fee for a charity beer, spirits, and
9 wine event permit is one hundred dollars.

10 DIVISION II

11 WINE SALES

12 Sec. 4. Section 123.178, subsection 1, Code 2020, is amended
13 to read as follows:

14 1. A person holding a class "B" wine permit may sell wine at
15 retail for consumption off the premises. Wine shall be sold
16 for consumption off the premises in original containers ~~only~~
17 except as provided in subsection 4.

18 Sec. 5. Section 123.178, Code 2020, is amended by adding the
19 following new subsections:

20 NEW SUBSECTION. 4. Subject to the rules of the division,
21 sales made pursuant to this section may be made in a container
22 other than the original container only if all of the following
23 requirements are met:

24 *a.* The wine is transferred from the original container to
25 the container to be sold on the licensed premises at the time
26 of sale or when sold by telephonic or other electronic means.

27 *b.* The person transferring the wine from the original
28 container to the container to be sold shall be eighteen years
29 of age or more.

30 *c.* The container to be sold shall be no larger than
31 seventy-two ounces.

32 *d.* The container to be sold shall be securely sealed by a
33 method authorized by the division that is designed so that if
34 the sealed container is reopened or the seal tampered with, it
35 is visibly apparent that the seal on the container of wine has

1 been tampered with or the sealed container has otherwise been
2 reopened.

3 NEW SUBSECTION. 5. A container of wine other than the
4 original container that is sold and sealed in compliance
5 with the requirements of subsection 4 and the rules of the
6 division shall not be deemed an open container subject to the
7 requirements of sections 321.284 and 321.284A if the sealed
8 container is unopened and the seal has not been tampered with,
9 and the contents of the container have not been partially
10 removed.

11 Sec. 6. Section 123.178A, subsection 1, Code 2020, is
12 amended to read as follows:

13 1. A person holding a class "B" native wine permit may sell
14 native wine only at retail for consumption off the premises.
15 Native wine shall be sold for consumption off the premises in
16 original containers ~~only~~ except as provided in subsection 4.

17 Sec. 7. Section 123.178A, Code 2020, is amended by adding
18 the following new subsections:

19 NEW SUBSECTION. 4. Subject to the rules of the division,
20 sales made pursuant to this section may be made in a container
21 other than the original container only if all of the following
22 requirements are met:

23 a. The wine is transferred from the original container to
24 the container to be sold on the licensed premises at the time
25 of sale or when sold by telephonic or other electronic means.

26 b. The person transferring the wine from the original
27 container to the container to be sold shall be eighteen years
28 of age or more.

29 c. The container to be sold shall be no larger than
30 seventy-two ounces.

31 d. The container to be sold shall be securely sealed by a
32 method authorized by the division that is designed so that if
33 the sealed container is reopened or the seal tampered with, it
34 is visibly apparent that the seal on the container of wine has
35 been tampered with or the sealed container has otherwise been

1 reopened.

2 NEW SUBSECTION. 5. A container of wine other than the
3 original container that is sold and sealed in compliance
4 with the requirements of subsection 4 and the rules of the
5 division shall not be deemed an open container subject to the
6 requirements of sections 321.284 and 321.284A if the sealed
7 container is unopened and the seal has not been tampered with,
8 and the contents of the container have not been partially
9 removed.

10 Sec. 8. Section 123.178B, subsection 1, Code 2020, is
11 amended to read as follows:

12 1. A person holding a class "C" native wine permit may
13 sell native wine only at retail for consumption on or off the
14 premises. Sales of wine for consumption off the premises made
15 pursuant to this section shall be made in original containers
16 except as provided in subsection 5.

17 Sec. 9. Section 123.178B, Code 2020, is amended by adding
18 the following new subsections:

19 NEW SUBSECTION. 5. Subject to the rules of the division,
20 sales made pursuant to this section may be made in a container
21 other than the original container only if all of the following
22 requirements are met:

23 *a.* The wine is transferred from the original container to
24 the container to be sold on the licensed premises at the time
25 of sale or when sold by telephonic or other electronic means.

26 *b.* The person transferring the wine from the original
27 container to the container to be sold shall be eighteen years
28 of age or more.

29 *c.* The container to be sold shall be no larger than
30 seventy-two ounces.

31 *d.* The container to be sold shall be securely sealed by a
32 method authorized by the division that is designed so that if
33 the sealed container is reopened or the seal tampered with, it
34 is visibly apparent that the seal on the container of wine has
35 been tampered with or the sealed container has otherwise been

1 reopened.

2 NEW SUBSECTION. 6. A container of wine other than the
3 original container that is sold and sealed in compliance
4 with the requirements of subsection 5 and the rules of the
5 division shall not be deemed an open container subject to the
6 requirements of sections 321.284 and 321.284A if the sealed
7 container is unopened and the seal has not been tampered with,
8 and the contents of the container have not been partially
9 removed.

10 DIVISION III

11 ALCOHOLIC BEVERAGES SALES

12 Sec. 10. Section 123.30, subsection 3, paragraph c,
13 subparagraph (1), Code 2020, is amended to read as follows:

14 (1) A class "C" liquor control license may be issued to
15 a commercial establishment but must be issued in the name
16 of the individuals who actually own the entire business and
17 shall authorize the holder to purchase alcoholic liquors in
18 original unopened containers from class "E" liquor control
19 licensees only, wine from class "A" wine permittees or class
20 "B" wine permittees who also hold class "E" liquor control
21 licenses only as provided in sections 123.173 and 123.177,
22 and to sell alcoholic beverages to patrons by the individual
23 drink for consumption on the premises only. However, alcoholic
24 liquor, wine, and beer may also be sold for consumption off
25 the premises. In addition, mixed drinks or cocktails may
26 also be sold for consumption off the premises subject to the
27 requirements of section 123.49, subsection 2, paragraph "d".
28 The holder of a class "C" liquor control license may also hold
29 a special class "A" beer permit for the premises licensed under
30 a class "C" liquor control license for the purpose of operating
31 a brewpub pursuant to this chapter.

32 Sec. 11. Section 123.30, subsection 3, paragraph c,
33 subparagraph (3), Code 2020, is amended to read as follows:

34 (3) A class "C" native distilled spirits liquor control
35 license may be issued to a native distillery but shall be

1 issued in the name of the individuals who actually own the
2 business and shall only be issued to a native distillery which,
3 combining all production facilities of the business, produces
4 and manufactures not more than one hundred thousand proof
5 gallons of distilled spirits on an annual basis. The license
6 shall authorize the holder to sell native distilled spirits
7 manufactured on the premises of the native distillery to
8 patrons by the individual drink for consumption on the premises
9 and mixed drinks or cocktails for consumption off the premises
10 subject to the requirements of section 123.49, subsection 2,
11 paragraph "d". All native distilled spirits sold by a native
12 distillery for on-premises consumption and mixed drinks or
13 cocktails sold for consumption off the premises shall be
14 purchased from a class "E" liquor control licensee in original
15 unopened containers.

16 Sec. 12. Section 123.43A, subsection 6, Code 2020, is
17 amended to read as follows:

18 6. Notwithstanding any provision of this chapter to the
19 contrary or the fact that a person is the holder of a class
20 "A" native distilled spirits license, a native distillery
21 which, combining all production facilities of the business,
22 produces and manufactures not more than one hundred thousand
23 proof gallons of native distilled spirits on an annual basis
24 may sell those native distilled spirits manufactured on the
25 premises of the native distillery for consumption on the
26 premises by applying for a class "C" native distilled spirits
27 liquor control license as provided in section 123.30. A
28 native distillery may be granted not more than one class "C"
29 native distilled spirits liquor control license. All native
30 distilled spirits sold by a native distillery for on-premises
31 consumption and mixed drinks or cocktails sold for consumption
32 off the premises shall be purchased from a class "E" liquor
33 control licensee. A manufacturer of native distilled spirits
34 may be issued a class "C" native distilled spirits liquor
35 control license regardless of whether the manufacturer is also

1 a manufacturer of beer pursuant to a class "A" beer permit or
2 a manufacturer of native wine pursuant to a class "A" wine
3 permit.

4 Sec. 13. Section 123.49, subsection 2, paragraph d, Code
5 2020, is amended by adding the following new subparagraph:

6 NEW SUBPARAGRAPH. (3) Mixed drinks or cocktails mixed on
7 premises covered by a class "C" liquor control license or a
8 class "C" native distilled spirits liquor control license for
9 consumption off the licensed premises may be sold if the mixed
10 drink or cocktail is immediately sealed with a lid or other
11 method of securing the product and is promptly taken from the
12 licensed premises prior to consumption of the mixed drink or
13 cocktail. A mixed drink or cocktail that is sold and sealed
14 in compliance with the requirements of this subparagraph shall
15 not be deemed an open container subject to the requirements
16 of sections 321.284 and 321.284A if the sealed container is
17 unopened and the seal has not been tampered with, and the
18 contents of the container have not been partially removed.

19 Sec. 14. Section 123.131, subsection 2, paragraph a, Code
20 2020, is amended to read as follows:

21 a. The beer is transferred from the original container to
22 the container to be sold on the licensed premises at the time
23 of sale or when sold by telephonic or other electronic means.

24 Sec. 15. EMERGENCY RULES. The alcoholic beverages division
25 of the department of commerce may adopt emergency rules under
26 section 17A.4, subsection 3, and section 17A.5, subsection 2,
27 paragraph "b", to implement the provisions of this division
28 of this Act and the rules shall be effective immediately upon
29 filing unless a later date is specified in the rules. Any
30 rules adopted in accordance with this section shall also be
31 published as a notice of intended action as provided in section
32 17A.4.

33 Sec. 16. EFFECTIVE DATE. This division of this Act, being
34 deemed of immediate importance, takes effect upon enactment.>

35 2. Title page, by striking lines 1 and 2 and inserting

H-8305 (Continued)

1 <An Act concerning alcoholic beverage control, establishing
2 a charity beer, spirits, and wine event permit, providing
3 for alcoholic beverages sales, and including effective date
4 provisions.>

[H-8305](#) FILED JUNE 12, 2020

HOUSE FILE 2627

H-8299

- 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 shall> 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 may>
- 8 2. Page 7, line 10, after <experience> by inserting <with a
9 substantially similar scope of practice>
- 10 3. Page 7, line 11, after <application> by inserting <as
11 determined by the board>
- 12 4. Page 7, after line 14 by inserting:
13 <3. If this Code or administrative rules require
14 a person applying for a professional or occupational
15 license, certificate, or registration in this state to
16 pass an examination to obtain the license, certificate, or
17 registration, a person applying for licensure, certification,
18 or registration under this section shall be required to pass
19 the same examination.>
- 20 5. Page 9, line 35, by striking <5> and inserting <4>
- 21 6. Page 10, line 22, after <this> by inserting <division of
22 this>
- 23 7. Page 16, line 33, after <date> by inserting <of this
24 division>
- 25 8. Page 17, line 4, after <date> by inserting <of this
26 division>
- 27 9. Page 17, line 17, after <date> by inserting <of this
28 division>
- 29 10. Page 17, line 24, after <date> by inserting <of this
30 division>
- 31 11. Page 18, line 27, after <date> by inserting <of this
32 division>
- 33 12. Page 19, line 3, after <date> by inserting <of this
34 division>

H-8299 (Continued)

By LUNDGREN of Dubuque

H-8299 FILED JUNE 12, 2020

HOUSE FILE 2627

H-8301

- 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 shall> 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 may>
- 8 2. Page 7, line 10, after <experience> by inserting <with a
9 substantially similar scope of practice>
- 10 3. Page 7, line 11, after <application> by inserting <as
11 determined by the board>
- 12 4. Page 7, after line 14 by inserting:
13 <3. If this Code or administrative rules require
14 a person applying for a professional or occupational
15 license, certificate, or registration in this state to
16 pass an examination to obtain the license, certificate, or
17 registration, a person applying for licensure, certification,
18 or registration under this section shall be required to pass
19 the same examination.>
- 20 5. Page 9, line 35, by striking <5> and inserting <4>
- 21 6. Page 10, line 22, after <this> by inserting <division of
22 this>
- 23 7. Page 16, line 33, after <date> by inserting <of this
24 division>
- 25 8. By striking page 17, line 3, through page 18, line 25.
- 26 9. Page 18, line 27, after <date> by inserting <of this
27 division>
- 28 10. Page 19, line 3, after <date> by inserting <of this
29 division>

By LUNDGREN of Dubuque

H-8301 FILED JUNE 12, 2020

HOUSE FILE 2642

H-8300

1 Amend the amendment, H-8290, to House File 2642 as follows:

2 1. Page 1, after line 28 by inserting:

3 <___. Page 14, after line 27 by inserting:

4 <DIVISION ____

5 REBUILD IOWA INFRASTRUCTURE FUND APPROPRIATION

6 Sec. ___. IOWA ECONOMIC EMERGENCY FUND TRANSFERS.

7 Notwithstanding any provision of section 8.55 to the contrary
8 and for purposes of transfers from the Iowa economic emergency
9 fund created in section 8.55 as provided in this section during
10 the fiscal year beginning July 1, 2020, the maximum balance of
11 the Iowa economic emergency fund is the amount equal to two
12 and one-half percent of the adjusted revenue estimate for the
13 fiscal year beginning July 1, 2020. If the amount of moneys
14 in the Iowa economic emergency fund is equal to the maximum
15 balance, moneys in excess of this amount shall be distributed
16 as follows during the fiscal year beginning July 1, 2020:

17 1. The first seventy million dollars shall be transferred to
18 the general fund of the state.

19 2. Of the excess remaining after the transfer in subsection
20 1, the difference, reduced by the transfer made in subsection
21 1, between the actual net revenue for the general fund of the
22 state for the fiscal year beginning July 1, 2019, and ending
23 June 30, 2020, and the adjusted revenue estimate for the fiscal
24 year beginning July 1, 2019, and ending June 30, 2020, shall
25 be transferred to the taxpayer relief fund created in section
26 8.57E.

27 3. The remainder of the excess, if any, shall be transferred
28 to the general fund of the state.

29 Sec. ___. REBUILD IOWA INFRASTRUCTURE FUND — GENERAL FUND
30 APPROPRIATION. There is appropriated from the general fund
31 of the state for the fiscal year beginning July 1, 2019, and
32 ending June 30, 2020, to the rebuild Iowa infrastructure fund
33 created in section 8.57, the sum of seventy million dollars.

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

H-8300 (Continued)

1 Sec. ____ . RETROACTIVE APPLICABILITY. This division of this
2 Act applies retroactively to June 1, 2020.>>

3 2. By renumbering, redesignating, and correcting internal
4 references as necessary.

By BOSSMAN of Woodbury

H-8300 FILED JUNE 12, 2020

HOUSE FILE 2643

H-8295

1 Amend the amendment, H-8294, to House File 2643 as follows:

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

3 <___. Page 6, line 12, by striking <24> and inserting <20>

4 _____. Page 7, line 14, after <designated> by inserting

5 <, including for liability amounts associated with the

6 supplemental nutrition assistance program payment error rate,>

7 _____. Page 10, after line 15 by inserting:

8 <DIVISION ____

9 HEALTH AND HUMAN SERVICES — PRIOR APPROPRIATIONS AND OTHER
10 PROVISIONS

11 RURAL PSYCHIATRIC RESIDENCIES

12 Sec. _____. 2019 Iowa Acts, chapter 85, section 3, subsection
13 4, paragraph j, is amended to read as follows:

14 j. Of the funds appropriated in this subsection, \$400,000
15 shall be used for rural psychiatric residencies to support the
16 annual creation and training of four psychiatric residents who
17 will provide mental health services in underserved areas of
18 the state. Notwithstanding section 8.33, moneys that remain
19 unencumbered or unobligated at the close of the fiscal year
20 shall not revert but shall remain available for expenditure for
21 the purposes designated for subsequent fiscal years.

22 FAMILY INVESTMENT PROGRAM ACCOUNT

23 Sec. _____. 2019 Iowa Acts, chapter 85, section 9, is amended
24 by adding the following new subsection:

25 NEW SUBSECTION. 7. Notwithstanding section 8.33, moneys
26 appropriated in this section that remain unencumbered or
27 unobligated at the close of the fiscal year shall not revert
28 but shall remain available for expenditure for the purposes
29 designated, and may be transferred to the appropriations made
30 in this division of this Act for general administration and
31 field operations for technology needs including the eligibility
32 integrated applications solutions (ELIAS) project, until the
33 close of the succeeding fiscal year.

34 STATE SUPPLEMENTARY ASSISTANCE

35 Sec. _____. 2019 Iowa Acts, chapter 85, section 15, subsection

1 4, is amended to read as follows:

2 4. Notwithstanding section 8.33, moneys appropriated
3 in this section that remain unencumbered or unobligated
4 at the close of the fiscal year shall not revert but
5 shall remain available for expenditure for the purposes
6 designated, including for liability amounts associated with the
7 supplemental nutrition assistance program payment error rate,
8 until the close of the succeeding fiscal year.

9 CHILD AND FAMILY SERVICES

10 Sec. _____. 2019 Iowa Acts, chapter 85, section 19, subsection
11 18, is amended to read as follows:

12 18. Of the funds appropriated in this section, at least
13 \$147,000 shall be used for the continuation of the child
14 welfare provider training academy, a collaboration between the
15 coalition for family and children's services in Iowa and the
16 department. Notwithstanding section 8.33, moneys allocated
17 under this subsection that remain unencumbered or unobligated
18 at the close of the fiscal year shall not revert but shall
19 remain available for expenditure for the purposes designated
20 until the close of the succeeding fiscal year.

21 Sec. _____. 2019 Iowa Acts, chapter 85, section 19, is amended
22 by adding the following new subsection:

23 NEW SUBSECTION. 24. Notwithstanding section 8.33, moneys
24 appropriated in this section that remain unencumbered or
25 unobligated at the close of the fiscal year shall not revert
26 but shall remain available for expenditure for the purposes
27 designated, and including services implemented to meet the
28 requirements of the federal Family First Prevention Services
29 Act, until the close of the succeeding fiscal year.

30 MENTAL HEALTH INSTITUTES

31 Sec. _____. 2019 Iowa Acts, chapter 85, section 24, subsection
32 2, is amended to read as follows:

33 2. a. Notwithstanding sections 218.78 and 249A.11, any
34 revenue received from the state mental health institute at
35 Cherokee or the state mental health institute at Independence

1 pursuant to 42 C.F.R §438.6(e) may be retained and expended by
2 the mental health institute.

3 b. Notwithstanding sections 218.78 and 249A.11, any
4 COVID-19 related funding received through federal funding
5 sources by the state mental health institute at Cherokee or the
6 state mental health institute at Independence may be retained
7 and expended by the mental health institute.

8 FIELD OPERATIONS

9 Sec. _____. 2019 Iowa Acts, chapter 85, section 27, is amended
10 by adding the following new subsection:

11 NEW SUBSECTION. 4. Notwithstanding section 8.33, moneys
12 appropriated in this section that remain unencumbered or
13 unobligated at the close of the fiscal year shall not revert
14 but shall remain available for expenditure for the purposes
15 designated until the close of the succeeding fiscal year.

16 GENERAL ADMINISTRATION

17 Sec. _____. 2019 Iowa Acts, chapter 85, section 28, is amended
18 by adding the following new subsection:

19 NEW SUBSECTION. 7. Notwithstanding section 8.33, moneys
20 appropriated in this section that remain unencumbered or
21 unobligated at the close of the fiscal year shall not revert
22 but shall remain available for expenditure for the purposes
23 designated until the close of the succeeding fiscal year.

24 DECATEGORIZATION FY 2018 CARRYOVER FUNDING

25 Sec. _____. DECATEGORIZATION CARRYOVER FUNDING FY 2018 —
26 TRANSFER TO MEDICAID PROGRAM. Notwithstanding section 232.188,
27 subsection 5, paragraph "b", any state-appropriated moneys in
28 the funding pool that remained unencumbered or unobligated
29 at the close of the fiscal year beginning July 1, 2017, and
30 were deemed carryover funding to remain available for the two
31 succeeding fiscal years that still remain unencumbered or
32 unobligated at the close of the fiscal year beginning July 1,
33 2019, shall not revert but shall be transferred to the medical
34 assistance program for the fiscal year beginning July 1, 2020.

35 Sec. _____. LIMITATION NOT APPLICABLE TO FY 2020-2021. All

H-8295 (Continued)

1 of the following amendments to 2019 Iowa Acts, chapter 85, are
2 not applicable to the associated appropriations made for the
3 fiscal year beginning July 1, 2020, and ending June 30, 2021,
4 notwithstanding section 1 of this Act:

5 1. 2019 Iowa Acts, chapter 85, section 9, as amended in this
6 division of this Act.

7 2. 2019 Iowa Acts, chapter 85, section 19, subsection 18, as
8 amended in this division of this Act.

9 3. 2019 Iowa Acts, chapter 85, section 19, subsection 24, if
10 enacted by this division of this Act.

11 4. 2019 Iowa Acts, chapter 85, section 27, as amended in
12 this division of this Act.

13 5. 2019 Iowa Acts, chapter 85, section 28, as amended in
14 this division of this Act.

15 Sec. _____. LIMITATION APPLICABLE TO FY 2020-2021. All of
16 the following amendments to 2019 Iowa Acts, chapter 85, are
17 applicable to the associated appropriations made for the fiscal
18 year beginning July 1, 2020, and ending June 30, 2021, pursuant
19 to section 1 of this Act:

20 1. 2019 Iowa Acts, chapter 85, section 3, subsection 4,
21 paragraph "j".

22 2. 2019 Iowa Acts, chapter 85, section 15, subsection 4.

23 3. 2019 Iowa Acts, chapter 85, section 24, subsection 2, as
24 amended in this division of this Act.

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

27 Sec. _____. RETROACTIVE APPLICABILITY. This division of this
28 Act applies retroactively to July 1, 2019.

29 DIVISION ____

30 HEALTH AND HUMAN SERVICES — FY 2019-2020 PROVISIONS NOT
31 APPLICABLE FOR FY 2020-2021

32 Sec. _____. HEALTH AND HUMAN SERVICES PROVISIONS NOT
33 APPLICABLE TO FY 2020-2021. The following provisions of 2019
34 Iowa Acts, chapter 85, are not applicable to the associated
35 appropriations made for the fiscal year beginning July 1, 2020,

1 and ending June 30, 2021, notwithstanding section 1 of this
2 Act:

3 1. 2019 Iowa Acts, chapter 85, section 3, subsection 2,
4 paragraph "a".

5 2. 2019 Iowa Acts, chapter 85, section 3, subsection 7,
6 paragraph "b".

7 3. 2019 Iowa Acts, chapter 85, section 3, subsection 9,
8 paragraph "b".

9 4. 2019 Iowa Acts, chapter 85, section 4, subsection 1.

10 5. 2019 Iowa Acts, chapter 85, section 9, subsection 4.

11 6. 2019 Iowa Acts, chapter 85, section 13, subsections 21,
12 22, 23, and 24.

13 7. 2019 Iowa Acts, chapter 85, section 22, subsection 2.

14 8. 2019 Iowa Acts, chapter 85, section 24, subsection 1,
15 paragraph "a", subparagraph (2).

16 9. 2019 Iowa Acts, chapter 85, section 24, subsection 1,
17 paragraph "b", subparagraph (2).

18 10. 2019 Iowa Acts, chapter 85, section 26, subsection 1,
19 paragraph "b".

20 11. 2019 Iowa Acts, chapter 85, section 27, subsection 2.

21 12. 2019 Iowa Acts, chapter 85, section 32, subsection 1.

22 13. 2019 Iowa Acts, chapter 85, section 33.

23 14. 2019 Iowa Acts, chapter 85, divisions VII, VIII, XI,
24 XII, XIV, XVI, XIX, and XXVII.

25 DIVISION ____

26 HEALTH AND HUMAN SERVICES — NEW PROVISIONS APPLICABLE FOR FY

27 2020-2021

28 STATE MEDICAL EXAMINER

29 Sec. ____ . STATE MEDICAL EXAMINER — USE OF MONEYS. For
30 the fiscal year beginning July 1, 2020, and ending June 30,
31 2021, a portion of the moneys appropriated from the general
32 fund of the state to the department of public health for
33 public protection shall be used to support the office of the
34 state medical examiner and to address the growth in demand
35 for services. The office of the state medical examiner shall

1 enter into a memorandum of understanding with the university
2 of Iowa hospitals and clinics to coordinate the completion of
3 forensic autopsies to address increased caseloads and prolonged
4 backlogs, and to promote regional efficiencies.

5 HOPEs — HFI

6 Sec. _____. HEALTHY OPPORTUNITIES FOR PARENTS TO EXPERIENCE
7 SUCCESS (HOPEs) — HEALTHY FAMILIES IOWA (HFI) PROGRAM. For
8 the fiscal year beginning July 1, 2020, and ending June 30,
9 2021, of the funds appropriated from the general fund of the
10 state to the department of public health for healthy children
11 and families, not more than \$734,000 shall be used for the
12 healthy opportunities for parents to experience success (HOPEs)
13 — healthy families Iowa (HFI) program established pursuant to
14 section 135.106.

15 SEXUAL VIOLENCE PREVENTION PROGRAMMING

16 Sec. _____. SEXUAL VIOLENCE PREVENTION PROGRAMMING. For
17 the fiscal year beginning July 1, 2020, and ending June
18 30, 2021, of the moneys appropriated from the general fund
19 of the state to the department of public health for public
20 protection, up to \$243,000 shall be used for sexual violence
21 prevention programming through a statewide organization
22 representing programs serving victims of sexual violence
23 through the department's sexual violence prevention program,
24 and for continuation of a training program for sexual assault
25 response team (SART) members, including representatives of
26 law enforcement, victim advocates, prosecutors, and certified
27 medical personnel. The amount allocated in this section shall
28 not be used to supplant funding administered for other sexual
29 violence prevention or victims assistance programs.

30 TAX PREPARATION ASSISTANCE

31 Sec. _____. DEPARTMENT OF HUMAN SERVICES — TAX PREPARATION
32 ASSISTANCE. For the fiscal year beginning July 1, 2020, and
33 ending June 30, 2021, of the moneys appropriated from the
34 general fund of the state to the department of human services
35 to be credited to the family investment program account and

1 used for family investment assistance under chapter 239B,
2 \$195,000 shall be used for a contract executed in accordance
3 with 2019 Iowa Acts, chapter 85, section 9, subsection 4,
4 with an Iowa-based nonprofit organization with a history of
5 providing tax preparation assistance to low-income Iowans in
6 order to expand the usage of the earned income tax credit.
7 The purpose of the contract is to supply this assistance to
8 underserved areas of the state.

9 HEALTH PROGRAM OPERATIONS

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

15 For health program operations:

16 \$ 17,831,343

17 1. The department of inspections and appeals shall provide
18 all state matching moneys for survey and certification
19 activities performed by the department of inspections
20 and appeals. The department of human services is solely
21 responsible for distributing the federal matching moneys for
22 such activities.

23 2. Of the moneys appropriated in this section, \$50,000 shall
24 be used for continuation of home and community-based services
25 waiver quality assurance programs, including the review and
26 streamlining of processes and policies related to oversight and
27 quality management to meet state and federal requirements.

28 3. Of the amount appropriated in this section, up to
29 \$200,000 may be transferred to the appropriation for general
30 administration to be used for additional full-time equivalent
31 positions in the development of key health initiatives such
32 as development and oversight of managed care programs and
33 development of health strategies targeted toward improved
34 quality and reduced costs in the Medicaid program.

35 4. Of the moneys appropriated in this section, \$1,000,000

1 shall be used for planning and development, in cooperation with
2 the department of public health, of a phased-in program to
3 provide a dental home for children.

4 5. a. Of the moneys appropriated in this section, \$573,000
5 shall be credited to the autism support program fund created
6 in section 225D.2 to be used for the autism support program
7 created in chapter 225D, with the exception of the following
8 amount of this allocation which shall be used as follows:

9 b. Of the moneys allocated in this subsection, \$25,000 shall
10 be used for the public purpose of continuation of a grant to a
11 nonprofit provider of child welfare services that has been in
12 existence for more than 115 years, is located in a county with
13 a population between 200,000 and 220,000 according to the most
14 recent federal decennial census, is licensed as a psychiatric
15 medical institution for children, and provides school-based
16 programming, to be used for support services for children with
17 autism spectrum disorder and their families.

18 Sec. _____. REFERENCES TO MEDICAL CONTRACTS — REPLACED. For
19 the fiscal year beginning July 1, 2020, and ending June 30,
20 2021, all references in 2019 Iowa Acts, chapter 85, division V,
21 to "medical contracts" shall be replaced with the term "health
22 program operations" and all transfers of funds made to or from
23 the appropriation for medical contracts shall instead be made
24 to or from the appropriation for health program operations.

25 CHILD AND FAMILY SERVICES

26 Sec. _____. CHILD AND FAMILY SERVICES — GROUP FOSTER
27 CARE. For the fiscal year beginning July 1, 2020, and ending
28 June 30, 2021, of the funds appropriated from the general fund
29 of the state to the department of human services for child and
30 family services, \$26,025,000 is allocated as the statewide
31 expenditure target under section 232.143 for group foster care
32 maintenance and services. If the department projects that such
33 expenditures for the fiscal year will be less than the target
34 amount allocated in this paragraph "a", the department may
35 reallocate the excess to provide additional funding for family

1 foster care, independent living, family-centered services,
2 shelter care, or the child welfare emergency services addressed
3 with the allocation for shelter care.

4 FAMILY SUPPORT SUBSIDY PROGRAM

5 Sec. _____. FAMILY SUPPORT SUBSIDY PROGRAM. For the fiscal
6 year beginning July 1, 2020, and ending June 30, 2021, of the
7 moneys appropriated from the general fund of the state to the
8 department of human services for the family support subsidy
9 program, at least \$875,195 is transferred to the department
10 of public health for the family support center component of
11 the comprehensive family support program under chapter 225C,
12 subchapter V.

13 DEPARTMENT OF HUMAN SERVICES PROVIDER REIMBURSEMENTS

14 Sec. _____. PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF
15 HUMAN SERVICES.

16 1. For the fiscal year beginning July 1, 2020, and
17 ending June 30, 2021, the following reimbursement rates and
18 methodologies shall apply:

19 a. (1) For the fiscal year beginning July 1, 2020,
20 case-mix, non-case-mix, and special population nursing
21 facilities shall be reimbursed in accordance with the
22 methodology in effect on June 30, 2020.

23 (2) For managed care claims, the department of human
24 services shall adjust the payment rate floor for nursing
25 facilities, annually, to maintain a rate floor that is no
26 lower than the Medicaid fee-for-service case-mix adjusted
27 rate calculated in accordance with subparagraph (1) and
28 441 IAC 81.6. The department shall then calculate adjusted
29 reimbursement rates, including but not limited to add-on
30 payments, annually, and shall notify Medicaid managed care
31 organizations of the adjusted reimbursement rates within 30
32 days of determining the adjusted reimbursement rates. Any
33 adjustment of reimbursement rates under this subparagraph shall
34 be budget neutral to the state budget.

35 (3) Medicaid managed care organizations shall adjust

1 facility-specific rates based upon payment rate listings issued
2 by the department. The rate adjustments shall be applied
3 prospectively from the effective date of the rate letter issued
4 by the department.

5 b. For the fiscal year beginning July 1, 2020, reimbursement
6 rates for inpatient hospital services shall be rebased
7 effective October 1, 2020, subject to Medicaid program upper
8 payment limit rules, and adjusted as necessary to maintain
9 expenditures within the amount appropriated to the department
10 for this purpose for the fiscal year.

11 c. For the fiscal year beginning July 1, 2020, under
12 both fee-for-service and managed care administration of
13 the Medicaid program, critical access hospitals shall be
14 reimbursed for inpatient and outpatient services based on the
15 hospital-specific critical access hospital cost adjustment
16 factor methodology utilizing the most recent and complete cost
17 reporting period as applied prospectively within the funds
18 appropriated for such purpose for the fiscal year.

19 d. For the fiscal year beginning July 1, 2020, assertive
20 community treatment per diem rates shall remain at the rates in
21 effect on June 30, 2020.

22 e. Notwithstanding section 234.38, for the fiscal
23 year beginning July 1, 2020, the foster family basic daily
24 maintenance rate and the maximum adoption subsidy rate for
25 children ages 0 through 5 years shall be \$16.78, the rate for
26 children ages 6 through 11 years shall be \$17.45, the rate for
27 children ages 12 through 15 years shall be \$19.10, and the
28 rate for children and young adults ages 16 and older shall be
29 \$19.35. For youth ages 18 through 23 who have exited foster
30 care, the preparation for adult living program maintenance rate
31 shall be \$602.70 per month. The maximum payment for adoption
32 subsidy nonrecurring expenses shall be limited to \$500 and the
33 disallowance of additional amounts for court costs and other
34 related legal expenses implemented pursuant to 2010 Iowa Acts,
35 chapter 1031, section 408, shall be continued.

1 f. For the fiscal year beginning July 1, 2020, the
2 reimbursement rate for family-centered services providers shall
3 be established by contract.

4 2. With the exception of the providers and services
5 specified in subsection 1, all other provider and service
6 reimbursement rates and methodologies specified in 2019 Iowa
7 Acts, chapter 85, section 31, shall continue to be applicable
8 for the fiscal year beginning July 1, 2020, and ending June 30,
9 2021.

10 EMERGENCY RULES

11 Sec. ____ . EMERGENCY RULES.

12 1. If necessary to comply with federal requirements
13 including time frames, or if specifically authorized by a
14 provision of this division of this Act, the department of
15 human services or the mental health and disability services
16 commission may adopt administrative rules under section 17A.4,
17 subsection 3, and section 17A.5, subsection 2, paragraph "b",
18 to implement the provisions of this division of this Act and
19 the rules shall become effective immediately upon filing or
20 on a later effective date specified in the rules, unless the
21 effective date of the rules is delayed or the applicability
22 of the rules is suspended by the administrative rules review
23 committee. Any rules adopted in accordance with this section
24 shall not take effect before the rules are reviewed by the
25 administrative rules review committee. The delay authority
26 provided to the administrative rules review committee under
27 section 17A.4, subsection 7, and section 17A.8, subsection 9,
28 shall be applicable to a delay imposed under this section,
29 notwithstanding a provision in those sections making them
30 inapplicable to section 17A.5, subsection 2, paragraph "b".
31 Any rules adopted in accordance with the provisions of this
32 section shall also be published as a notice of intended action
33 as provided in section 17A.4.

34 2. If during a fiscal year, the department of human
35 services is adopting rules in accordance with this section

1 or as otherwise directed or authorized by state law, and the
2 rules will result in an expenditure increase beyond the amount
3 anticipated in the budget process or if the expenditure was
4 not addressed in the budget process for the fiscal year, the
5 department shall notify the persons designated by this division
6 of this Act for submission of reports, the chairpersons and
7 ranking members of the committees on appropriations, and
8 the department of management concerning the rules and the
9 expenditure increase. The notification shall be provided at
10 least 30 calendar days prior to the date notice of the rules
11 is submitted to the administrative rules coordinator and the
12 administrative code editor.

13 REPORT ON NONREVERSION OF FUNDS

14 Sec. _____. REPORT ON NONREVERSION OF FUNDS. The department
15 of human services shall report the expenditure of any moneys
16 for which nonreversion authorization was provided for the
17 fiscal year beginning July 1, 2019, and ending June 30, 2020,
18 for the family investment program account, state supplementary
19 assistance, child and family services, the mental health
20 institutes, field operations, or general administration to the
21 chairpersons and ranking members of the joint appropriations
22 subcommittee on health and human services, the legislative
23 services agency, and the four legislative caucus staffs on a
24 quarterly basis beginning October 1, 2020.

25 CHILD AND FAMILY SERVICES

26 Sec. _____. CHILD AND FAMILY SERVICES APPROPRIATION. For the
27 fiscal year beginning July 1, 2020, and ending June 30, 2021, a
28 portion of the funds appropriated from the general fund of the
29 state to the department of human services for child and family
30 services may be used for family-centered services for purposes
31 of complying with the federal Family First Prevention Services
32 Act of 2018, Pub. L. No. 115-123, and successor legislation.

33 DIVISION ____

34 PUBLIC HEALTH EMERGENCY PROVISIONS

35 COVID-19 REGULATIONS

1 Sec. _____. COVID-19 FEDERAL REGULATION. For the time
2 period beginning on the effective date of this division of
3 this Act, and ending June 30, 2021, notwithstanding state
4 administrative rules to the contrary, to the extent federal
5 regulations relating to the COVID-19 pandemic differ from state
6 administrative rules, including applicable federal waivers, the
7 federal regulations are controlling during the pendency of the
8 federally declared state of emergency.

9 COUNTY HOSPITAL FUNDING

10 Sec. _____. COUNTY HOSPITAL FUNDING — SUSTAINING OF HOSPITAL
11 OPERATIONS. For the time period beginning on the effective
12 date of this division of this Act, and ending June 30, 2021,
13 notwithstanding any provision of section 347.14, subsection
14 4, to the contrary, a board of trustees of a county hospital
15 may borrow moneys secured solely by hospital revenues for the
16 purpose of providing working capital or for general financing
17 needs to sustain hospital operations.

18 Sec. _____. COUNTY HOSPITAL FUNDING — NONCURRENT DEBT
19 ISSUANCE. For the time period beginning on the effective
20 date of this division of this Act, and ending June 30, 2021,
21 notwithstanding any provision of section 331.478, subsections
22 2 and 3, to the contrary, a board of trustees of a county
23 hospital may authorize noncurrent debt for the purpose of
24 providing working capital or for general financing needs to
25 sustain a county hospital's operations including in the form of
26 natural disaster loans from the state or federal government.

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

29 DIVISION ____

30 MENTAL HEALTH AND DISABILITY SERVICES

31 Sec. _____. Section 331.389, subsection 4, paragraph c, Code
32 2020, is amended to read as follows:

33 c. The department shall work with any county that has not
34 agreed to be part of a region in accordance with paragraph
35 "a" and with the regions forming around the county to resolve

1 issues preventing the county from joining a region. In
2 addition to the regional governance agreement requirements
3 in section 331.392, the department may compel the county and
4 region to engage in mediation for resolution of a dispute.
5 The costs incurred for mediation shall be paid by the county
6 and the region in dispute according to their governance
7 agreement. A county that has not agreed to be part of a
8 region in accordance with paragraph "a" shall be assigned by
9 the department to a region, unless exempted prior to July 1,
10 2014. A county assigned by the department to a region shall
11 be included in that region's amended governance agreement
12 pursuant to this section as of an effective date designated by
13 the department. The assigned county and region shall operate
14 according to the region's existing governance agreement until
15 the regional governance agreement is amended.

16 Sec. _____. Section 331.389, subsection 5, Code 2020, is
17 amended to read as follows:

18 5. a. If the department determines that a region or an
19 exempted county is not adequately fulfilling the requirements
20 under this chapter for a regional service system, the
21 department shall address the region or county in the following
22 order:

23 a. (1) Require compliance with a corrective action plan.

24 b. (2) Reduce the amount of the annual state funding
25 provided for the regional service system, not to exceed fifteen
26 percent of the amount.

27 c. (3) Withdraw approval for the region or for the county
28 exemption, as applicable.

29 b. The department shall rely on all information available,
30 including annual audits submitted under section 331.391,
31 regional governance agreements submitted under section 331.392,
32 and annual service and budget plans submitted under section
33 331.393 in determining whether a region or an exempted county
34 is adequately fulfilling the requirements for a regional
35 service system. The department may request and review

1 financial documents, contracts, and other audits, and may
2 perform on-site reviews and interviews to gather information.

3 Sec. _____. Section 331.392, subsection 4, Code 2020, is
4 amended to read as follows:

5 4. The financial provisions of the agreement shall include
6 all of the following:

7 a. Methods for pooling, management, and expenditure of the
8 funding under the control of the regional administrator. If
9 the agreement does not provide for pooling of the participating
10 county moneys in a single fund, the agreement shall specify how
11 the participating county moneys will be subject to the control
12 of the regional administrator.

13 b. (1) Methods for allocating administrative funding and
14 resources.

15 (2) Methods for allocating a region's cash flow amount in
16 the event a county leaves the region. A region's cash flow
17 amount shall be divided by the percentage of each county's
18 population according to the region's population indicated
19 in the region's annual service and budget plan and shall be
20 allocated to the counties. This subparagraph shall apply to
21 all agreements in existence or entered into on or after July
22 1, 2020.

23 c. Contributions and uses of initial funding or related
24 contributions made by the counties participating in the
25 region for purposes of commencing operations by the regional
26 administrator.

27 d. Methods for acquiring or disposing of real property.

28 e. A process for determining the use of savings for
29 reinvestment.

30 f. A process for performance of an annual independent audit
31 of the regional administrator. The annual independent audit
32 prepared by the regional administrator shall be submitted to
33 the department upon completion of the audit.

34 Sec. _____. Section 331.392, Code 2020, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. 6. All agreements shall be submitted to the
2 department. The department shall approve the agreement if the
3 agreement complies with the requirements of this section.

4 Sec. ____ . MENTAL HEALTH AND DISABILITY SERVICES —
5 REGIONALIZATION AUTHORIZATION.

6 1. The department of human services shall facilitate the
7 county social services mental health and disability services
8 region dividing into two separate regions. All member
9 counties shall participate in the planning as required by the
10 department. Counties in the western portion of the region may
11 form a new region if the counties meet the requirements of
12 this section. Counties in the eastern portion of the region
13 shall retain the name county social services if a new region is
14 formed by the counties in the western portion of the region.

15 2. County formation of a proposed new mental health and
16 disability services region pursuant to this section is subject
17 to all of the following:

18 a. The aggregate population of all counties forming
19 the region is at least 50,000 and includes at least one
20 incorporated city with a population of more than 24,000. For
21 purposes of this subparagraph, "population" means the same as
22 defined in section 331.388, subsection 4, Code 2020.

23 b. Notwithstanding section 331.389, subsection 4, on or
24 before February 1, 2021, the counties forming the region have
25 complied with section 331.389, subsection 3, and all of the
26 following additional requirements:

27 (1) The board of supervisors of each county forming the
28 region has voted to approve a chapter 28E agreement.

29 (2) The duly authorized representatives of all the counties
30 forming the region have signed a chapter 28E agreement that is
31 in compliance with section 331.392 and 441 IAC 25.14.

32 (3) The county board of supervisors' or supervisors'
33 designee members and other members of the region's governing
34 board are appointed in accordance with section 331.390.

35 (4) Executive staff for the region's regional administrator

1 are identified or engaged.

2 (5) The regional service management plan is developed in
3 accordance with section 331.393 and 441 IAC 25.18 and 441 IAC
4 25.21 and is submitted to the department.

5 (6) The initial regional service management plan shall
6 identify the service provider network for the region, identify
7 the information technology and data management capacity to be
8 employed to support regional functions, and establish business
9 functions, accounting procedures, and other administrative
10 processes.

11 c. Each county forming the region shall submit the
12 compliance information required in paragraph "b" to the
13 director of human services on or before February 1, 2021.
14 Within forty-five days of receipt of such information, the
15 director of human services shall determine if the region is in
16 full compliance and shall approve the region if the region has
17 met all of the requirements of this section.

18 d. The director of human services shall work with a county
19 making a request under this section that has not agreed or
20 is unable to join the proposed new region to resolve issues
21 preventing the county from joining the proposed new region.

22 e. By February 1, 2021, the director of human services
23 shall assign a county, making a request under this section
24 that has not reached an agreement to be part of the proposed
25 new region, to an existing region or to another new proposed
26 region, consistent with this section.

27 3. If approved by the department, the region shall commence
28 full operations no later than July 1, 2021.

29 Sec. ____ . MENTAL HEALTH AND DISABILITY SERVICES — TRANSFER
30 OF FUNDS. Notwithstanding section 331.432, a county with a
31 population of over 300,000 based on the most recent federal
32 decennial census may transfer funds from any other fund
33 of the county to the mental health and disability regional
34 services fund for the purposes of providing mental health and
35 disability services for the fiscal year beginning July 1,

1 2020, and ending June 30, 2021. The county shall submit a
2 report to the governor and the general assembly by September
3 1, 2021, including the source of any funds transferred, the
4 amount of the funds transferred, and the mental health and
5 disability services provided with the transferred funds. The
6 county shall work with the department to maximize the use of
7 the medical assistance program and other third-party payment
8 sources, including but not limited to identifying individuals
9 enrolled with or eligible for Medicaid whose Medicaid-covered
10 services are being paid by the county or could be converted to
11 Medicaid-covered services.

12 DIVISION ____

13 FOSTER HOME INSURANCE FUND

14 Sec. ____ . Section 237.13, Code 2020, is amended by striking
15 the section and inserting in lieu thereof the following:

16 **237.13 Foster home insurance fund.**

17 1. For the purposes of this section, "*foster home*" means an
18 individual, as defined in section 237.1, subsection 7, who is
19 licensed to provide child foster care and shall also be known
20 as a "*licensed foster home*".

21 2. The foster home insurance fund shall be administered by
22 the department of human services. The fund shall consist of
23 all moneys appropriated by the general assembly for deposit
24 in the fund. The department shall use moneys in the fund to
25 reimburse foster parents for the cost of purchasing foster care
26 liability insurance and to perform the administrative functions
27 necessary to carry out this section.

28 3. The department of human services shall adopt rules,
29 pursuant to chapter 17A, to carry out the provisions of this
30 section.

31 DIVISION ____

32 VETERANS HOME CARRYFORWARD

33 Sec. ____ . Section 35D.18, subsection 5, Code 2020, is
34 amended to read as follows:

35 5. Notwithstanding section 8.33, any up to eight hundred

H-8295 (Continued)

1 thousand dollars of the balance in the Iowa veterans home
2 annual appropriation or revenues that remains unencumbered or
3 unobligated at the close of the fiscal year shall not revert
4 but shall remain available for expenditure for specified
5 purposes of the Iowa veterans home until the close of the
6 succeeding fiscal year.>>

7 2. By renumbering, redesignating, and correcting internal
8 references as necessary.

By FRY of Clarke

H-8295 FILED JUNE 12, 2020

HOUSE FILE 2643

H-8296

1 Amend the amendment, H-8294, to House File 2643 as follows:

2 1. Page 10, after line 18 by inserting:

3 <DIVISION ____

4 PSILOCYBIN AND PSILOCYN

5 Sec. ____ . Section 124.204, subsection 4, paragraphs s and t,

6 Code 2020, are amended by striking the paragraphs.>

By SHIPLEY of Van Buren

H-8296 FILED JUNE 12, 2020

HOUSE FILE 2643

H-8298

1 Amend the amendment, H-8294, to House File 2643 as follows:

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

3 <___. Page 11, after line 16 by inserting:

4 <Sec. ___. TAXPAYER RELIEF FUND — APPROPRIATION. There
5 is appropriated from the taxpayer relief fund created in
6 section 8.57E to the department of revenue for the fiscal year
7 beginning July 1, 2020, and ending June 30, 2021, the following
8 amounts, or so much thereof as is necessary, to be used for the
9 purposes designated:

10 1. For reimbursement for the homestead property tax credit
11 under section 425.1:

12 \$ 2,799,690

13 2. For implementing the elderly and disabled tax credit and
14 reimbursement pursuant to sections 425.16 through 425.40:

15 \$ 2,460,000>>

16 2. Page 5, after line 16 by inserting:

17 <Notwithstanding section 8.33, moneys appropriated in this
18 section that remain unencumbered or unobligated at the close of
19 the fiscal year shall not revert but shall remain available for
20 expenditure for the purposes designated until the close of the
21 fiscal year that begins July 1, 2020.>

22 3. Page 8, after line 12 by inserting:

23 <Sec. ___. COLLEGE STUDENT AID COMMISSION. There is
24 appropriated from the general fund of the state to the college
25 student aid commission for the fiscal year beginning July 1,
26 2020, and ending June 30, 2021, the following amount, or so
27 much thereof as is necessary, to be used for the purposes
28 designated:

29 For implementation of 2020 Iowa Acts, Senate File 2398,
30 if enacted, including salaries, support, maintenance, and
31 miscellaneous purposes:

32 \$ 300,000>

33 4. Page 8, line 35, after <commission> by inserting <for
34 implementation of 2020 Iowa Acts, House File 2629,>

35 5. Page 9, after line 1 by inserting:

1 <Sec. _____. CONTINGENT EFFECTIVE DATE. The following takes
2 effect on the effective date of 2020 Iowa Acts, Senate File
3 2398, if enacted:

4 The section of this division of this Act appropriating
5 moneys to the college student aid commission for implementation
6 of 2020 Iowa Acts, Senate File 2398.>

7 6. Page 10, after line 18 by inserting:

8 <DIVISION ____
9 GRAIN REGULATION

10 Sec. _____. APPROPRIATION. There is appropriated from the
11 general fund of the state to the department of agriculture
12 and land stewardship for the fiscal year beginning July 1,
13 2020, and ending June 30, 2021, the following amount, or so
14 much thereof as is necessary, to be used for the purposes
15 designated:

16 For the administration and enforcement of chapters 203
17 and 203C, including salaries, support, maintenance, and
18 miscellaneous purposes:

19 \$ 350,000

20 Sec. _____. SUSPENSION. Notwithstanding section 203D.5,
21 the fees described in that section shall not be assessable or
22 owing.

23 Sec. _____. REPEAL. The section of this division of this Act
24 suspending fees under section 203D.5 is repealed on March 1,
25 2021.

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

28 DIVISION ____
29 RETURNS ON SEARCH WARRANTS

30 Sec. _____. Section 808.8, subsection 2, Code 2020, is amended
31 to read as follows:

32 2. The officer must file, with the officer's return, a
33 complete inventory of the property taken, ~~and state under oath~~
34 including a sworn statement that it is accurate to the best of
35 the officer's knowledge. The magistrate must, if requested,

1 deliver a copy of the inventory of seized property to the
2 person from whose possession it was taken and to the applicant
3 for the warrant.

4 Sec. _____. CONTINGENT EFFECTIVE DATE. This division of this
5 Act takes effect on the effective date of rules prescribed by
6 the supreme court and submitted to the legislative council
7 pursuant to section 602.4202, that establish processes and
8 procedures for the application and issuance of a search warrant
9 by electronic means to implement 2017 Iowa Acts, chapter 37.

10 DIVISION ____
11 RURAL IMPROVEMENT ZONES

12 Sec. _____. Section 357H.1, subsection 1, Code 2020, is
13 amended to read as follows:

14 1. The board of supervisors of a county with less than
15 twenty thousand residents, not counting persons admitted or
16 committed to an institution enumerated in section 218.1 or
17 904.102, based upon the most recent certified federal census,
18 and with a private ~~lake~~ real estate development adjacent to or
19 abutting in part a lake may designate an area surrounding the
20 lake, if it is an unincorporated area of the county, a rural
21 improvement zone upon receipt of a petition pursuant to section
22 357H.2, and upon the board's determination that the area is in
23 need of improvements.

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

26 Sec. _____. APPLICABILITY. This division of this Act applies
27 to rural improvement zones in existence on or established on or
28 after the effective date of this division of this Act.

29 DIVISION ____
30 COUNTY ZONING

31 <Sec. _____. Section 335.8, subsection 1, Code 2020, as
32 amended by 2020 Iowa Acts, House File 2512, section 3, is
33 amended to read as follows:

34 1. In order to avail itself of the powers conferred by this
35 chapter, the board of supervisors shall appoint a commission

1 consisting of eligible electors, as defined in section 39.3,
2 who reside within the ~~area regulated by the county zoning~~
3 ~~ordinance~~ county, but outside the corporate limits of any city,
4 to be known as the county zoning commission. The commission
5 may recommend the boundaries of the various districts and
6 appropriate regulations and restrictions to be enforced in
7 the districts. The commission shall, with due diligence,
8 prepare a preliminary report and hold public hearings on the
9 preliminary report before submitting the commission's final
10 report. The board of supervisors shall not hold its public
11 hearings or take action until it has received the final report
12 of the commission. After the adoption of the regulations,
13 restrictions, and boundaries of districts, the zoning
14 commission may, from time to time, recommend to the board of
15 supervisors amendments, supplements, changes, or modifications.
16 The commission's report and any recommendations may include a
17 proposed ordinance or amendments to an ordinance.

18 Sec. _____. Section 335.11, Code 2020, as amended by 2020
19 Iowa Acts, House File 2512, section 4, is amended to read as
20 follows:

21 **335.11 Membership of board.**

22 The board of adjustment shall consist of five members who
23 are eligible electors, as defined in section 39.3, and who
24 reside within the ~~area regulated by the county zoning ordinance~~
25 county, but outside the corporate limits of any city, each to
26 be appointed for a term of five years, excepting that when the
27 board shall first be created one member shall be appointed for
28 a term of five years, one for a term of four years, one for a
29 term of three years, one for a term of two years, and one for
30 a term of one year. Members shall be removable for cause by
31 the appointing authority upon written charges and after public
32 hearing. Vacancies shall be filled for the unexpired term of
33 any member whose term becomes vacant.

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

HOUSE FILE 2643

H-8302

1 Amend the amendment, H-8276, to House File 2643 as follows:

2 1. Page 6, after line 21 by inserting:

3 <Of the funds appropriated in this section, \$13,000,000
4 shall be used to provide reimbursement to critical access
5 hospitals for inpatient and outpatient services based on
6 a critical access hospital adjustment factor methodology
7 developed by the department of human services.>

8 2. Page 13, after line 34 by inserting:

9 <DIVISION ____
10 UTILITY DISCONNECTION RESTRICTIONS
11 Sec. ____ . UTILITY DISCONNECTION RESTRICTIONS.

12 1. When used in this section, unless the context otherwise
13 requires:

14 a. "Coronavirus" means the coronavirus identified as
15 SARS-CoV-2, the disease caused by the coronavirus SARS-CoV-2
16 or a virus mutating therefrom, and conditions associated with
17 the disease caused by the coronavirus SARS-CoV-2 or a virus
18 mutating therefrom.

19 b. "Primary caregiver" means an individual who takes
20 responsibility for managing the well-being of another
21 individual with respect to the other individual's recovery
22 from a coronavirus infection at any time from March 17, 2020,
23 through December 31, 2020.

24 2. Notwithstanding any other provision of law to the
25 contrary, a utility shall not discontinue, reduce, or impair
26 service to any of the following:

27 a. An individual who becomes unemployed at any time from
28 March 17, 2020, through December 31, 2020, as a result of the
29 impact of the coronavirus on the individual's employer.

30 b. A primary caregiver.

31 3. The utilities board within the utilities division of the
32 department of commerce shall adopt rules pursuant to chapter
33 17A to administer this section.

34 DIVISION ____
35 TERMINATION OF EMPLOYMENT PROHIBITED

1 coronavirus 2 or the disease caused by severe acute respiratory
2 syndrome coronavirus 2.

3 *e. "Facility"* means the same as defined in section 514J.102.

4 *f. "Health benefit plan"* means any policy, contract,
5 certificate, or agreement, including a short-term
6 limited-duration policy or a high deductible plan, offered or
7 issued by a health carrier to provide, deliver, arrange for,
8 pay for, or reimburse any of the costs of health care services.

9 *g. "Health care professional"* means the same as defined in
10 section 514J.102.

11 *h. "Health care provider" or "provider"* means the same as
12 defined in section 514J.102.

13 *i. "Health care services"* means services for the assessment,
14 diagnosis, prevention, treatment, cure, or relief of a health
15 condition, illness, or disease related to COVID-19.

16 *j. "Health carrier"* means an entity subject to the
17 insurance laws and regulations of this state, or subject
18 to the jurisdiction of the commissioner, including an
19 insurance company offering sickness and accident plans, a
20 health maintenance organization, a nonprofit health service
21 corporation, a plan established pursuant to chapter 509A for
22 public employees, a plan offered or maintained by a multiple
23 employer welfare association, or any other entity providing
24 a plan of health insurance, health benefits, or health care
25 services. Notwithstanding section 505.20, subsection 1, "*health*
26 *carrier*" also includes a nonprofit agricultural organization
27 domiciled in the state that sponsors a health benefit plan
28 pursuant to section 505.20.

29 *k. "Step therapy protocol"* means the same as defined in
30 section 514F.7.

31 2. Notwithstanding the uniformity of treatment requirements
32 of section 514C.6, a health benefit plan that provides for
33 third-party payment or prepayment of health or medical expenses
34 must comply with all of the following requirements:

35 *a. Waive all cost-sharing requirements for health care*

1 services recommended by a covered person's health care
2 professional.

3 *b.* Waive prior authorization requirements for all health
4 care services recommended by a covered person's health care
5 professional.

6 *c.* Waive all requirements mandating a covered person
7 receive health care services from an in-network health care
8 provider if the health benefit plan is unable to provide timely
9 and reasonable in-network access to health care services as
10 recommended by a covered person's health care professional.

11 *d.* Permit an employer to continue coverage under a group
12 plan for an employee who would otherwise be ineligible for
13 coverage based on a reduction in the number of hours worked by
14 the employee due to a COVID-19 related issue.

15 *e.* Establish a grace period or other continuity of coverage
16 policy to mitigate the financial risk for covered persons and
17 health care providers due to delayed payment or nonpayment of
18 health benefit plan premiums by a covered person.

19 3. Notwithstanding the uniformity of treatment requirements
20 of section 514C.6, a health benefit plan that provides for
21 third-party payment or prepayment of health or medical expenses
22 that provides coverage for prescription drugs must comply
23 with all of the following requirements for prescription drugs
24 prescribed by a covered person's health care professional for a
25 health condition, illness, or disease related to COVID-19:

26 *a.* Waive time restrictions for prescription refills
27 and authorize reimbursements to a pharmacy or a pharmacist
28 for filling an up-to-thirty-day supply of a prescription
29 for a covered person, regardless of the date on which that
30 prescription has most recently been filled for that covered
31 person.

32 *b.* Waive prior authorization requirements and step therapy
33 protocols if a covered person's prescribing health care
34 professional recommends an alternative drug for the covered
35 person due to a shortage of the drug initially prescribed for

1 the covered person by the health care professional.

2 *c.* Expedite a formulary exception for a covered person
3 who is suffering from a health condition, illness, or disease
4 related to COVID-19 that jeopardizes the covered person's
5 health, life, or ability to regain maximum function.

6 *d.* Expedite a formulary exception for a covered person
7 who is suffering from a health condition, illness, or disease
8 related to COVID-19 if the covered person is currently
9 receiving health care services that involve a nonformulary
10 prescription drug.

11 *e.* Allow a covered person to use an out-of-network pharmacy
12 to fill a covered prescription at the covered person's
13 in-network health benefit plan level if a shortage of the
14 prescription drug renders in-network pharmacies unable to fill
15 the prescription.

16 4. Notwithstanding any provision of law to the contrary,
17 the board of pharmacy shall waive requirements for electronic
18 prescription transmission pursuant to section 124.308,
19 subsection 2, for all prescription drugs prescribed by
20 a covered person's health care professional for a health
21 condition, illness, or disease related to COVID-19.

22 5. Notwithstanding the uniformity of treatment requirements
23 of section 514C.6, a health benefit plan that provides for
24 third-party payment or prepayment of health or medical expenses
25 shall not do any of the following:

26 *a.* Retroactively deny reimbursement to a health care
27 provider based on the provider's network status.

28 *b.* Retroactively deny reimbursement to a health care
29 provider based on a covered person receiving a diagnosis other
30 than a diagnosis related to COVID-19.

31 *c.* Cancel a covered person's health benefit plan or refuse
32 to renew a covered person's health benefit plan based on the
33 covered person's COVID-19 status.

34 *d.* Increase premiums based on a group's decreased enrollment
35 or participation in a health benefit plan due to COVID-19.

1 6. To ensure compliance with this section, a health carrier
2 shall submit each of the health carrier's health benefit plans
3 to the commissioner pursuant to rules promulgated by the
4 commissioner.

5 7. A health carrier shall communicate all requirements
6 pursuant to subsections 2 and 3 in writing to all covered
7 persons and to all health care providers that are contracted
8 with the health carrier.

9 8. This section shall not apply to accident-only, specified
10 disease, short-term hospital or medical, hospital confinement
11 indemnity, credit, dental, vision, Medicare supplement,
12 long-term care, basic hospital and medical-surgical expense
13 coverage as defined by the commissioner of insurance,
14 disability income insurance coverage, coverage issued as a
15 supplement to liability insurance, workers' compensation or
16 similar insurance, or automobile medical payment insurance.

17 9. The commissioner of insurance shall adopt rules pursuant
18 to chapter 17A to administer this section. Such rules shall
19 include the requirement that all health carriers adopt a
20 uniform system of billing that allows health care providers to
21 timely process billing codes related to health care services
22 provided pursuant to this section.

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

25 Sec. _____. RETROACTIVE APPLICABILITY. This division
26 of this Act applies retroactively to January 1, 2020, for
27 health benefit plans that are delivered, issued for delivery,
28 continued, or renewed in this state on or after that date.

29 DIVISION ____

30 UNEMPLOYMENT COMPENSATION

31 Sec. _____. Section 96.6, subsection 2, Code 2020, is amended
32 to read as follows:

33 2. *Initial determination.*

34 a. A representative designated by the director shall
35 promptly notify all interested parties to the claim of its

1 filing within five business days, and the parties have ten
2 days from the date of mailing the notice of the filing of the
3 claim by ordinary mail to the last known address to protest
4 payment of benefits to the claimant. The representative shall
5 promptly examine the claim and any protest, take the initiative
6 to ascertain relevant information concerning the claim, and,
7 on the basis of the facts found by the representative, shall
8 determine whether or not the claim is valid, the week with
9 respect to which benefits shall commence, the weekly benefit
10 amount payable and its maximum duration, and whether any
11 disqualification shall be imposed. If a fact finding interview
12 will be held by the department to obtain information on a
13 specific eligibility or disqualification issue, the department
14 shall schedule the interview within five business days of the
15 interview being requested or a determination by the department
16 that an interview is necessary. The interview shall be held
17 within ten business days following the date the interview is
18 scheduled.

19 b. The claimant has the burden of proving that the claimant
20 meets the basic eligibility conditions of section 96.4. The
21 employer has the burden of proving that the claimant is
22 disqualified for benefits pursuant to section 96.5, except as
23 provided by this subsection. The claimant has the initial
24 burden to produce evidence showing that the claimant is not
25 disqualified for benefits in cases involving section 96.5,
26 subsections 10 and 11, and has the burden of proving that a
27 voluntary quit pursuant to section 96.5, subsection 1, was for
28 good cause attributable to the employer and that the claimant
29 is not disqualified for benefits in cases involving section
30 96.5, subsection 1, paragraphs "a" through "h".

31 c. Unless the claimant or other interested party, after
32 notification or within ten calendar days after notification
33 was mailed to the claimant's last known address, files an
34 appeal from the decision, the decision is final and benefits
35 shall be paid or denied in accordance with the decision.

1 If an administrative law judge affirms a decision of the
2 representative, or the appeal board affirms a decision of the
3 administrative law judge allowing benefits, the benefits shall
4 be paid regardless of any appeal which is thereafter taken,
5 but if the decision is finally reversed, no employer's account
6 shall be charged with benefits so paid and this relief from
7 charges shall apply to both contributory and reimbursable
8 employers, notwithstanding section 96.8, subsection 5.

9 Sec. _____. Section 96.11, Code 2020, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 17. *Electronic notifications for weekly*
12 *claims.* The department shall provide an individual submitting
13 a claim for benefits with an electronic confirmation that the
14 claim was successfully submitted. The confirmation shall
15 include a confirmation number for the claim and shall be
16 provided for each weekly claim. Such confirmation shall not be
17 considered an acknowledgment that a claim is valid.

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

20 Sec. _____. APPLICABILITY.

21 1. The section of this division of this Act amending section
22 96.6, subsection 2, applies to claims for unemployment benefits
23 filed and fact finding interviews scheduled on or after the
24 effective date of this Act.

25 2. The section of this division of this Act enacting section
26 96.11, subsection 17, applies to claims for unemployment
27 benefits with an effective date on or after the second Sunday
28 after the effective date of this Act.

29 DIVISION ____

30 SUSPENSION OF EVICTIONS AND FORECLOSURES

31 Sec. _____. SUSPENSION OF CERTAIN EVICTIONS — EXTENSION
32 OF SUSPENSION. The provisions of section 562A.27, section
33 562B.25, and section 648.1, subsections 2 through 6, that allow
34 for the termination of a rental agreement by a landlord or
35 allow for the eviction of a tenant shall be suspended through

1 September 30, 2020. This suspension shall not apply to the
2 termination of a rental agreement or to the eviction of a
3 tenant under emergency or other circumstances pursuant to any
4 other law.

5 Sec. _____. SUSPENSION OF FORECLOSURES AND FORFEITURES —
6 EXTENSION OF SUSPENSION.

7 1. The provisions of chapters 646, 654, 655A, and 656
8 that permit the commencement of foreclosure or forfeiture
9 proceedings on residential, commercial, or agricultural real
10 property located in the state or that permit the continued
11 prosecution of a foreclosure or forfeiture proceeding that has
12 already commenced on residential, commercial, or agricultural
13 real property located in the state shall be suspended through
14 September 30, 2020.

15 2. Nothing in this section shall be construed to relieve any
16 person of the person's obligation to make mortgage payments or
17 to comply with any other mortgage obligation that the person
18 may have pursuant to a mortgage.

19 3. The superintendent of the division of banking and the
20 superintendent of credit unions shall identify any tools,
21 means, or methods to mitigate the threat of foreclosure or
22 forfeiture for persons that hold an interest in residential,
23 commercial, or agricultural real property in Iowa.

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

26 Sec. _____. RETROACTIVE APPLICABILITY. This division of this
27 Act applies retroactively to May 27, 2020.

28 DIVISION ____

29 COMMUNITY HEALTH CENTERS

30 Sec. _____. CORONAVIRUS RELIEF FUND — COMMUNITY HEALTH
31 CENTERS. Of the funds received by the state from the federal
32 Coronavirus Relief Fund created pursuant to the federal
33 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No.
34 116-136, \$20,000,000 shall be distributed to community health
35 centers throughout the state to be used in accordance with the

1 federal Act.

2

DIVISION ____

3

PERSONAL PROTECTIVE EQUIPMENT FOR SCHOOLS

4

Sec. ____ . DEPARTMENT OF MANAGEMENT — PERSONAL

5

PROTECTIVE EQUIPMENT FOR SCHOOLS — REIMBURSEMENT CLAIMS —

6

APPROPRIATION. Each school district and accredited nonpublic

7

school that purchases personal protective equipment during

8

the budget year commencing July 1, 2020, may submit to the

9

department of management, in a format prescribed by the

10

department, a request for reimbursement for the costs of the

11

personal protective equipment purchased during the fiscal

12

year commencing July 1, 2020. The department of management

13

shall use funds available to the state pursuant to the federal

14

Coronavirus Aid, Relief, and Economic Security Act, Pub. L.

15

No. 116-136, that are available without any match requirement,

16

to reimburse Iowa's school districts and accredited nonpublic

17

schools for the costs incurred by the school districts and

18

schools in purchasing personal protective equipment during

19

the 2020-2021 school year. There is appropriated from moneys

20

received by the state pursuant to the federal Coronavirus

21

relief fund created pursuant to the federal Coronavirus Aid,

22

Relief, and Economic Security Act, Pub. L. No. 116-136, to

23

the department of management for the fiscal year beginning

24

July 1, 2020, and ending June 30, 2021, an amount necessary to

25

reimburse school districts and accredited nonpublic schools

26

for the costs of the personal protective equipment purchased

27

during the fiscal year commencing July 1, 2020. If the moneys

28

available to the state pursuant to the federal Coronavirus Aid,

29

Relief, and Economic Security Act, Pub. L. No. 116-136, are

30

insufficient to pay the full amount of reimbursements requested

31

in accordance with this section, the department shall prorate

32

the amount of reimbursement paid to each school district and

33

accredited nonpublic school submitting a reimbursement request

34

pursuant to this section.

35

DIVISION ____

1 PHYSICAL PLANT AND EQUIPMENT LEVY

2 Sec. _____. SCHOOL DISTRICT PHYSICAL PLANT AND EQUIPMENT LEVY
3 — PERMISSIBLE USES BUDGET YEAR 2020-2021.

4 1. For the school budget year beginning July 1, 2020, and
5 ending June 30, 2021, unencumbered moneys remaining in the
6 physical plant and equipment levy fund under section 298A.4 at
7 the end of the budget year beginning July 1, 2019, and ending
8 June 30, 2020, and the taxes certified for levy before the
9 effective date of this division of this Act under section 298.2
10 and deposited in the physical plant and equipment levy fund for
11 the school budget year beginning July 1, 2020, and ending June
12 30, 2021, in addition to the purposes authorized under section
13 298.3, may be used by a school district to purchase personal
14 protective equipment for staff and students for use during the
15 school year beginning July 1, 2020, and ending June 30, 2021.

16 2. The board of directors of a school district,
17 notwithstanding the budget amendment requirements of chapters
18 24 and 257, may authorize the expenditure of specified physical
19 plant and equipment levy funds for purposes specified in
20 subsection 1 by resolution of the board specifying the amount
21 to be used and the purposes from which the funds will be
22 reallocated, if the resolution of the board is approved and
23 filed with the department of education and the department of
24 management on or before June 30, 2021.

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

27 DIVISION ____

28 INFECTIOUS DISEASE EMERGENCY RESPONSE

29 Sec. _____. Section 88.5, Code 2020, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 5A. *Emergency temporary standards —*
32 *infectious disease emergencies.*

33 a. If, during a period of infectious disease emergency,
34 as defined in section 95.1, the secretary provides a federal
35 occupational safety and health standard, including an emergency

1 temporary standard, or provides any other guideline or
2 recommendation, relating to the infectious disease that is
3 the subject of the period, the commissioner shall provide
4 for one or more temporary standards pursuant to subsection
5 5 implementing the standard, guideline, or recommendation
6 within one week of the issuance of the standard, guideline, or
7 recommendation. The commissioner shall initiate the procedures
8 provided for under this chapter for the purpose of promulgating
9 a permanent standard as provided in subsection 1 of this
10 section within one month of such issuance if the period remains
11 in effect.

12 *b.* Emergency standards provided pursuant to this subsection
13 shall include a requirement that affected employers provide,
14 at no cost to employees, personal protective equipment and
15 sanitizing liquid in order to prevent the contraction or spread
16 of the infectious disease.

17 Sec. _____. Section 88.6, Code 2020, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 10. *Procedures for complaints regarding*
20 *periods of infectious disease emergency.* The division shall
21 respond to any complaint of a violation of this chapter during
22 a period of infectious disease emergency as defined in section
23 95.1 that pertains to the infectious disease within twenty-four
24 hours of receiving the complaint. The response shall confirm
25 that the division has received the complaint and shall
26 describe the steps the division will carry out to conduct an
27 investigation of the complaint. The division shall begin such
28 an investigation within seventy-two hours of receiving such a
29 complaint. Upon request, and notwithstanding subsection 8, the
30 division shall provide the person who made a complaint with an
31 update on the progress of the investigation and a projected
32 timeline for its completion.

33 Sec. _____. NEW SECTION. 95.1 **Definitions.**

34 As used in this chapter, unless the context otherwise
35 requires:

1 1. *“Employee”* means a natural person who is employed in this
2 state for wages by an employer.

3 2. *“Employer”* means a person, as defined in chapter 4, who
4 in this state employs for wages a natural person.

5 3. *“Period of infectious disease emergency”* means that
6 period of time that a disease or virus determined to be
7 life-threatening to a person exposed to the disease or virus
8 has been declared a pandemic, epidemic, or public health
9 emergency by the federal government, governor, or local public
10 health authorities.

11 Sec. ____ . NEW SECTION. **95.2 Paid sick leave.**

12 During a period of infectious disease emergency, an employer
13 with fifty or more employees shall provide a minimum of two
14 weeks of paid sick leave to an employee who shows symptoms
15 known to be associated with an infectious disease that is the
16 subject of a period of infectious disease emergency during such
17 period.

18 Sec. ____ . NEW SECTION. **95.3 Attendance policies.**

19 1. The general assembly declares that it is the public
20 policy of the state to maintain the integrity and vitality
21 of value-added agricultural manufacturing including but not
22 limited to meat packing and grain milling facilities within
23 this state by permitting employees during a pandemic or other
24 period of infectious disease emergency to miss work without
25 penalty when demonstrating symptoms consistent with the
26 symptoms associated with COVID-19 or any other infectious
27 disease as identified by the United States centers for disease
28 control or another government agency.

29 2. An employer with fifty or more employees at a value-added
30 agricultural manufacturing facility, including but not limited
31 to a meat packing or grain milling facility, shall not enforce
32 the termination provisions of any employer policy based
33 on attendance, a no-fault attendance policy, a point-based
34 attendance policy, or any other attendance policy, against an
35 employee when the employee was absent from work due to symptoms

1 known to be associated with an infectious disease that is the
2 subject of a period of infectious disease emergency during
3 such period. Such an employer shall not remove incentive
4 pay or other attendance-related bonuses from an employee due
5 to absence from work due to symptoms known to be associated
6 with an infectious disease that is the subject of a period of
7 infectious disease emergency during such period.

8 Sec. _____. NEW SECTION. **95.4 Employee notification.**

9 During a period of infectious disease emergency, if an
10 employer with fifty or more employees determines that ten
11 percent or more of the employer's employees have contracted
12 or been exposed to a person who has contracted the infectious
13 disease, the employer shall notify all employees of the
14 infection rate within twenty-four hours of the determination.
15 An employer shall comply with all laws, regulations, and
16 rules relating to the confidentiality or privacy of personal
17 information or medical records, including but not limited to
18 the federal Health Insurance Portability and Accountability Act
19 of 1996, Pub. L. No. 104-191, when implementing this section.

20 Sec. _____. NEW SECTION. **95.5 Whistleblower protection.**

21 1. An employer or the employer's agent shall not
22 discriminate or take any other adverse employment action
23 against any employee who raises a concern by any medium about
24 workplace health and safety practices or hazards relating
25 to an infectious disease that is the subject of a period
26 of infectious disease emergency during such period to the
27 employer, the employer's agent, another employee, a government
28 agency, or to any member of the public.

29 2. An employer or the employer's agent shall not require
30 any employee to sign a contract or other agreement that would
31 limit or prevent the employee from disclosing information
32 about workplace health and safety practices or hazards
33 relating to an infectious disease that is the subject of a
34 period of infectious disease emergency during such period to
35 another employee, a government agency, or to any member of the

1 public. An employer shall not require an employee to otherwise
2 abide by a workplace policy that would limit or prevent such
3 disclosures, and such a policy is void on and after the
4 effective date of this Act.

5 Sec. _____. NEW SECTION. **95.6 Public employee collective**
6 **bargaining.**

7 1. Upon the commencement of a period of infectious disease
8 emergency, a public employee collective bargaining unit,
9 including one with less than thirty percent of members who are
10 public safety employees, may request to engage in supplemental
11 collective bargaining with a public employer pertaining to
12 health and safety measures in the workplace relating to the
13 infectious disease under applicable collective bargaining
14 procedures under chapter 20. The employer shall promptly
15 commence such collective bargaining subject to applicable
16 collective bargaining procedures under chapter 20.

17 2. This section applies notwithstanding any provision of
18 chapter 20 to the contrary.

19 Sec. _____. NEW SECTION. **95.7 Enforcement.**

20 The labor commissioner shall implement and enforce this
21 chapter. The labor commissioner shall adopt rules pursuant to
22 chapter 17A to administer this chapter. The labor commissioner
23 may coordinate with the public employment relations board in
24 the implementation of section 95.6.

25 Sec. _____. NEW SECTION. **139A.27 Infectious disease emergency**
26 **— personal protective equipment.**

27 1. During a period of infectious disease emergency,
28 as defined in section 95.1, the department shall make all
29 available efforts to facilitate the ability of employers
30 in this state to provide personal protective equipment and
31 sanitizing liquid to their employees to prevent infection by
32 and spread of the infectious disease.

33 2. In carrying out this section, the department shall give
34 first priority to employers subject to emergency temporary
35 standards under section 88.5, subsection 5A, that are unable to

1 obtain sufficient personal protective equipment and sanitizing
2 liquid without assistance from the department, and shall give
3 second priority to other employers that are unable to obtain
4 sufficient personal protective equipment and sanitizing liquid
5 without assistance from the department. If personal protective
6 equipment and sanitizing liquid cannot be obtained by the
7 department or employers without cost, the department shall
8 give consideration to the financial ability of an employer to
9 obtain personal protective equipment and sanitizing liquid when
10 determining prioritization.

11 3. The department shall coordinate with federal, state, and
12 local agencies, nonprofit organizations, and the private sector
13 to obtain personal protective equipment and sanitizing liquid
14 for purposes of implementing this section.

15 Sec. ____ . DEPARTMENT OF WORKFORCE DEVELOPMENT —
16 OCCUPATIONAL SAFETY AND HEALTH COMPLIANCE INSPECTORS.

17 1. The labor commissioner or the labor commissioner's
18 designee shall hire five additional full-time occupational
19 safety and health compliance inspectors to conduct inspections
20 pursuant to section 88.6. Notwithstanding subsection 8.39,
21 subsections 1 and 3, and notwithstanding any other law to the
22 contrary, without the prior written consent and approval of
23 the governor or the department of management, the director
24 of the department of workforce development may transfer
25 any unobligated and unencumbered moneys in any fund under
26 the control of the department of workforce development,
27 including moneys appropriated to the department from the
28 special employment security contingency fund created pursuant
29 to section 96.13, subsection 3, for the purpose of hiring
30 additional occupational safety and health compliance inspectors
31 pursuant to this section.

32 2. a. All transfers made under this section shall be
33 reported to the legislative fiscal committee by the tenth day
34 of the month following the month in which the transfer is made.
35 The report shall contain the following:

- 1 (1) The amount of each transfer.
- 2 (2) The date of each transfer.
- 3 (3) The departments and funds affected.
- 4 (4) A brief explanation of the reason for the transfer.
- 5 (5) Such other information as may be required by the
6 committee.

7 b. A summary of all transfers made under the provisions
8 of this section shall be included in the annual report of the
9 legislative fiscal committee.

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

12 Sec. _____. APPLICABILITY. The section of this division
13 of this Act enacting section 85A.9 applies to employees, as
14 described in section 85A.3, who contract an infectious disease
15 on or after the effective date of this division of this Act.

16 DIVISION ____

17 IOWA SMALL BUSINESS RELIEF PROGRAM

18 Sec. _____. IOWA SMALL BUSINESS RELIEF PROGRAM.

19 1. Of the moneys received by the state from the federal
20 coronavirus relief fund created pursuant to the federal
21 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No.
22 116-136, \$50,000,000 shall be transferred within ten calendar
23 days of the effective date of this division of this Act to
24 the small business disaster assistance fund administered by
25 the economic development authority for purposes of awarding
26 grants under the Iowa small business relief program pursuant to
27 subsection 2.

28 2. Within ten calendar days of the effective date of this
29 division of this Act the economic development authority shall
30 begin accepting additional applications for the Iowa small
31 business relief program from small businesses located in Iowa
32 that operated as sole proprietorships or that employed up to
33 fifty people prior to March 17, 2020, and that have experienced
34 a business disruption due to the COVID-19 pandemic. In
35 addition, small businesses that were eligible and applied for

1 the Iowa small business relief program during the application
2 period that ended March 31, 2020, and that were not awarded a
3 grant are also eligible to apply during the new application
4 period.

5 3. Moneys transferred pursuant to subsection 1 that have not
6 been disbursed as grants under the Iowa small business relief
7 program pursuant to subsection 2 by November 30, 2020, shall
8 revert to the Iowa coronavirus relief fund.

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

11 DIVISION ____

12 CORONAVIRUS RELIEF FUND — DOMESTIC VIOLENCE

13 Sec. _____. CORONAVIRUS RELIEF FUND — DOMESTIC VIOLENCE.

14 1. A portion of the moneys received by the state from the
15 federal coronavirus relief fund created pursuant to the federal
16 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No.
17 116-136, shall be appropriated to the department of justice
18 for the fiscal year beginning July 1, 2019, and ending June
19 30, 2020, to provide additional domestic violence prevention
20 resources to existing grant programs, shelters, hotlines, law
21 enforcement, and personnel who provide services to victims of
22 domestic violence.

23 2. Notwithstanding section 8.33, moneys appropriated in
24 this section that remain unencumbered or unobligated at the
25 close of the fiscal year shall not revert but shall remain
26 available for expenditure for the purposes designated until the
27 close of the fiscal year that begins July 1, 2021.

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

30 Sec. _____. RETROACTIVE APPLICABILITY. This division of this
31 Act applies retroactively to July 1, 2019.

32 DIVISION ____

33 EARLY CHILDHOOD IOWA FUND

34 Sec. _____. EARLY CHILDHOOD IOWA FUND. Of the moneys
35 received by the state from the federal coronavirus relief

H-8302 (Continued)

1 fund created pursuant to the federal Coronavirus Aid, Relief,
2 and Economic Security Act, Pub. L. No. 116-136, there is
3 appropriated to the department of education for the fiscal year
4 beginning July 1, 2020, and ending June 30, 2021, the following
5 amount, or so much thereof as is necessary, to be used for the
6 purposes designated:

7 For deposit in the school ready children grants account of
8 the early childhood Iowa fund created in section 256I.11:
9 \$ 453,256>

10 3. By renumbering as necessary.

By HALL of Woodbury

H-8302 FILED JUNE 12, 2020

HOUSE FILE 2643

H-8303

1 Amend the amendment, H-8276, to House File 2643, as follows:

2 1. Page 13, after line 34 by inserting:

3 <DIVISION ____

4 OVERSIGHT BY LEGISLATIVE COUNCIL

5 Sec. ____ . OVERSIGHT BY LEGISLATIVE COUNCIL. For the fiscal
6 year beginning July 1, 2020, and ending June 30, 2021, all of
7 the following apply:

8 1. On or before September 30, 2020, and on or before
9 December 31, 2020, the department of management shall submit
10 to the legislative council a detailed list of all expenditures
11 made from moneys received by the state from the federal
12 coronavirus relief fund created pursuant to the federal
13 Coronavirus Aid, Relief, and Economic Security Act, Pub. L.
14 No. 116-136. In addition, the department of management shall
15 notify the legislative council of any contract or agreement
16 with a private entity for the expenditure of such moneys,
17 including the name of the private entity and the amount to be
18 expended, within fourteen days after the contract or agreement
19 takes effect.

20 2. The department of management shall not expend more than
21 \$10,000,000 collectively during the fiscal year on any one
22 contract, agreement, or purpose without the approval of the
23 legislative council.

24 3. The department of management shall not make an
25 interdepartmental or intradepartmental transfer under section
26 8.39 of more than \$2,000,000 or otherwise transfer more than
27 \$2,000,000 collectively during the fiscal year from any one
28 fund or account to any other fund or account without the
29 approval of the legislative council.

30 DIVISION ____

31 COMPETITIVE BIDDING

32 Sec. ____ . COMPETITIVE BIDDING REINSTATEMENT.

33 Notwithstanding any provision of a proclamation of disaster
34 emergency issued by the governor during 2020 relating to
35 COVID-19 to the contrary, competitive bidding procedures

1 otherwise required for state agencies pursuant to Code chapters
2 8A and 8B shall be followed and not be altered or waived unless
3 for an immediate public health need.

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

6 DIVISION ____

7 FEDERAL FUND PREFERENCE

8 Sec. _____. IOWA BUSINESSES — FEDERAL FUND PREFERENCE. As
9 a condition of expending any money received from the federal
10 coronavirus relief fund created pursuant to the federal
11 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No.
12 116-136, any state agency authorized to enter into a contract
13 to expend such funds shall give first preference in awarding a
14 contract to an Iowa-based business.

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

17 DIVISION ____

18 COMPLIANCE — AMERICANS WITH DISABILITIES ACT

19 Sec. _____. COMPLIANCE — AMERICANS WITH DISABILITIES
20 ACT. Any public or private entity that is the ultimate
21 recipient of federal funds received and disbursed by the state
22 shall comply with the federal Americans with Disabilities Act
23 of 1990, 42 U.S.C. §12101 et seq., as a condition of receiving
24 the federal funds from the state.

25 DIVISION ____

26 COVID-19 FUNDING ANNOUNCEMENT RESTRICTIONS

27 Sec. _____. COVID-19 FUNDING — ANNOUNCEMENT. The governor
28 or any other person of the executive branch shall not announce
29 the award of federal funding related to COVID-19 within six
30 weeks before or on the day of a general election or within six
31 weeks before the commencement of absentee voting for a general
32 election or during the absentee-voting period for a general
33 election.

34 DIVISION ____

35 CAMPAIGN CONTRIBUTION DISCLOSURE BY PUBLIC BOARD MEMBERS

1 is guilty of a serious misdemeanor and may be reprimanded,
2 suspended, or dismissed from the person's position or otherwise
3 sanctioned.

4 Sec. _____. APPLICABILITY. The following applies to
5 employment entered into between a member of the general
6 assembly and an agency or the judicial branch on or after the
7 effective date of this division of this Act:

8 The section of this Act enacting section 68B.9.

9

DIVISION ____

10

OPEN MEETINGS AND PUBLIC RECORDS

11 Sec. _____. Section 21.2, subsection 1, Code 2020, is amended
12 by adding the following new paragraph:

13 NEW PARAGRAPH. k. A group self-insurance program that was
14 established in 1986 that provides liability insurance pursuant
15 to section 670.7 to at least fifty percent of the counties in
16 this state.

17 Sec. _____. Section 22.1, subsection 1, Code 2020, is amended
18 to read as follows:

19 1. "Government body" means this state, or any county,
20 city, township, school corporation, political subdivision,
21 tax-supported district, nonprofit corporation other than a
22 fair conducting a fair event as provided in chapter 174, whose
23 facilities or indebtedness are supported in whole or in part
24 with property tax revenue and which is licensed to conduct
25 pari-mutuel wagering pursuant to chapter 99D; the governing
26 body of a drainage or levee district as provided in chapter
27 468, including a board as defined in section 468.3, regardless
28 of how the district is organized; a group self-insurance
29 program that was established in 1986 that provides liability
30 insurance pursuant to section 670.7 to at least fifty percent
31 of the counties in this state; or other entity of this state,
32 or any branch, department, board, bureau, commission, council,
33 committee, official, or officer of any of the foregoing or any
34 employee delegated the responsibility for implementing the
35 requirements of this chapter.

1 DIVISION ____
2 CAMPAIGN FINANCE

3 Sec. ____ . Section 68A.102, subsection 10, paragraph a,
4 subparagraph (2), Code 2020, is amended to read as follows:

5 (2) The payment, by any person other than a candidate or
6 political committee who receives the service, of compensation
7 for the personal services of another person which are rendered
8 to a candidate or political committee for any such purpose.

9 Sec. ____ . Section 68A.102, subsection 10, paragraph a, Code
10 2020, is amended by adding the following new subparagraph:

11 NEW SUBPARAGRAPH. (3) A coordinated expenditure if the
12 expenditure must be reported pursuant to subchapter IV.

13 Sec. ____ . Section 68A.102, subsections 14 and 18, Code 2020,
14 are amended to read as follows:

15 14. a. "*Express advocacy*" or ~~to~~ "*expressly advocate*" means
16 communication that can be characterized according to at least
17 one of the following descriptions:

18 ~~a.~~ (1) The communication is political speech made in the
19 form of a contribution.

20 ~~b.~~ (2) In advocating the election or defeat of one or more
21 clearly identified candidates or the passage or defeat of one
22 or more clearly identified ballot issues, the communication
23 includes explicit words that unambiguously indicate that the
24 communication is recommending or supporting a particular
25 outcome in the election with regard to any clearly identified
26 candidate or ballot issue.

27 b. "*Express advocacy*" or "*expressly advocate*" does not mean
28 a communication that can be characterized according to one or
29 more of the following descriptions:

30 (1) The communication encourages individuals to register
31 to vote or to vote, provided that the communication does not
32 mention or depict a candidate or ballot issue.

33 (2) The communication does not support or oppose a candidate
34 or ballot issue.

35 (3) The communication is a bona fide news story, commentary,

1 blog, or editorial distributed through the facilities of any
2 broadcasting station, newspaper, magazine, internet site, or
3 other periodical publication of general circulation.

4 (4) The communication is by a membership organization or
5 corporation to its members, stockholders, or employees.

6 (5) The board determines by rule that the communication is
7 not express advocacy.

8 18. "*Political committee*" means any of the following:

9 a. A committee, but not a candidate's committee, that
10 accepts contributions in excess of ~~one thousand~~ two hundred
11 fifty dollars in the aggregate, makes expenditures in excess
12 of ~~one thousand~~ two hundred fifty dollars in the aggregate, or
13 incurs indebtedness in excess of ~~one thousand~~ two hundred fifty
14 dollars in the aggregate in any one calendar year to expressly
15 advocate the nomination, election, or defeat of a candidate
16 for public office, make an electioneering communication, or to
17 expressly advocate the passage or defeat of a ballot issue.

18 b. An association, lodge, society, cooperative, union,
19 fraternity, sorority, educational institution, civic
20 organization, labor organization, religious organization, or
21 professional organization that accepts contributions in excess
22 of ~~one thousand~~ two hundred fifty dollars in the aggregate,
23 makes expenditures in excess of ~~one thousand~~ two hundred fifty
24 dollars in the aggregate, or incurs indebtedness in excess of
25 ~~one thousand~~ two hundred fifty dollars in the aggregate in
26 any one calendar year to expressly advocate the nomination,
27 election, or defeat of a candidate for public office, make an
28 electioneering communication, or to expressly advocate the
29 passage or defeat of a ballot issue.

30 c. A person, other than an individual, that accepts
31 contributions in excess of ~~one thousand~~ two hundred fifty
32 dollars in the aggregate, makes expenditures in excess of
33 ~~one thousand~~ two hundred fifty dollars in the aggregate, or
34 incurs indebtedness in excess of ~~one thousand~~ two hundred fifty
35 dollars in the aggregate in any one calendar year to expressly

1 advocate that an individual should or should not seek election
2 to a public office prior to the individual becoming a candidate
3 as defined in subsection 4.

4 Sec. _____. Section 68A.102, Code 2020, is amended by adding
5 the following new subsections:

6 NEW SUBSECTION. 8A. "*Communication*" means any of the
7 following:

8 a. A paid advertisement broadcast over radio, television,
9 cable, or satellite.

10 b. The paid placement of content on the internet or other
11 electronic communication network.

12 c. A paid advertisement published in a newspaper or
13 periodical or on a billboard.

14 d. A mailing.

15 e. A printed material.

16 NEW SUBSECTION. 10A. "*Coordinated expenditure*" means
17 an expenditure made in cooperation with, in consultation
18 with, at the request of, or with the express prior consent
19 of a candidate or committee receiving the benefit of the
20 expenditure.

21 NEW SUBSECTION. 13A. a. "*Electioneering communication*"
22 means a paid communication that is publicly distributed by
23 radio, television, cable, satellite, internet site, newspaper,
24 periodical, billboard, mail, electronic mail, or any other
25 distribution of materials, that is made within sixty days of
26 the initiation of voting in an election that does not support
27 or oppose a candidate or ballot issue, that can be received
28 by more than one hundred persons, and that does any of the
29 following:

30 (1) Refers to one or more clearly identified candidates in
31 that election.

32 (2) Depicts the name, image, likeness, or voice of a clearly
33 identified candidate in that election.

34 (3) Refers to a political party, ballot issue, or a question
35 submitted to the voters in that election.

1 *b.* "Electioneering communication" does not include any of
2 the following:

3 (1) A bona fide news story, commentary, blog, or editorial
4 distributed through the facilities of any broadcasting station,
5 newspaper, magazine, internet site, or other periodical
6 publication of general circulation.

7 (2) A communication by a membership organization or
8 corporation to its members, stockholders, or employees.

9 (3) A commercial communication that depicts a candidate's
10 name, image, likeness, or voice only in the candidate's
11 capacity as owner, operator, or employee of a business that
12 existed prior to the organization of a candidate's committee by
13 the candidate pursuant to section 68A.202.

14 (4) A communication that constitutes a candidate debate or
15 forum or that solely promotes a candidate debate or forum and
16 is made by or on behalf of the person sponsoring the debate or
17 forum.

18 (5) A communication that the board determines by rule is not
19 an electioneering communication.

20 Sec. _____. Section 68A.402, subsection 9, Code 2020, is
21 amended to read as follows:

22 9. *a. Permanent organizations.* A permanent organization
23 temporarily engaging in activity described in section 68A.102,
24 subsection 18, shall organize a political committee and shall
25 keep the funds relating to that political activity segregated
26 from its operating funds. The political committee shall file
27 reports on the appropriate due dates as required by this
28 section.

29 *b.* The reports filed under this subsection shall identify
30 ~~the~~ all of the following:

31 (1) The source of the original funds used for a contribution
32 made to a candidate or a committee organized under this
33 chapter.

34 (2) The aggregate amount of contributions made by each
35 person.

1 (3) Each loan received from any person during the reporting
2 period.

3 (4) The amount and nature of debts and obligations owed to
4 the committee.

5 (5) Proceeds that total less than thirty-five dollars
6 per person from mass collections made at fund-raising events
7 sponsored by the committee.

8 (6) The total sum of contributions received by the committee
9 for a specified candidate or committee.

10 (7) The full name, mailing address, occupation, and
11 principal place of business, if any, of each person or
12 committee to whom an expenditure has been made during the
13 reporting period, including the amount, date, and purpose of
14 each expenditure and the total amount of expenditures to each
15 person or committee.

16 (8) The full name, mailing address, occupation, and
17 principal place of business, if any, of each person to whom an
18 expenditure for personal services, salaries, and reimbursement
19 of expenses has been made, including the amount, date,
20 and purpose of that expenditure, and the total amount of
21 expenditures made to each person.

22 (9) The total sum of expenditures made during the reporting
23 period.

24 (10) The full name, mailing address, occupation, and
25 principal place of business, if any, of any person to whom a
26 loan was made, and the full name, mailing address, occupation,
27 and principal place of business, if any, of any endorsers, and
28 the date and amount of each loan.

29 (11) The amount and nature of debts and obligations owed by
30 the committee.

31 (12) Other information as may be required by the board by
32 rule.

33 (13) For reports of expenditures made to a consultant,
34 advertising agency, polling firm, or other person that performs
35 services for the committee, the report shall be itemized

1 and described in sufficient detail to disclose the specific
2 services performed by the entity.

3 c. When the permanent organization ceases to be involved
4 in the political activity, the permanent organization shall
5 dissolve the political committee.

6 d. As used in this subsection, "*permanent organization*"
7 means an organization that is continuing, stable, and enduring,
8 and was originally organized for purposes other than engaging
9 in election activities.

10 Sec. _____. Section 68A.402A, subsection 1, paragraphs f and
11 g, Code 2020, are amended to read as follows:

12 f. The name and mailing address of each person and committee
13 to whom disbursements, payments for personal services,
14 salaries, reimbursement for expenses, or loan repayments
15 have been made by the committee from contributions during
16 the reporting period and the amount, purpose, and date of
17 each disbursement except that disbursements of less than five
18 dollars may be shown as miscellaneous disbursements so long as
19 the aggregate miscellaneous disbursements to any one person
20 during a calendar year do not exceed one hundred dollars.
21 Reports of disbursements under this paragraph must be itemized
22 and sufficiently detailed to disclose the specific services
23 performed by the person to whom a disbursement was made.

24 g. Disbursements made to a consultant, advertising agency,
25 or polling firm and disbursements made by the consultant,
26 advertising agency, or polling firm during the reporting
27 period disclosing the name and address of the recipient,
28 amount, purpose, and date. Reports of disbursements under
29 this paragraph must be itemized and sufficiently detailed to
30 disclose the specific services performed by the entity to whom
31 a disbursement was made.

32 Sec. _____. Section 68A.402A, subsection 1, Code 2020, is
33 amended by adding the following new paragraph:

34 NEW PARAGRAPH. 1. The total sum of disbursements made.

35 Sec. _____. NEW SECTION. 68A.404A Electioneering

1 **communications — reports.**

2 1. A person making an electioneering communication shall
3 file a report with the board, including a description of the
4 communication, how the communication was distributed, and
5 the amount of any expenditure made on the electioneering
6 communication, except that a person spending less than two
7 hundred fifty dollars on electioneering communications in a
8 taxable year shall not be required to file a report.

9 2. The board shall adopt rules for the form and schedule of
10 reports filed under this section.

11 Sec. _____. Section 68A.405, subsection 1, paragraphs b, c, d,
12 e, f, g, and h, Code 2020, are amended to read as follows:

13 *b.* (1) Except as set out in subsection 2, published
14 material designed to expressly advocate the nomination,
15 election, or defeat of a candidate for public office or
16 the passage or defeat of a ballot issue and electioneering
17 communications shall include on the published material
18 or electioneering communication an attribution statement
19 disclosing who is responsible for the published material or
20 electioneering communication.

21 (2) The person who is responsible for the published material
22 or electioneering communication has the sole responsibility
23 and liability for the attribution statement required by this
24 section.

25 *c.* If the person paying for the published material or
26 electioneering communication is an individual, the words "paid
27 for by" and the name and address of the person shall appear on
28 the published material or electioneering communication.

29 *d.* If more than one individual is responsible, the words
30 "paid for by", the names of the individuals, and either
31 the addresses of the individuals or a statement that the
32 addresses of the individuals are on file with the Iowa ethics
33 and campaign disclosure board shall appear on the published
34 material or electioneering communication.

35 *e.* If the person responsible is an organization, the words

1 "paid for by", the name and address of the organization, and
2 the name of one officer of the organization shall appear on the
3 published material or electioneering communication.

4 *f.* If the person responsible is a corporation, the words
5 "paid for by", the name and address of the corporation, and the
6 name and title of the corporation's chief executive officer
7 shall appear on the published material or electioneering
8 communication.

9 *g.* If the person responsible is a committee that has filed
10 a statement of organization pursuant to section 68A.201, the
11 words "paid for by" and the name of the committee shall appear
12 on the published material or electioneering communication.

13 *h.* If the published material or electioneering communication
14 is the result of an independent expenditure subject to section
15 68A.404, the published material or electioneering communication
16 shall include a statement that the published material or
17 electioneering communication was not authorized by any
18 candidate, candidate's committee, or ballot issue committee.

19 Sec. _____. Section 68A.405, subsection 2, paragraph d, Code
20 2020, is amended to read as follows:

21 *d.* Any published material or electioneering communication
22 that is subject to federal regulations regarding an attribution
23 requirement.

24 Sec. _____. Section 68A.405, subsection 4, Code 2020, is
25 amended to read as follows:

26 4. The board shall adopt rules relating to the placing of an
27 attribution statement on published materials and electioneering
28 communication.

29 DIVISION ____

30 TEST IOWA PROGRAM STANDARDS

31 Sec. _____. TEST IOWA PROGRAM STANDARDS. If the performance
32 goals and standards set forth under any test Iowa program
33 contract or agreement are not met by a private entity that is a
34 party to the contract or agreement, the contract or agreement
35 is immediately voided and any unexpended moneys shall be

H-8303 (Continued)

1 transferred to an Iowa-based health care provider or research
2 institute capable of managing widespread testing for the novel
3 coronavirus.>

4 2. By renumbering as necessary.

By HALL of Woodbury

H-8303 FILED JUNE 12, 2020

HOUSE FILE 2643

H-8304

1 Amend the amendment, H-8276, to House File 2643 as follows:

2 1. Page 13, after line 34 by inserting:

3 <DIVISION ____

4 PREEXISTING CONDITIONS

5 Sec. ____ . NEW SECTION. 514M.1 Short title.

6 This chapter shall be known and may be cited as "*The Protect*
7 *Coverage for Preexisting Conditions Act*".

8 Sec. ____ . NEW SECTION. 514M.2 Definitions.

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

11 1. "*Commissioner*" means the commissioner of insurance.

12 2. "*Health benefit plan*" means any policy, contract,
13 certificate, or agreement, including a short-term,
14 limited-duration policy or a high deductible plan, offered or
15 issued by a health carrier to provide, deliver, arrange for,
16 pay for, or reimburse any of the costs of health care services.

17 3. "*Health care services*" means services for the diagnosis,
18 prevention, treatment, cure, or relief of a health condition,
19 illness, injury, or disease.

20 4. "*Health carrier*" means an entity subject to the
21 insurance laws and regulations of this state, or subject
22 to the jurisdiction of the commissioner, including an
23 insurance company offering sickness and accident plans, a
24 health maintenance organization, a nonprofit health service
25 corporation, a plan established pursuant to chapter 509A for
26 public employees, a plan offered or maintained by a multiple
27 employer welfare association, or any other entity providing
28 a plan of health insurance, health benefits, or health care
29 services. Notwithstanding section 505.20, subsection 1, "*health*
30 *carrier*" also includes a nonprofit agricultural organization
31 domiciled in the state that sponsors a health benefit plan
32 pursuant to section 505.20.

33 5. "*Preexisting condition exclusion*" means a limitation or
34 exclusion of benefits, or a denial of coverage, relating to
35 a condition based on the fact that the condition was present

1 before the date of enrollment for such coverage or the date
2 of denial of coverage, whether or not any medical advice,
3 diagnosis, care, or treatment was recommended or received for
4 the condition before the date of enrollment or the date of
5 denial of coverage.

6 Sec. ____ . NEW SECTION. **514M.3 Preexisting conditions.**

7 Notwithstanding any other provision of law to the contrary,
8 a health carrier that offers an individual health benefit plan
9 or a group health benefit plan in this state shall not do
10 either of the following:

11 1. Deny coverage to any employer or to any individual that
12 is eligible to apply for the individual health benefit plan or
13 the group health benefit plan.

14 2. Impose any preexisting condition exclusion on an
15 employer or on an individual with respect to the individual
16 health benefit plan or the group health benefit plan.

17 Sec. ____ . NEW SECTION. **514M.4 Premium rates.**

18 1. *a.* Notwithstanding any other provision of law to the
19 contrary, a health carrier that offers an individual health
20 benefit plan or a group health benefit plan in this state shall
21 develop premium rates for the individual health benefit plan
22 or the group health benefit plan based only on the following
23 factors:

24 (1) Age, except that the rate shall not vary by more than
25 three-to-one for like individuals of different ages who are age
26 twenty-one and older.

27 (2) Whether the health benefit plan covers an individual or
28 family.

29 (3) Tobacco use, except that the rate shall not vary by more
30 than one and one-half times the rate charged to a nontobacco
31 user.

32 (4) Geographic rating area established in compliance with
33 federal law.

34 *b.* Notwithstanding any other provision of law to the
35 contrary, with respect to premium rates for family coverage

1 under an individual health benefit plan or a group health
2 benefit plan offered in this state, a health carrier shall
3 apply the factors permitted pursuant to paragraph "a" based on
4 the premium that is attributable to each family member covered
5 under the health benefit plan in accordance with rules adopted
6 by the commissioner.

7 2. Notwithstanding any other provision of law to the
8 contrary, a health carrier that offers an individual health
9 benefit plan or a group health benefit plan in this state shall
10 adjust the premium rates established pursuant to subsection 1
11 no more frequently than annually and based only on the factors
12 in subsection 1, paragraph "a", except that the health carrier
13 may adjust the premium rates in the following circumstances:

14 a. With respect to a small group health plan, if there are
15 changes in enrollment.

16 b. There is a change to the family composition of an
17 individual enrolled in an individual health benefit plan or of
18 an employee enrolled in a group health benefit plan.

19 c. There is a change in the geographic rating area or in
20 tobacco use for an individual enrolled in an individual health
21 benefit plan.

22 d. An individual enrolled in an individual health benefit
23 plan requests changes to the health benefit plan or a small
24 employer requests changes to a group health benefit plan.

25 e. A change in federal law or federal regulations requiring
26 a premium rate adjustment.

27 Sec. _____. NEW SECTION. 514M.5 Rules.

28 The commissioner shall adopt rules pursuant to chapter 17A
29 as necessary to implement and administer this chapter.

30 Sec. _____. NEW SECTION. 514M.6 Enforcement.

31 The commissioner shall take any action within the
32 commissioner's authority to enforce compliance with this
33 chapter.

34 Sec. _____. APPLICABILITY. This division of this Act
35 applies to health benefit plans that are delivered, issued

1 for delivery, continued, or renewed in this state on or after
2 January 1, 2021.

3 DIVISION ____

4 CHANGE EFFORTS PROHIBITED

5 Sec. ____ . NEW SECTION. 135.192 **Sexual orientation and**
6 **gender identity change efforts — prohibitions — penalties.**

7 1. For the purposes of this section, unless the context
8 otherwise requires:

9 a. *"Child"* means an individual who is under the age of 18.

10 b. *"Practitioner"* means a physician and surgeon or
11 osteopathic physician and surgeon licensed under chapter 148
12 who specializes in the practice of psychiatry; a psychologist
13 licensed under chapter 154B; a licensed marital and family
14 therapist or mental health counselor or a temporary licensed
15 marital and family therapist or mental health counselor as
16 defined in section 154D.1; a social worker licensed pursuant to
17 chapter 154C; a licensed school counselor, school psychologist,
18 or school social worker; an advanced registered nurse
19 practitioner; a practitioner as defined in section 272.1; a
20 victim counselor as defined in section 915.20A; a psychiatric
21 nurse; any other person who provides counseling or mental
22 health or behavioral health services as a part of the person's
23 professional training or practice under Iowa law or rule; or
24 any student, intern, volunteer, or other person assisting
25 or acting under the direction or guidance of any of these
26 professionals.

27 c. (1) *"Sexual orientation or gender identity change*
28 *efforts"* means any practice or treatment by a practitioner
29 that seeks to change an individual's sexual orientation or
30 gender identity, including but not limited to efforts to change
31 behaviors or gender expressions, or to eliminate or reduce
32 sexual or romantic attractions or feelings toward individuals
33 of the same gender.

34 (2) *"Sexual orientation or gender identity change efforts"*
35 does not include any of the following practices, as long as the

1 practice does not seek to change sexual orientation or gender
2 identity:

3 (a) Counseling or therapy that provides acceptance,
4 support, and understanding of the individual or the
5 facilitation of an individual's coping, social support,
6 and identity exploration and development, including sexual
7 orientation-neutral interventions to prevent or address
8 unlawful conduct or unsafe sexual practices.

9 (b) Counseling for an individual seeking to transition from
10 one gender to another.

11 2. A practitioner shall not engage in sexual orientation or
12 gender identity change efforts with a child.

13 3. A practitioner who engages in sexual orientation or
14 gender identity change efforts with a child shall be subject
15 to disciplinary action by the licensing entity or disciplinary
16 authority with professional jurisdiction over the practitioner.

17 Sec. ____ . SEXUAL ORIENTATION AND GENDER IDENTITY CHANGE
18 EFFORTS — CHILD FOSTER CARE — MANDATORY REPORTERS — RULES.

19 1. For the purposes of this section:

20 a. (1) "Child" means, as applicable, either a person less
21 than eighteen years of age or a person eighteen or nineteen
22 years of age who meets any of the following conditions:

23 (a) Is in full-time attendance at an accredited school
24 pursuing a course of study leading to a high school diploma.

25 (b) Is attending an instructional program leading to a high
26 school equivalency diploma.

27 (c) Has been identified by the director of special education
28 of the area education agency as a child requiring special
29 education as defined in section 256B.2, subsection 1.

30 (2) A person over eighteen years of age who has received a
31 high school diploma or a high school equivalency diploma is not
32 a "child" within the definition in this paragraph "a".

33 b. "Mental injury" means the same as defined in section
34 232.2.

35 c. "Sexual orientation or gender identity change efforts"

1 means the same as defined in section 135.192.

2 2. The department of human services shall adopt rules
3 pursuant to chapter 17A relating to all of the following:

4 a. To prohibit, as a condition of licensure, an agency or
5 individual licensed pursuant to chapter 237 to provide child
6 foster care from participating in sexual orientation or gender
7 identity change efforts with a child for whom the licensed
8 agency or individual is providing child foster care.

9 b. To identify research-based instruction that supports
10 lesbian, gay, bisexual, transgender, and questioning youth,
11 including linguistic tools such as the correct use of pronouns
12 and names, for incorporation into necessary training for
13 department staff and for agencies or individuals licensed
14 pursuant to chapter 237 to provide child foster care.

15 c. To provide guidance to a mandatory reporter, as
16 enumerated in section 232.69, subsection 1, in associating
17 sexual orientation or gender identity change efforts with a
18 child with mental injury constituting child abuse pursuant to
19 section 232.68, subsection 2.

20 DIVISION ____

21 STATE CONTRACTS — IOWA PREFERENCE

22 Sec. ____ . Section 8A.311, Code 2020, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 12A. If the lowest responsive bid received
25 by the state for products or other purchases is from an
26 out-of-state business, and an Iowa-based business submitted a
27 bid which is within five percent or ten thousand dollars of
28 the price of the lowest bid, whichever is less, the Iowa-based
29 business which submitted the lowest responsive bid shall be
30 notified and shall be allowed to match the lowest bid before
31 a contract is awarded.

32 Sec. ____ . NEW SECTION. 8F.6 Preference.

33 An oversight agency shall give preference in awarding a
34 service contract to a recipient entity under this chapter to
35 an Iowa-based business.

1 DIVISION ____
2 PUBLIC RETIREMENT SYSTEMS GOALS
3 Sec. ____ . Section 97D.1, Code 2020, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 01. It is the intent of the general
6 assembly to maintain strong and stable public retirement
7 systems that allow employees to retire with dignity.

8 DIVISION ____
9 GROUNDWATER PROTECTION FUND
10 Sec. ____ . BULK TRANSPORT OF WATER. Of moneys available for
11 use by the department of natural resources from the groundwater
12 protection fund created in section 455E.11 for the fiscal year
13 beginning July 1, 2020, and ending June 30, 2021, which are
14 not allocated pursuant to that section, the department shall
15 support the protection of the state's groundwater, including by
16 providing for administration; the prevention of the groundwater
17 extracted for bulk transport to another state for any purpose;
18 regulation and programs; salaries, support, maintenance, and
19 equipment; and miscellaneous purposes.

20 DIVISION ____
21 UNITED STATES CLIMATE ALLIANCE
22 Sec. ____ . NEW SECTION. 280.1 **United States Climate**
23 **Alliance.**

24 The governor shall take all necessary actions for the state
25 to become a member of, participate in, and maintain membership
26 in the United States climate alliance.

27 DIVISION ____
28 TELEHEALTH PARITY
29 Sec. ____ . Section 514C.34, subsection 1, Code 2020, is
30 amended by adding the following new paragraphs:

31 NEW PARAGRAPH. 0a. "Covered person" means the same as
32 defined in section 514J.102.

33 NEW PARAGRAPH. 0c. "Health carrier" means the same as
34 defined in section 514J.102.

35 Sec. ____ . Section 514C.34, Code 2020, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 3A. A health carrier shall reimburse a
3 health care professional for health care services provided to
4 a covered person by telehealth on the same basis and at the
5 same rate as the health carrier would apply to the same health
6 care services provided to a covered person by the health care
7 professional in person.

8 Sec. _____. APPLICABILITY. This division of this Act applies
9 to health care services provided by a health care professional
10 to a covered person by telehealth on or after January 1, 2021.

11 DIVISION ____

12 TAX CREDIT PROGRAM CAP

13 Sec. _____. NEW SECTION. 422.120 Tax credit programs —
14 limitation.

15 1. Notwithstanding any other provision to the contrary,
16 moneys awarded under a tax credit program shall not exceed the
17 amount awarded during the fiscal year beginning July 1, 2019,
18 and ending June 30, 2020, in subsequent fiscal years.

19 2. If necessary for the administration of a tax credit
20 program, the tax credits may be awarded on a first-come,
21 first-served basis until the maximum amount allowable under
22 subsection 1 has been awarded.

23 3. This section does not apply to the tax programs subject
24 to limitation in section 15.119 or to the earned income tax
25 credit in section 422.12B.

26 DIVISION ____

27 CORONAVIRUS RELIEF FUND — MENTAL HEALTH AND DISABILITY
28 SERVICES

29 Sec. _____. CORONAVIRUS RELIEF FUND — MENTAL HEALTH AND
30 DISABILITY SERVICES. Of the funds received by the state from
31 the federal coronavirus relief fund created pursuant to the
32 federal Coronavirus Aid, Relief, and Economic Security Act,
33 Pub. L. No. 116-136, \$25,000,000 shall be deposited in the
34 mental health and disability regional services fund created
35 in section 225C.7A. Moneys deposited in the mental health

1 and disability regional services fund under this section
2 are appropriated to the department of human services for
3 distribution to the mental health and disability services
4 regions to fund mental health and disability services in
5 accordance with section 225C.7A.

6 DIVISION ____

7 RESOURCE ENHANCEMENT AND PROTECTION

8 Sec. ____ . Section 455A.18, subsection 3, paragraph a, Code
9 2020, is amended to read as follows:

10 a. For each fiscal year of the fiscal period beginning
11 July 1, 1997, and ending June 30, ~~2021~~ 2031, there is
12 appropriated from the general fund, to the Iowa resources
13 enhancement and protection fund, the amount of twenty million
14 dollars, to be used as provided in this chapter. However,
15 in any fiscal year of the fiscal period, if moneys from the
16 lottery are appropriated by the state to the fund, the amount
17 appropriated under this subsection shall be reduced by the
18 amount appropriated from the lottery.

19 DIVISION ____

20 CORONAVIRUS RELIEF — ESSENTIAL EMPLOYEES

21 Sec. ____ . ESSENTIAL EMPLOYEES. Notwithstanding any
22 provision of law to the contrary, for purposes of any moneys
23 expended by the state from the federal coronavirus relief fund
24 created pursuant to the federal Coronavirus Aid, Relief, and
25 Economic Security Act, Pub. L. No. 116-136, persons employed
26 for purposes of childcare shall be considered essential
27 employees.

28 DIVISION ____

29 CORONAVIRUS RELIEF — SMALL BUSINESS GRANTS

30 Sec. ____ . SMALL BUSINESS GRANTS. Notwithstanding any
31 provision of law to the contrary, for purposes of any moneys
32 expended by the state from the federal coronavirus relief fund
33 created pursuant to the federal Coronavirus Aid, Relief, and
34 Economic Security Act, Pub. L. No. 116-136, for small business
35 grants, nonprofit organizations are eligible to be awarded such

H-8304 (Continued)

1 grants.

2

DIVISION ____

3

TESTING SHORTAGE

4

Sec. ____ . TESTING SHORTAGE. In the event a shortage
5 of tests for the novel coronavirus occurs in this state,
6 healthcare workers, members of vulnerable populations, and
7 those persons working with members of vulnerable populations
8 shall be given first preference to receive a test.>

9

2. By renumbering as necessary.

By HALL of Woodbury

H-8304 FILED JUNE 12, 2020



[HF 2629](#) – Future Ready Iowa (LSB5595HZ.2)
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Fiscal Note Version – As amended and passed by the Senate

Description

[House File 2629](#), as amended by [H-8270](#), adds to and modifies the Iowa Code provisions enacted by [2018 Iowa Acts, chapter 1067](#) (Future Ready Iowa Act), and other efforts to strengthen Iowa's workforce, including an apprenticeship training program, a Child Care Challenge Program, computer science instruction, a scholarship program, and a Senior Year Plus Program. This Bill is organized by divisions. The Bill may contain a State mandate, as defined in Iowa Code section [25B.2\(3\)](#).

DIVISION I — Future Ready Iowa Apprenticeship Training Programs.

Subject to an appropriation of funds, Division I creates an Expanded Registered Apprenticeship Opportunities Program that is similar to the existing [Registered Apprenticeship Development Program](#). The purpose of the new Program is to provide financial assistance to encourage sponsors of apprenticeship programs with 20 or fewer apprentices to maintain apprenticeship programs in [high-demand occupations](#).

DIVISION II — Iowa Child Care Challenge Fund.

Division II establishes an Iowa Child Care Challenge Program under the Iowa Department of Workforce Development (IWD) and creates an Iowa Child Care Challenge Fund under the control of the IWD. The IWD must administer the Program in consultation with the Workforce Development Board. The purpose of the Program is to encourage and enable businesses, nonprofit organizations, and consortiums to establish local child care facilities and increase the availability of quality, affordable child care for working Iowans. A portion of the moneys deposited in the [Iowa Employer Innovation Fund](#) created in Iowa Code section [84A.13](#), in an amount determined annually by the IWD in consultation with the Workforce Development Board, must be transferred annually to the Iowa Child Care Challenge Fund.

DIVISION III — Computer Science Instruction — Educational Standards.

Division III relates to computer science instruction in kindergarten through grade 12, amending Iowa Code provisions establishing the minimum educational standards and establishing or modifying computer science instruction-related responsibilities of the Department of Education (DE), school districts, and accredited nonpublic schools. Commencing with the 2023-2024 school year, accredited schools must offer and teach computer science instruction that incorporates the computer science education standards adopted by the State Board of Education in at least one grade at the elementary level and at the middle school level. In grades 9-12, commencing with the 2022-2023 school year, one-half unit of computer science

that incorporates the computer science education standards adopted by the State Board must be offered and taught; however, the one-half unit may be offered and taught online.

Each school district and accredited nonpublic school must develop and implement a K-12 computer science plan by July 1, 2022. The DE is required to develop and implement a statewide K-12 computer science instruction plan by July 1, 2022. The DE is required to convene a computer science work group to develop recommendations to strengthen computer science instruction and for the development and implementation of a statewide campaign to promote computer science to K-12 students and to the parents and legal guardians of students. The work group is required to submit its findings to the General Assembly by July 1, 2021.

The establishment of high-quality standards for computer science education taught by elementary, middle, and high schools, as described in Iowa Code section [256.7](#), are effective July 1, 2021.

[House File 2629](#) may include a State mandate as defined in Iowa Code section [25B.3](#) and requires that any State mandate in the Bill be paid by a school district from the State Foundation Aid appropriation.

DIVISION IV — Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program.

Division IV directs the State Board of Education to adopt administrative rules establishing a process by which the DE must approve structured educational and training programs that include authentic worksite training for purposes of participating community colleges, then expands the definition of “eligible student” under the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program administered by the Iowa College Student Aid Commission. The Department of Education and the College Student Aid Commission are authorized to adopt emergency rules to implement the provisions of Division IV so as to take effect upon filing unless a later date is specified in the rules.

Division IV is effective upon enactment if approved by the Governor on or after July 1, 2020. If Division IV is approved by the Governor on or after July 1, 2020, Division IV applies retroactively to July 1, 2020.

DIVISION V — Senior Year Plus Program and Postsecondary Enrollment Options.

Division V amends provisions under the Senior Year Plus Program by eliminating references and provisions relating to full-time and part-time enrollment.

Background

DIVISION III — Computer Science Instruction — Educational Standards.

In 2017, [SF 274](#) (Computer Science Education Act) was enacted to expand computer science opportunities for students statewide. Included in the legislation was the establishment of the Computer Science Professional Development Incentive Fund and a Computer Science Education Work Group. The Fund was established to provide for various forms of professional development relating to computer science and has received an annual appropriation of \$500,000. The Work Group issued its [recommendations](#) in 2017 on how to expand and strengthen computer science education in the State.

The Department of Education recently issued the Computer Science Education in Iowa [report](#), which details the implementation of computer science instruction in school districts and district needs to support computer science education. It is estimated that 51.0% of elementary schools,

39.0% of middle schools, and 38.0% of high schools will need to either incorporate computer science instruction with current staff or add additional teachers to teach computer science to meet the requirements of this Bill.

A settlement of a Microsoft class-action lawsuit will provide \$4.0 million to be used for school districts to support Division IV of the Bill. The funds will be used for supporting computer science professional learning and training for teachers, virtual computer science curriculum for Iowa schools, and computer science curriculum for schools.

DIVISION V — Senior Year Plus Program and Postsecondary Enrollment Options.

The Senior Year Plus Program offers a variety of options for eligible students, including concurrent enrollment and Postsecondary Enrollment Options (PSEO). A review of concurrent enrollment credits by the Department of Education completed during the 2018-2019 school year showed 819 students (1.8% of total enrollees) enrolled in 24 credit hours or more of coursework. One hundred seventeen districts (38.7%) enrolled at least one student in concurrent enrollment courses where credits associated with those courses met the definition of full-time enrollment (24 credits or more). The additional concurrent enrollment credit hours are already funded by supplementary weighting for an estimated total of \$240,000 in State aid from the General Fund.

PSEO enrollment has been declining in the last several years. During the 2018-2019 school year, total PSEO enrollment was 1,014 students, down from 5,916 students in the 2010-2011 school year.

Assumptions

DIVISION III — Computer Science Instruction — Educational Standards. It is unknown how many school districts will choose to hire additional computer science instruction staff.

DIVISION V — Senior Year Plus Program and Postsecondary Enrollment Options.

- Based on an analysis by the DE of concurrent enrollment credits completed for school year 2018-2019, there may be an additional 143 students who exceed 23 credit hours during the 2020-2021 school year.
- The fiscal estimates assume each student's total credit hours will increase by 4.1 credits.
- The average cost per credit is estimated to be \$71.
- Under current law, the State cost per pupil for FY 2022 and all future years is \$7,048.
- PSEO costs will remain at \$250 per course.
- PSEO enrollment over the 23-hour credit limit may increase; however, the impact is expected to be minimal.

Fiscal Impact

The estimated fiscal impact of [HF 2629](#), by division, is as follows:

Division I relates to an Expanded Registered Apprenticeship Opportunities Program and is subject to an appropriation of funds. Division I of the Bill does not have a fiscal impact because this Bill does not provide an appropriation.

Division II relates to the establishment of an Iowa Child Care Challenge Program and Fund. The Division will have a fiscal impact that cannot be determined because this Division authorizes the IWD to utilize a current appropriation for the new Program, and the impact on current education and training efforts supported by the Iowa Employer Innovation Fund cannot be determined because this Division does not specify the amount of the current appropriation

that will be used for the new Program. Administration costs incurred by the IWD would be minimal and absorbed within the existing budget for the IWD.

Division III relates to computer science instruction. Division III will have minimal fiscal impact to the DE. However, the fiscal impact to school districts and accredited nonpublic schools cannot be determined. It is unknown how many school districts will choose to hire additional staff to meet the requirements of this Bill. School districts may choose to use current staff or incorporate computer science into current instruction or use an online course offering. School districts may have costs for additional staff, training and professional development of current staff, and curriculum. Some of that cost may be offset by the \$4.0 million Microsoft class-action lawsuit proceeds or by funds in the Computer Science Professional Development Incentive Fund.

Division IV relates to the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program. The Division will result in one-time and ongoing costs to the Iowa College Student Aid Commission in FY 2021 totaling an estimated \$32,000. The ongoing costs will total between \$5,000 and \$6,000 in subsequent years. These costs will be funded from the Commission's Strategic Reserve Fund, also known as the Operating Fund. The cost of awards under the Program is capped by an annual General Fund appropriation.

Division V is expected to increase State school aid from the General Fund by an estimated \$42,000 beginning in FY 2022. Any increase in PSEO enrollments may increase individual school districts' costs; however, due to the recent decline in PSEO courses, the fiscal impact is expected to be minimal.

Sources

Iowa Department of Workforce Development
Iowa Department of Education
Iowa College Student Aid Commission
Iowa Economic Development Authority

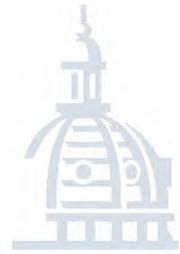
/s/ Holly M. Lyons

June 11, 2020

Doc ID 11375271137527

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

www.legis.iowa.gov



[HF 2641](#) – Department of Revenue, Omnibus Bill (LSB5409HV.1)
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Fiscal Note Version – As passed by the House

Description

[House File 2641](#), as passed by the House, contains 19 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](#). The change is effective July 1, 2020.
- Exempts the purchase of feminine hygiene products from the sales tax. The change is effective July 1, 2020.
- 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** exempts any financial assistance grant provided to a business by the Iowa Economic Development Authority under the [Iowa Small Business Relief Grant Program](#) from Iowa income tax. The change is effective upon enactment and applies retroactively to any tax year ending on or after March 23, 2020.
- **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.
- **Division XIX** amends 2020 Iowa Acts, [SF 2413](#) (Food Operations Trespass Act), which created food operation trespass penalties. This change removes food establishments and farmers markets from the definition of food operations.

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)
- Port Authority Expansion (Division XVIII)
- Food Operation Trespass (Division XIX)

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 0.9%.

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.

Feminine Hygiene Products Sales Tax Exemption. The Department estimates that feminine hygiene product purchases subject to Iowa sales tax during FY 2021 will total \$31.2 million and that inflation will increase the dollar amount of purchases by 1.9% per year. The State sales tax rate is 5.0%, the school infrastructure sales tax rate is 1.0%, and the LOST tax rate averages 0.9%.

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 and the succeeding fiscal year.

Global Intangible Low-Taxed Income Exemption. The Department bases the fiscal impact estimate for this change on the provision's national impact as estimated by the [Joint Committee on Taxation](#) at the time the provision was adopted by Congress. The Department warns that the actual impact of the lowa 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 LOST tax rate averages 0.9%.

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).

Iowa Small Business Relief Grant Program Tax Exemption. An estimated \$24.1 million in grants were awarded to Iowa businesses. Assuming that without this exemption, the full amount will be included on business tax returns during the 2020 tax year and assuming an average marginal tax rate of 5.5% across all impacted businesses, the new exemption is projected to reduce FY 2021 net General Fund revenue by \$1.3 million. Please note that the exemption language in the Bill is open-ended. If the Iowa Economic Development Authority awards financial assistance in the future using the same grant program created in 2020, the value of those grants will also be exempt from Iowa income tax.

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							
Division	Provision	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
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
II	Feminine Hygiene Products Sales Tax Exemption	0.0	-1.6	-1.6	-1.6	-1.6	-1.7
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
XVII	Iowa Small Business Relief Grants Exemption	0.0	-1.3	0.0	0.0	0.0	0.0
Total		\$ -0.9	\$ -42.1	\$ -23.4	\$ -29.3	\$ -36.8	\$ -41.0

In addition to the reductions in State General Fund revenue, the sales tax exemptions are projected to reduce school infrastructure tax collections by \$0.5 million per year and local option sales tax collections by \$0.5 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 12, 2020

Doc ID 1137678678

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 2647](#) – Criminal Justice Reform (LSB6421YH)
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Fiscal Note Version – New/Final Action

Description and Background

[House File 2647](#) relates to the certification, training, and prosecution of peace officers, and the use of chokeholds by peace officers.

Division I: Prosecution by Attorney General

Division I of [HF 2647](#) authorizes the Attorney General (AG) to prosecute a criminal offense committed by a law enforcement officer, as defined in Iowa Code section [80B.3](#), which arises from the actions of the officer resulting in the death of another person, regardless of whether the county attorney requests the assistance of the AG or decides to independently prosecute the criminal offense committed by the officer. Should the AG determine that criminal charges are not appropriate, but that an officer has committed misconduct in violation of Iowa Code chapter [80B](#) or [80D](#), or related administrative rules, the AG may refer the matter to the Iowa Law Enforcement Academy (ILEA) Council to make a recommendation to suspend or revoke the officer's certification.

Division II: Use of Chokeholds by Peace Officers

Division II of [HF 2647](#) amends existing Iowa Code section [804.8](#), relating to the use of force by a peace officer, making an arrest by providing that the use of a chokehold is only justified when the person being arrested has used or threatened to use deadly force in committing a felony, or when the peace officer reasonably believes the person would use deadly force against any person unless immediately apprehended.

The Bill defines “chokehold” as the intentional and prolonged application of force to the throat or windpipe that prevents or hinders breathing or reduces the intake of air.

Division III: Certification — Other States — Revocation or Suspension

Division III of [HF 2647](#) establishes circumstances under which the ILEA Council is required to revoke a certification of a law enforcement or reserve peace officer, may suspend or revoke a certification of a law enforcement or reserve peace officer, or may deny an application of a law enforcement officer from another state seeking employment at an agency in this State.

The Bill defines “serious misconduct” in relation to suspension or revocation of a certification as improper or illegal actions taken by a law enforcement officer or reserve peace officer in connection with the officer's official duties including but not limited to a conviction for a felony, fabrication of evidence, repeated use of excessive force, acceptance of a bribe, or the commission of fraud.

Additionally, [HF 2647](#) requires that the ILEA promulgate administrative rules to reflect the circumstances under which the suspension or revocation of an officer's certification is appropriate, and under which circumstances the AG or another employing agency may so recommend.

Division IV: Law Enforcement Training — De-Escalation Techniques and Prevention Bias

[House File 2647](#) requires the ILEA, in consultation with the Iowa Civil Rights Commission, advocacy organizations, and various interest groups and stakeholders, to develop, provide, and disseminate annual training to every law enforcement officer employed by a law enforcement agency on matters related to de-escalation techniques and the prevention of bias. The training is mandatory for every law enforcement officer in the State, and must include all of the following:

- An emphasis on law enforcement officer understanding and respect for diverse communities and the importance of effective, noncombative methods of carrying out law enforcement in a diverse community.
- Instruction on diverse communities to foster mutual respect and cooperation between law enforcement and members of a community.
- An examination and identification of patterns, practices, and protocols that cause biased law enforcement actions, and the tools to prevent such actions.
- An examination and identification of key elements and perspectives that make up differences among residents in a community.
- Instruction on implicit bias and consideration of the negative impact of intentional or implicit bias on effective law enforcement, including an examination of how historical perceptions of profiling have harmed community relations.
- Instruction on diverse perspectives of local constituency groups as provided by experts on particular cultural and law enforcement relations issues in a local area.
- A presentation of the history and role of the civil rights movement and the impact on law enforcement.
- Instruction on de-escalation techniques, including verbal and physical tactics to minimize the need for use of force and nonlethal methods of applying force.

The ILEA is also required to consult with local law enforcement agencies to consider challenges and barriers to providing training, and what methods may be utilized to ease any agency burdens.

Division V: Effective Date and Applicability

If approved by the Governor on or after July 1, 2020, [HF 2647](#) takes effect upon enactment and is retroactively applicable to July 1, 2020.

Assumptions

- To support the additional administrative oversight and to assist with the investigation and document preparation related to the decertification process, the ILEA assumes it will need to hire 1.0 additional Administrative Assistant full-time equivalent (FTE) position.
- To develop, provide, and disseminate the required training on de-escalation techniques and bias prevention, the ILEA assumes it will need to hire 1.0 additional Law Enforcement Instructor FTE position.
- It is assumed that the ILEA will not be able to hire both the instructor and administrative assistant positions by the beginning of FY 2021 on July 1, 2020. An estimated start date of October 1, 2020, is assumed for both positions.
- FY 2021 calculations assume the payment of salary and benefits for nine months. FY 2022 calculations assume salary and benefit payment for a full year.

Fiscal Impact

The total annual estimated fiscal impact of [HF 2647](#) to the ILEA is displayed in the table below.

Position	Cost	
	FY 2021	FY 2022
Salary and Benefits		
1.0 Administrative Assistant FTE Position	\$ 70,000	\$ 100,000
Salary and Benefits		
1.0 Law Enforcement Instructor FTE Position	110,000	140,000
Total	\$ 180,000	\$ 240,000

Sources

Office of the Attorney General
Iowa Law Enforcement Academy
Iowa Civil Rights Commission
Legislative Services Agency

/s/ Holly M. Lyons

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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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