

**EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

FEBRUARY 25, 2014

HOUSE FILE 2174

H-8021

1 Amend House File 2174 as follows:

2 1. Page 1, by striking lines 15 and 16 and
3 inserting <shall be subjected to a strip search if
4 there is a reasonable suspicion that the person is
5 concealing a weapon or contraband. The conditions
6 specified in subsection 1 apply to a search pursuant
7 to this subsection.

8 Sec. _____. Section 804.30, subsection 2, Code 2014,
9 is amended to read as follows:

10 2. Subsequent to a strip search pursuant to
11 this section, a written report shall be prepared
12 which includes the written authorization required by
13 subsection 1, paragraph "a" this section, the name of
14 the person subjected to the search, the names of the
15 persons conducting the search, the time, date, and
16 place of the search and, if required by subsection
17 1, paragraph "b" this section, a copy of the search
18 warrant authorizing the search. A copy of the report
19 shall be provided to the person searched.>

By GUSTAFSON of Madison

H-8021 FILED FEBRUARY 24, 2014

HOUSE FILE 2217

H-8023

1 Amend House File 2217 as follows:

2 1. Page 7, line 27, after <contracts,> by inserting
3 <tax allocation agreements, guarantees,>

By PETTENGILL of Benton

H-8023 FILED FEBRUARY 24, 2014

HOUSE FILE 2253

H-8026

1 Amend House File 2253 as follows:

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

4 <Section 1. Section 710.3, Code 2014, is amended to
5 read as follows:

6 710.3 Kidnapping in the second degree.

7 1. Kidnapping where the in the second degree is any
8 of the following:

9 a. Where the purpose of the kidnapping is to hold
10 the victim for ransom or where the.

11 b. Where the kidnapper is armed with a dangerous
12 weapon is kidnapping in the second degree. Kidnapping
13 in the second degree is a class "B" felony.

14 c. Where the victim of the kidnapping is under
15 sixteen years of age other than a kidnapping by
16 a parent or grandparent whose sole purpose of the
17 kidnapping is to assume custody of the victim.

18 2. For purposes of determining whether the person
19 should register as a sex offender pursuant to the
20 provisions of chapter 692A, the fact finder shall make
21 a determination as provided in section 692A.126.

22 3. Kidnapping in the second degree is a class "B"
23 felony.

24 Sec. 2. Section 710.4, Code 2014, is amended to
25 read as follows:

26 710.4 Kidnapping in the third degree.

27 1. All other kidnappings are kidnappings in the
28 third degree. Kidnapping in the third degree is a
29 class "C" felony except as provided in subsection 2.

30 2. a. If a person is convicted of kidnapping
31 in the third degree and the person has a previous
32 conviction for kidnapping, the person is guilty of a
33 class "B" felony.

34 b. In determining if a violation charged is a
35 previous conviction for purposes of criminal sentencing
36 under this subsection, a conviction in this state or
37 under statutes substantially corresponding to this
38 section in another state, or in a federal, military,
39 tribal, or foreign court, shall be counted as a
40 previous conviction. A previous conviction also
41 includes a juvenile who has been adjudicated delinquent
42 but whose juvenile court records have been sealed under
43 section 232.150, a juvenile prosecuted as an adult,
44 and a person who has received a deferred sentence or
45 deferred judgment.

46 3. For purposes of determining whether the person
47 should register as a sex offender pursuant to the
48 provisions of chapter 692A, the fact finder shall make
49 a determination as provided in section 692A.126.

50 Sec. 3. PUBLIC SAFETY ADVISORY BOARD. The public

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1 safety advisory board shall study the accumulation of
2 earned time by inmates committed to the custody of the
3 director of the department of corrections. The study
4 shall include the effect of earned time on the length
5 of sentences and the costs and effectiveness of the
6 use of earned time in the correctional system. The
7 board shall file a report detailing the findings and
8 recommendations of the study with the general assembly
9 by January 15, 2015.>

10 2. Title page, by striking lines 1 through 3
11 and inserting <An Act relating to kidnapping, the
12 accumulation of earned time, and providing penalties.>

By WOLFE of Clinton

H-8026 FILED FEBRUARY 24, 2014

HOUSE FILE 2254

H-8019

1 Amend House File 2254 as follows:

2 1. Page 1, by striking lines 8 through 20 and
3 inserting:

4 <725.1 Prostitution.

5 1. a. A Except as provided in paragraph "b",
6 a person who sells or offers for sale the person's
7 services as a partner in a sex act commits an
8 aggravated misdemeanor. ~~or~~

9 b. If the person who sells or offers for sale the
10 person's services as a partner in a sex act is under
11 the age of eighteen and reasonable grounds exist to
12 believe that the influence or control of an adult
13 contributed to the commission of the offense, the
14 county attorney may elect, in lieu of prosecution, to
15 refer the person to the department of human services
16 alleging that the person is a child in need of
17 assistance pursuant to section 232.2, subsection 6.

18 2. a. Except as provided in paragraph "b", a
19 person who purchases or offers to purchase ~~such~~ another
20 person's services, as a partner in a sex act commits
21 an aggravated misdemeanor.

22 b. A person who purchases or offers to purchase
23 services as a partner in a sex act from a person
24 fifteen years of age or younger commits a class "D"
25 felony.>

26 2. By renumbering as necessary.

By HEARTSILL of Marion

H-8019 FILED FEBRUARY 24, 2014

HOUSE FILE 2275

H-8018

- 1 Amend House File 2275 as follows:
2 1. Page 4, after line 1 by inserting:
3 <Sec. _____. CHILD SUPPORT OBLIGORS -- VERIFICATION
4 OF ACCOUNTS. The child support recovery unit shall
5 explore the application of the verification system
6 implemented under this Act to verification of accounts
7 of child support obligors pursuant to chapter 252I.
8 The child support recovery unit shall report its
9 findings to the governor and the general assembly no
10 later than December 1, 2014, including any barriers
11 to implementation, any changes in law necessary for
12 implementation, and any additional funding necessary to
13 implement a new verification process.>
14 2. Title page, line 1, by striking <establishing
15 asset, income, and identity> and inserting <relating
16 to>
17 3. Title page, line 3, after <recipients> by
18 inserting <and for child support obligors>
19 4. By renumbering as necessary.

By WINDSCHITL of Harrison
HESS of Clay
HEATON of Henry

H-8018 FILED FEBRUARY 24, 2014

HOUSE FILE 2289

H-8024

- 1 Amend House File 2289 as follows:
2 1. Page 2, line 22, after <with the> by inserting
3 <district>
4 2. Page 3, line 4, after <of a> by inserting
5 <district>

By KLEIN of Washington

H-8024 FILED FEBRUARY 24, 2014

HOUSE FILE 2326

H-8020

- 1 Amend House File 2326 as follows:
2 1. By striking page 1, line 1, through page 3, line
3 1, and inserting:
4 <Section 1. Section 13B.4B, subsection 2, paragraph
5 c, Code 2014, is amended to read as follows:>
6 2. Page 3, by striking lines 11 through 13.
7 3. Page 5, after line 20 by inserting:
8 <Sec. _____. EFFECTIVE UPON ENACTMENT. The following
9 provision or provisions of this Act, being deemed of
10 immediate importance, take effect upon enactment:
11 1. The section of this Act amending section
12 600A.6A, subsection 2.>
13 4. Title page, line 2, after <defender,> by
14 inserting <including effective date provisions,>

By GUSTAFSON of Madison

H-8020 FILED FEBRUARY 24, 2014

HOUSE FILE 2344

H-8025

1 Amend House File 2344 as follows:

- 2 1. Page 1, by striking line 5 and inserting
3 <districts, governed by a board of supervisors,
4 joint boards of supervisors, or board of trustees,
5 as provided in section 468.3, when such districts
6 participate in a merger.>
7 2. By renumbering as necessary.

By MAXWELL of Poweshiek

H-8025 FILED FEBRUARY 24, 2014

HOUSE FILE 2361

H-8017

1 Amend House File 2361 as follows:

- 2 1. Page 26, after line 22 by inserting:
3 <Sec. ____ . SCHOOL BUS SAFETY VIOLATIONS ----
4 DRIVER IMPROVEMENT PROGRAM OPTION FOR FIRST
5 OFFENSE. Notwithstanding 2012 Iowa Acts, chapter
6 1015, section 5, subsection 2, by July 1, 2014, the
7 department of transportation shall initiate rulemaking
8 by amending 761 IAC 615.43 to include a person who is
9 convicted for a first violation of section 321.372,
10 subsection 3, among the persons who may be required,
11 in lieu of driver's license suspension, to attend and
12 successfully complete, at the person's own expense, a
13 driver improvement program approved by the department,
14 subject to all other provisions of 761 IAC 615.43.
15 Sec. ____ . EFFECTIVE UPON ENACTMENT. The following
16 provision of this division of this Act, being deemed of
17 immediate importance, takes effect upon enactment:
18 1. The section of this Act relating to school bus
19 safety violations ---- driver improvement program option
20 for first offense.>
21 2. Title page, line 2, after <transportation> by
22 inserting <, and including effective date provisions>
23 3. By renumbering as necessary.

By WOLFE of Clinton

H-8017 FILED FEBRUARY 24, 2014

HOUSE FILE 2367

H-8022

1 Amend House File 2367 as follows:

2 1. Page 1, by striking lines 6 through 9 and
3 inserting <an educational program which shall consist
4 of ~~an~~ either of the following:

5 (1) An examination required to be passed by the
6 person ~~or three.~~

7 (2) A specified number of hours of continuing
8 instructional courses which the person must attend
9 each year in lieu of passing the examination. To be
10 initially certified, the commercial manure service
11 representative must attend three hours of continuing
12 instructional courses each year and to be recertified
13 the commercial manure service representative must
14 attend two hours of continuing instructional courses
15 each year.>

16 2. By renumbering as necessary.

By HANSON of Jefferson

H-8022 FILED FEBRUARY 24, 2014



HF 2271 – School Finance, Shared Operational Functions (LSB 5729HV)
Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2271 modifies the current shared operational functions supplementary weighting provision for school districts to change the weighting structure to provide funding on a per function basis. Additionally, this Bill reduces the number of functions that are eligible to receive the incentive funding.

Background

The shared operational functions provision was originally enacted in 2007 and implemented in FY 2008 through FY 2014. This provision provided supplementary weighting for superintendent management, business management, human resources, transportation, or operation and maintenance, and phased out funding over a five-year period. During the 2013 legislative session, **HF 472** was enacted and created a new provision for shared operational functions, including an expansion of the eligible functions.

Based on the increased interest by school districts in the new provision and potential fiscal impact, the Department of Education established administrative rules that required district staffing levels for the specific shared function to remain at or below the staffing levels in the baseline year (designated as FY 2013 by the Department) for a district to be eligible to receive the supplementary weighting. The Administrative Rules Committee placed a session delay on the rules. However, the supplementary weighting for shared operational functions data was collected by Department of Education based on the proposed rules. Based on this data, the current level of supplementary weighting included in the FY 2015 school aid estimate totals 4,345.19. Additionally, the current FY 2015 school aid estimate includes \$27.8 million for this provision, including \$24.4 million in State aid.

Assumptions

Assumptions include:

- Changes in the provision will be implemented for FY 2015.
- Estimates are based on the Department of Education's Fall data collection and include functions that were not approved based on the Department's proposed rules.
- The amount of total weighting beginning in FY 2016 through FY 2020 is unknown, but will be at least at the FY 2015 level.
- The maximum level of weighting any district could generate totals 34.0, and the statewide funding level could total \$75.3 million if all districts are at the maximum weighting level. The maximum funding level may increase with enactment of the State percent of growth in future fiscal years.
- Current supplementary weighting and funding amounts for Area Education Agencies (AEAs) will not be impacted by the Bill.
- The FY 2015 funding level changes resulting from this Bill will be compared to current estimated included in the FY 2015 School aid estimate.

Fiscal Impact

Based on this Bill, the FY 2015 supplementary weighting will generate an estimated total of \$13.2 million including \$11.6 million in State aid and \$1.6 million in local property taxes. This is a reduction in the total of \$14.6 million, including \$12.8 million in State aid and \$1.8 in property taxes, compared to the current FY 2015 school aid estimate.

The estimated impact in FY 2016 through FY 2020 is unknown, but will be at least at the level of FY 2015. Additionally, the maximum capacity funding level beginning in FY 2016 will be approximately \$75.3 million, including \$66.1 million in State aid and \$9.2 million in local property taxes.

Sources

Iowa Department of Education
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

February 24, 2014

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



HF 2275 – Medical Assistance Asset Verification (LSB 5677HV)
Analyst: Jess Benson (Phone: (515-281-4611) (jess.benson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2275 directs the Department of Human Services (DHS) to contract with a third-party vendor to implement a computerized asset, income, and identity eligibility verification system. The vendor's system will contact financial institutions in the State and nationally to verify income for individuals who apply for Medicaid based on the applicant's age, blindness, or disability. Electronic asset verification is required by the federal Affordable Care Act.

Assumptions

Based on prior research done by the DHS on contracting for an asset verification system it is assumed:

- There is a one-time vendor development cost of \$375,000 and annual ongoing operational costs of \$350,000.
- There is a one-time implementation cost of \$100,000 for the DHS to connect the two systems.
- There will be a \$4.50 cost per verification and an estimated 118,000 verifications will be performed in FY 2015 and 120,000 in FY 2016.
- The Federal Medical Assistance Percentage Match (FMAP) rate for this type of technology project is 50.0%.

The implementation of an automated asset verification system is likely to generate savings due to the denial of Medicaid coverage to individuals that exceed the asset limits.

- The annual Medicaid cost for the Supplemental Security Income (SSI) related population is \$22,000 and based on these costs an additional 46 individuals will be denied in FY 2016 to recoup ongoing operations costs.
- No savings are estimated in FY 2015 due to the up-front investment and the time necessary to implement the system.
- The regular Medicaid FMAP rate is 56.14% in FY 2015 and 55.14% in FY 2016.

Fiscal Impact

House File 2275 is estimated to cost the General Fund \$686,000 in FY 2015 and be budget neutral in FY 2016. Additional savings in excess of the ongoing operational costs may be realized in FY 2016 and beyond but it is difficult to estimate the number of denials due to excess income and the level of cooperation from financial institutions.

Source:

Department of Human Services

/s/ Holly M. Lyons

February 24, 2014



HF 2254 – Human Trafficking (LSB 5388HV)

Analyst: Beth Lenstra (Phone: (515) 281-6301) (beth.lenstra@legis.iowa.gov)

Fiscal Note Version – New

Requested by Representative Chip Baltimore

Description

House File 2254 relates to prostitution and pimping of minors. This Bill increases the level of the criminal offense of pimping from a Class D felony to a Class C felony if the alleged prostitute is under age 18. This Bill also permits the county attorney to refer a person under 18 years old that is alleged to have committed prostitution to the Department of Human Services (DHS) as a Child In Need of Assistance (CINA).

Background

Correctional and Fiscal Information

- County attorneys have discretion to refer alleged prostitutes under age 18 to the DHS for services under current law. The cases impacted by this Bill may already be referred to the DHS for services. The provision related to CINA is not expected to have a significant fiscal impact.
- According to the Justice Data Warehouse, in FY 2013 there were five offenders convicted of the current law being amended in HF 2254 (Iowa Code section [725.2](#)). Three offenders were sentenced to probation supervision while two offenders were sentenced to State prison. Two of the five offenders were convicted of prostituting a juvenile.
- The fiscal impact to the Judicial Branch operating budget is minimal. The average cost per case for the Judicial Branch is \$427 for a Class D felony or a Class C felony.
- The cost for indigent defense is \$1,200 for a Class D felony case and \$1,800 for a Class C felony case, for a difference of \$600 per case.
- According to the CJJPD and the Department of Corrections (DOC), the following are estimates for sentencing, length of stay, and costs for felony pimping. This is a public order offense. Therefore, the length of stay under correctional supervision is similar to nonperson felonies. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Correctional Impact Memo](#), dated January 30, 2014, for information related to criminal justice system costs for nonperson crimes.

Criminal Justice System Information

Conviction Offense Class	Percent Sentenced to Probation	Avg Length of Stay on Probation	Average Cost per Day for Prob/Parole	Percent Sentenced to Prison	Avg Length of Stay in State Prison	Marginal Cost per Day for State Prison	Avg Length of Stay on Parole
Class D Felony	66.6%	31.0 months	\$ 3.35	33.4%	12.2 months	\$ 18.25	12.8 months
Class C Felony	0	0	\$ 0	100.0%	21.8 months	\$ 18.25	19.6 months

Minority Data Information

Of the five offenders convicted of pimping in FY 2013, 40.0% were Caucasian (White) and 60.0% were Black. Refer to the LSA memo addressed to the General Assembly, [Minority](#)

[Impact Memo](#), dated January 30, 2014, for information related to minorities in the criminal justice system.

Assumptions

Correctional and Fiscal Information

- Charge, conviction, and sentencing patterns and trends will not change over the projection period.
- Prisoner length of stay, revocation rates, plea bargaining, and other criminal justice system policies and practices will not change over the projection period.
- This law will become effective July 1, 2014. A lag effect of six months is assumed from the effective date of the Bill to the date of first entry of affected offenders into the correctional system.
- These will be bench trials. Trials by jury are rare. Refer to the *Fiscal Topic, Jury Trials* published by the Legislative Services Agency (LSA) in August 2013 for additional information regarding the use of juries.
- Approximately 50.0% of the defendants will be indigent.

Minority Data Information: The impact on minorities will remain consistent with current data.

Summary of Impacts

Correctional Impact

On an annual basis, there will be two offenders convicted of the new Class C felony under the provisions of HF 2254. Under current law, these offenders are convicted of a Class D felony. These offenders are currently sentenced to state prison. Under HF 2254, they will remain in state prison for a longer period of time. The state prison population will increase by one offender in FY 2016 and two offenders annually thereafter. There will be minimal impact on the parole population supervised by Community-Based Corrections (CBC).

Minority Impact

It is expected this Bill will have a disproportionate impact on minorities because approximately 60.0% of offenders convicted under the provisions of HF 2254 may be Black.

Fiscal Impact

The fiscal impact to the State General Fund for HF 2254 is expected to be an increased cost of \$600 in FY 2015 and \$7,000 in FY 2016. Beginning in FY 2017, and thereafter, the State General Fund impact is anticipated to be an increased cost of \$14,000 annually. The majority of the cost is for the state prison operating budget. The State Public Defender's Office will incur minimal fiscal impact.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
Department of Corrections
Office of the State Public Defender
Office of the State Court Administrator

/s/ Holly M. Lyons

February 24, 2014

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



HF 2268 – Adoption Tax Credit (LSB 5163HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2268 creates a new adoption expense income tax credit. The credit is refundable and applies retroactively to tax year 2014 and adoption expenses paid or incurred on or after January 1, 2014. The maximum credit per adoption is \$2,500, or \$5,000 in the case of the adoption of a child with special needs. In order to claim the credit, the taxpayer must not use the same expenses as an itemized deduction on their Iowa tax return. Adoption expenses in excess of the credit would still be allowed as an itemized tax deduction.

Assumptions

Based on past utilization of a federal adoption tax credit, and using the Department of Revenue individual income tax model, the following assumptions are used:

- A total of 462 tax returns will utilize the new credit.
- The average benefit per tax return will be \$2,200. This average benefit includes an adjustment for the reduced itemized deductions.
- Although the tax credit is retroactive to January 1, 2014, little or no General Fund impact will occur in FY 2014.
- Refundable tax credits do not impact the local option income surtax for schools.

Fiscal Impact

The adoption tax credit created in **HF 2268** is projected to reduce net General Fund revenue \$1.0 million annually, beginning in FY 2015.

Sources

Department of Revenue income tax micro model
Iowa federal tax return information

/s/ Holly M. Lyons

February 24, 2014

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



HF 289 – City Self-Funded Debt (LSB 1761YH)

Analyst: Robin Madison (Phone: (515) 281-5270) (robin.madison@legis.iowa.gov)

Deb Kozel (Phone: (515) 281-6767) (deb.kozel@legis.iowa.gov)

Fiscal Note Version – New

DIVISION I

Description

Division I of [House File 289](#) authorizes cities to borrow money from surplus funds in reserve accounts or funds in order to self-finance general or essential corporate purpose bond projects. This Bill requires the city to levy taxes to be deposited to the debt service fund in an amount sufficient to pay the principal and interest on such loans. The reserve funds or accounts of city utilities or combined city utilities are exempted from the provisions of this Bill, and borrowing from those funds or accounts is prohibited.

This Bill specifies that such loans cannot cause the balances in reserve accounts or funds to fall below any minimum prescribed by law. “Surplus” is defined as the cash balance available in a fund or account in excess of the amount of expenses and disbursements made in the previous three months, plus the amount of transfers, payments, or disbursements required in the following three months. A loan issued under the provisions of this Bill must not result in a user fee, rate, or property tax increase.

This Bill requires that loan agreements issued under the new provisions establish an interest rate on the loan between the minimum rate established for state funds in accordance with Iowa Code section [12C.6\(2\)\(a\)](#) and the maximum rate established for unpaid warrants in accordance with Iowa Code section [74A.6\(2\)](#). This Bill limits the amount of indebtedness a city can incur under the Bill’s provisions to \$6.0 million.

Assumptions

Under current financial conditions, reserve funds invested in a public project are likely to earn a higher rate of return than they are currently earning. Self-funding of bond projects reduces issuance expenses usually paid to bonding attorneys, financial consultants, and rating agencies.

Fiscal Impact

To the extent that the new provisions reduce bond issuance expenses for cities or result in greater investment earnings on reserve funds, Division I of HF 289 may have a positive fiscal impact for cities. The extent to which the new provisions will be used and will result in reduced expenses and greater earnings is unknown.

Sources

City Administrator, City of Cedar Falls
LSA Analysis

DIVISION II

Description

Division II of HF 289 pertains to the acquisition of private property by public entities using eminent domain.

Assumptions

Changes in this Bill that could result in a fiscal impact include:

- Authorization by vote of two-thirds of each chamber in the General Assembly and the Governor's signature to condemn property on the State Register of Historic Places. This may increase the time for negotiating an eminent domain project.
- Reimbursement to a landowner for attorney fees up to \$100,000 for a lake creation project that uses condemnation. This would increase costs for an eminent domain project.
- Prohibiting the Department of Natural Resources (DNR) from using eminent domain to obtain property from willing sellers. This change will eliminate the ability of willing sellers to defer payment of federal capital gains tax under Internal Revenue Code Section 1033.

Fiscal Impact

The fiscal impact of Division II of HF 289 cannot be determined because the number of future eminent domain projects is unknown. However, the changes in this Bill could increase the costs for property acquisition.

Sources

Department of Cultural Affairs
Department of Natural Resources
Department of Transportation
Iowa State Association of Counties

/s/ Holly M. Lyons

February 24, 2014

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.
