

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

FEBRUARY 26, 2014

HOUSE FILE 2043

H-8028

1 Amend House File 2043 as follows:

2 1. Page 3, line 6, after <in> by inserting <this
3 section or>

4 2. Page 3, line 16, after <township.> by inserting
5 <The trustees of a township that establishes an
6 emergency warning system shall provide emergency
7 medical service for the township within five years of
8 establishing the emergency warning system.>

By LUNDBY of Linn

H-8028 FILED FEBRUARY 25, 2014

HOUSE FILE 2254

H-8029

1 Amend the amendment, H-8019, to House File 2254 as
2 follows:

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

4 < . Page 1, after line 35 by inserting:

5 <Sec. . Section 808B.3, Code 2014, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 6. A felony offense involving
8 human trafficking in violation of chapter 710A.>

9 . Title page, line 2, after <minors> by
10 inserting <, human trafficking,>>

By STECKMAN of Cerro Gordo

H-8029 FILED FEBRUARY 25, 2014

HOUSE FILE 2254

H-8030

1 Amend the amendment, H-8019, to House File 2254, as
2 follows:

3 1. Page 1, after line 17 by inserting:

4 <c. If the person who sells or offers for sale the
5 person's services as a partner in a sex act is under
6 the age of eighteen, upon the expiration of two years
7 following the person's conviction for a violation
8 of paragraph "a" or of a similar local ordinance,
9 the person may petition the court to expunge the
10 conviction, and if the person has had no other criminal
11 convictions, other than local traffic violations or
12 simple misdemeanor violations of chapter 321 during the
13 two-year period, the conviction shall be expunged as
14 a matter of law. The court shall enter an order that
15 the record of the conviction be expunged by the clerk
16 of the district court. Notwithstanding section 692.2,
17 after receipt of notice from the clerk of the district
18 court that a record of conviction has been expunged for
19 a violation of paragraph "a", the record of conviction
20 shall be removed from the criminal history data files
21 maintained by the department of public safety.>

By PRICHARD of Floyd

H-8030 FILED FEBRUARY 25, 2014

HOUSE FILE 2271

H-8033

1 Amend House File 2271 as follows:

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

4 <Section 1. Section 257.11, subsection 7, paragraph
5 a, subparagraph (1), Code 2014, is amended to read as
6 follows:

7 (1) In order to provide additional funding to
8 increase student opportunities and redirect more
9 resources to student programming for school districts
10 that share operational functions, ~~a supplementary~~
11 ~~weighting of two hundredths per pupil shall be~~
12 ~~assigned to pupils enrolled in a district that~~
13 ~~shares with a political subdivision one or more~~
14 ~~operational functions of a curriculum director,~~
15 ~~school administration manager, social worker, school~~
16 ~~nurse, or school counselor, or school librarian,~~
17 ~~or one or more operational functions in the areas~~
18 ~~of superintendent management, business management,~~
19 ~~human resources, transportation, or operation and~~
20 ~~maintenance for at least twenty percent of the school~~
21 ~~year shall be assigned a supplementary weighting~~
22 ~~for each shared operational function. A school~~
23 ~~district that shares an operational function in the~~
24 ~~area of superintendent management shall be assigned~~
25 ~~a supplementary weighting of eight pupils for the~~
26 ~~function. A school district that shares an operational~~
27 ~~function in the area of business management, human~~
28 ~~resources, transportation, or operation and maintenance~~
29 ~~shall be assigned a supplementary weighting of five~~
30 ~~pupils for the function. A school district that shares~~
31 ~~the operational functions of a curriculum director or~~
32 ~~a school counselor shall be assigned a supplementary~~
33 ~~weighting of three pupils for the function. The~~
34 ~~additional weighting shall be assigned for each~~
35 ~~discrete operational function shared. However, a~~
36 ~~school district may receive the additional weighting~~
37 ~~under this subsection for sharing the services of~~
38 ~~an individual with a political subdivision even if~~
39 ~~the type of operational function performed by the~~
40 ~~individual for the school district and the type of~~
41 ~~operational function performed by the individual for~~
42 ~~the political subdivision are not the same operational~~
43 ~~function, so long as both operational functions are~~
44 ~~eligible for weighting under this subsection. In~~
45 ~~such case, the school district shall be assigned~~
46 ~~the additional weighting for the type of operational~~
47 ~~function that the individual performs for the school~~
48 ~~district, and the school district shall not receive~~
49 ~~additional weighting for any other function performed~~
50 ~~by the individual. The operational function sharing~~

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1 arrangement does not need to be a newly implemented
2 sharing arrangement to receive supplementary
3 weighting under this subsection. ~~However, to receive~~
4 ~~supplementary weighting under this subsection for an~~
5 ~~ongoing operational function sharing arrangement that~~
6 ~~began before July 1, 2014, the district shall submit~~
7 ~~information to the department documenting the cost~~
8 ~~savings directly attributable to the shared operational~~
9 ~~functions and describe the district's consideration of~~
10 ~~additional shared operational functions.~~

11 Sec. 2. Section 257.11, subsection 7, paragraphs c
12 and d, Code 2014, are amended to read as follows:

13 c. Supplementary weighting pursuant to this
14 subsection shall be available to a school district for
15 a maximum of five years during the period commencing
16 with the budget year beginning July 1, 2014, through
17 the budget year beginning July 1, 2019. ~~The minimum~~
18 ~~amount of additional weighting for which a school~~
19 ~~district shall be eligible is an amount equivalent~~
20 ~~to ten additional pupils, and the maximum amount of~~
21 ~~additional weighting for which a school district shall~~
22 ~~be eligible in a budget year is an amount equivalent~~
23 ~~to forty twenty-one additional pupils. Receipt of~~
24 ~~supplementary weighting by a school district pursuant~~
25 ~~to this subsection for more than one year shall be~~
26 ~~contingent upon the annual submission of information~~
27 ~~by the district to the department documenting cost~~
28 ~~savings directly attributable to the shared operational~~
29 ~~functions. Criteria for determining the number of~~
30 ~~years for which supplementary weighting shall be~~
31 ~~received pursuant to this subsection, subject to the~~
32 ~~five year maximum, and for determining qualification~~
33 ~~of operational functions for supplementary weighting~~
34 ~~shall be determined by the department by rule, through~~
35 ~~consideration of long-term savings by the school~~
36 ~~district or increased student opportunities.~~

37 d. Supplementary weighting pursuant to this
38 subsection shall be available to an area education
39 agency for a maximum of five years during the period
40 commencing with the budget year beginning July 1,
41 2014, through the budget year beginning July 1,
42 2019. The minimum amount of additional funding for
43 which an area education agency shall be eligible in
44 a budget year is ~~fifty~~ thirty thousand dollars, and
45 the maximum amount of additional funding for which an
46 area education agency shall be eligible is two hundred
47 thousand dollars. The department of management shall
48 annually set a weighting for each area education agency
49 to generate the approved operational sharing expense
50 using the area education agency's special education

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1 cost per pupil amount and foundation level. Receipt
2 of supplementary weighting by an area education agency
3 for more than one year shall be contingent upon the
4 annual submission of information by the district to
5 the department documenting cost savings directly
6 attributable to the shared operational functions.

7 Criteria for determining the number of years for
8 which supplementary weighting shall be received
9 pursuant to this subsection, subject to the five year
10 maximum, and the amount generated by the supplementary
11 weighting, and for determining qualification of
12 operational functions for supplementary weighting
13 shall be determined by the department by rule,
14 through consideration of long term savings by the area
15 education agency or increased student opportunities.

16 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being
17 deemed of immediate importance, takes effect upon
18 enactment.>

19 2. Title page, line 2, after <districts> by
20 inserting <and area education agencies>

By DOLECHECK of Ringgold
RUFF of Clayton

H-8033 FILED FEBRUARY 25, 2014

HOUSE FILE 2289

H-8031

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>

6 3. Page 3, line 23, after <if> by inserting <the
7 individual is on public property, or>

8 4. Page 3, line 26, by striking <4.> and inserting
9 c.>

10 5. Page 3, line 31, by striking <a.> and inserting
11 <(1)>

12 6. Page 3, line 32, by striking <b.> and inserting
13 <(2)>

14 7. Page 3, line 33, by striking <c.> and inserting
15 <(3)>

16 8. Page 4, line 11, by striking <agency> and
17 inserting <state agency and each political subdivision
18 if required to do so by the supervising legislative
19 body of the political subdivision,>

20 9. Page 4, line 11, by striking <vehicle> and
21 inserting <vehicle,>

22 10. By renumbering as necessary.

By KLEIN of Washington

H-8031 FILED FEBRUARY 25, 2014

HOUSE FILE 2289

H-8035

- 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>
6 3. Page 3, line 23, after <if> by inserting <the
7 individual is on public property, or>
8 4. Page 3, line 26, by striking <4.> and inserting
9 c.>
10 5. Page 3, line 31, by striking <a.> and inserting
11 <(1)>
12 6. Page 3, line 32, by striking <b.> and inserting
13 <(2)>
14 7. Page 3, line 33, by striking <c.> and inserting
15 <(3)>
16 8. Page 3, after line 33 by inserting:
17 <4. Accredited postsecondary institutions. An
18 accredited postsecondary institution, other than a
19 special security officer or a security agency employed
20 by or otherwise connected with the institution, may use
21 an unmanned aerial vehicle to capture or receive an
22 image for research purposes, or to retain or distribute
23 such an image.>
24 9. Page 4, line 11, by striking <agency> and
25 inserting <state agency and each political subdivision
26 if required to do so by the supervising legislative
27 body of the political subdivision,>
28 10. Page 4, line 11, by striking <vehicle> and
29 inserting <vehicle,>
30 11. By renumbering as necessary.

By KLEIN of Washington

H-8035 FILED FEBRUARY 25, 2014

HOUSE FILE 2324

H-8034

- 1 Amend House File 2324 as follows:
2 1. Page 1, line 26, after <lender> by inserting
3 <that is a financial institution as defined in section
4 537.1301.>
5 2. Page 1, line 31, after <3.> by inserting <This
6 subsection applies to the financial institution lender
7 that originates the loan and to subsequent purchasers
8 of the loan originated by the financial institution.>
9 3. Page 6, after line 27 by inserting:
10 <Sec. ____ . APPLICABILITY. Section 537.1301,
11 subsection 21, paragraph b, subparagraph (5), as
12 enacted by this Act, applies to charges assessed by a
13 financial institution on or after July 1, 2014.>
14 4. Title page, line 4, after <code> by inserting <,
15 and including applicability provisions>

By J. SMITH of Dickinson
DAWSON of Woodbury

H-8034 FILED FEBRUARY 25, 2014

HOUSE FILE 2354

H-8036

1 Amend House File 2354 as follows:

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

3 <Sec. _____. Section 48A.9, Code 2014, is amended by
4 adding the following new subsection:

5 NEW SUBSECTION. 5. If the registration form
6 appears on its face to be complete and proper, but is
7 received during the period in which registration is
8 closed pursuant to this section, the commissioner shall
9 send a notice advising the applicant of election day
10 and in-person absentee registration procedures under
11 section 48A.7A.>

12 2. By striking page 2, line 10, through page 3,
13 line 31.

14 3. Page 5, line 26, before <After> by inserting
15 1.>

16 4. Page 5, after line 31 by inserting:

17 <2. The affidavit form shall include a line for the
18 voter to indicate the date the voter subscribed to the
19 affidavit.>

20 5. Page 6, by striking lines 13 through 16 and
21 inserting <the polls close on election day or be
22 clearly postmarked by received by the commissioner
23 through an officially authorized postal service not
24 later than the day before the election and received
25 by the commissioner not later than noon on the Monday
26 following the election. For a ballot to be counted
27 that is received in the commissioner's office after the
28 polls close on election day, the date on the affidavit
29 envelope must be clearly legible and the date is not
30 later than the day before the election.>

31 6. Title page, by striking lines 3 and 4
32 and inserting <to a primary election, modifying
33 requirements for counting absentee ballots, and>

34 7. By renumbering as necessary.

By WINCKLER of Scott

HUNTER of Polk

GASKILL of Wapello

ISENHART of Dubuque

KEARNS of Lee

LENSING of Johnson

STAED of Linn

STECKMAN of Cerro Gordo

STUTSMAN of Johnson

WESSEL-KROESCHELL of Story

H-8036 FILED FEBRUARY 25, 2014

HOUSE FILE 2361

H-8032

1 Amend House File 2361 as follows:

2 1. Page 26, after line 22 by inserting:

3 <DIVISION _____
4 MOTOR VEHICLE DEALERS

5 Sec. _____. Section 321.48, Code 2014, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 2A. Notwithstanding subsections 1
8 and 2, requirements in those subsections for obtaining
9 title to a vehicle or acknowledging assignment and
10 warranty of title do not apply to a dealer who sells
11 a motor vehicle to a purchaser in a consignment
12 transaction authorized under section 322.7B.

13 Sec. _____. Section 321.57, subsection 1, Code 2014,
14 is amended to read as follows:

15 1. A dealer owning any vehicle of a type otherwise
16 required to be registered under this chapter may
17 operate or move the vehicle upon the highways solely
18 for purposes of transporting, testing, demonstrating,
19 or selling the vehicle without registering the vehicle,
20 upon condition that the vehicle display in the manner
21 prescribed in sections 321.37 and 321.38 a special
22 plate issued to the owner as provided in sections
23 321.58 through 321.62. A dealer may operate or move
24 upon the highways a vehicle owned by the dealer for
25 either private or business purposes, including hauling
26 a load or towing a trailer, without registering it
27 if the vehicle is in the dealer's inventory and is
28 continuously offered for sale at retail, and there is
29 displayed on it a special plate issued to the dealer as
30 provided in sections 321.58 through 321.62. A dealer
31 may operate or move upon the highways an unregistered
32 vehicle owned by a lessor licensed pursuant to chapter
33 321F solely for the purpose of delivering the vehicle
34 to the owner or transporting the vehicle to or from an
35 auction if there is displayed on the vehicle a special
36 plate issued to the dealer as provided in sections
37 321.58 through 321.62.

38 Sec. _____. Section 321.60, Code 2014, is amended to
39 read as follows:

40 321.60 Issuance of special plates.

41 The department shall ~~also~~ issue special plates
42 as applied for, which shall display the general
43 distinguishing number assigned to the applicant. Each
44 plate so issued shall also contain a number or symbol
45 identifying the plate and distinguishing it from every
46 other plate bearing the same general distinguishing
47 number. The fee for each special plate is forty
48 dollars for a two-year period or part thereof. The fee
49 for a special plate used on a vehicle that is hauling a
50 load or towing a trailer is seven hundred fifty dollars

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1 for a two-year period or part thereof.

2 Sec. _____. Section 321.69A, subsection 1, paragraph
3 a, subparagraph (2), Code 2014, is amended to read as
4 follows:

5 (2) The actual cost of any labor or parts charged
6 to or performed by the dealer for any such repairs,
7 adjustments, or parts does not exceed four percent of
8 ~~the dealer's adjusted cost~~ manufacturer's suggested
9 retail price.

10 Sec. _____. Section 321.69A, subsections 2 and 3,
11 Code 2014, are amended to read as follows:

12 2. A person licensed as a new motor vehicle dealer
13 pursuant to chapter 322 shall disclose in writing, at
14 or before the time of sale or lease, to the buyer or
15 lessee of a new motor vehicle that the vehicle has been
16 subject to any repairs of damage to or adjustments on
17 or replacements of parts with new parts if the actual
18 cost of any labor or parts charged to or performed by
19 the dealer for any such repairs, adjustments, or parts
20 exceeds four percent of the ~~dealer's adjusted cost~~
21 manufacturer's suggested retail price. The written
22 disclosure shall include the signature of the buyer or
23 lessee and be in a form and in a format approved by
24 the attorney general by rule. A dealer shall retain a
25 copy of each written disclosure issued pursuant to this
26 section for five years from the date of issuance.

27 3. As used in this section, ~~"dealer's adjusted~~
28 ~~cost"~~ "manufacturer's suggested retail price" means
29 the amount ~~paid by the dealer to the manufacturer or~~
30 ~~other source for the vehicle, including any freight~~
31 ~~charges, but excluding any sum paid by the manufacturer~~
32 ~~to the dealer as a holdback or other monetary incentive~~
33 ~~relating to the vehicle~~ required to be disclosed by a
34 dealer pursuant to 15 U.S.C. {1232(f)(4)}.

35 Sec. _____. Section 321.105A, subsection 2, paragraph
36 c, subparagraph (14), Code 2014, is amended to read as
37 follows:

38 (14) Vehicles purchased by a licensed motor vehicle
39 dealer for resale or primarily for use by the dealer's
40 customers while the customers' vehicles are being
41 serviced or repaired by the dealer.

42 Sec. _____. NEW SECTION. 322.7B Consignment sales
43 of motor trucks.

44 A licensed motor vehicle dealer may sell a used
45 motor truck on a consignment basis if all of the
46 following conditions apply:

47 1. The dealer is licensed to sell used motor
48 vehicles.

49 2. The motor truck offered for sale has a gross
50 vehicle weight rating of twenty-six thousand one or

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1 more pounds.

2 3. The dealer prominently displays the words
3 "consignment vehicle" on the motor truck and indicates
4 clearly in the sales documentation that the motor
5 truck is a consignment vehicle. The dealer shall put
6 customers on notice that the dealer does not have title
7 to the vehicle and does not warranty the title.

8 4. The purchaser certifies to the dealer that the
9 person is either a corporation, limited liability
10 company, or partnership or a person who files a
11 schedule C or schedule F form for federal income tax
12 purposes, and that the motor truck is being purchased
13 for business purposes, and not for personal use.

14 5. The dealer assumes no liability for damages
15 resulting from a customer's test drive of the motor
16 truck, and the consignor maintains financial liability
17 coverage as required under section 321.20B or 325A.6,
18 as appropriate, for the motor truck throughout the term
19 of the consignment.

20 Sec. _____. Section 322.9, subsection 2, paragraphs
21 a, b, and c, Code 2014, are amended to read as follows:

22 a. Failing upon the sale or transfer of a vehicle,
23 except upon the sale of a vehicle under section
24 322.7B, to deliver to the purchaser or transferee of
25 the vehicle sold or transferred, a manufacturer's or
26 importer's certificate, or a certificate of title duly
27 assigned, as provided in chapter 321.

28 b. Failing upon the purchasing or otherwise
29 acquiring of a vehicle, except a vehicle acquired
30 on consignment under section 322.7B, to obtain a
31 manufacturer's or importer's certificate, or a
32 certificate of title duly assigned as provided in
33 chapter 321.

34 c. Failing upon the purchasing or otherwise
35 acquiring of a vehicle, except a vehicle acquired on
36 consignment under section 322.7B, to obtain a new
37 certificate of title to such vehicle when and where
38 required in chapter 321.>

39 2. By renumbering as necessary.

By MOORE of Jackson

H-8032 FILED FEBRUARY 25, 2014

SENATE FILE 383

H-8027

1 Amend Senate File 383, as passed by the Senate, as
2 follows:

3 1. Page 1, line 2, by striking <2013> and inserting
4 <2014>

5 2. Page 1, line 15, by striking <2013> and
6 inserting <2014>

COMMITTEE ON JUDICIARY

BALTIMORE of Boone, Chairperson

H-8027 FILED FEBRUARY 25, 2014



HF 2273 – Vehicle Registrations and Levee & Drainage Districts (LSB 5748HV)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2273 relates to vehicle registrations and levee and drainage districts. This Bill makes the following changes:

- Allows an annual vehicle registration credit to be claimed by the owner's spouse. An annual registration fee credit may be claimed for a vehicle that has been sold, traded, or junked.
- Exempts trailers purchased for the purpose of renting to users from the fee for new registration. To qualify for the exemption, the rental must be subject to Streamlined Sales and Use Tax.
- Allows county treasurers to destroy levee and drainage district assessment records and accompanying documents required by Iowa Code chapter **468** after 10 years have elapsed from the end of the fiscal year that the assessment was paid off.
- Removes a provision that requires that levee and drainage district assessments of \$20 or less be paid in cash.

Background

Currently, annual vehicle registration fee credits may only be claimed by the owner of the vehicle. The fee for new vehicle registration is 5.0% of the purchase price of the vehicle. Vehicles purchased by businesses for rent to other users are exempt from the fee for new registration. Trailers do not qualify for this exemption.

Assumptions

- The number of spouses that may claim an annual vehicle registration fee credit is unknown.
- Permitting the destruction of levee and drainage district records and allowing cash payments will not alter county operations.
- The Department of Revenue estimates that 72 business entities purchased 553 trailers in FY 2013. This fiscal note assumes that the same number of businesses will purchase the same number of trailers.
- The Department of Revenue estimates the average taxable sale price of trailers sold to rental companies in FY 2013 is \$8,137.
- The Department of Revenue estimated an increase to the taxable sales prices for exempt trailers using forecast consumer price index estimates. This fiscal note assumes these estimates in the calculations.
- This fiscal note assumes that FY 2015 will be the first year impacted by the trailer exemption.

Fiscal Impact

HF 2273 is estimated to reduce revenue to the Statutory Allocations Fund as shown in the following table.

Estimated Statutory Allocations Fund Impact

Fiscal Year	Fiscal Impact
FY 2014	\$ 0
FY 2015	-232,000
FY 2016	-245,000
FY 2017	-265,000
FY 2018	-293,000
FY 2019	-332,000

Sources

LSA Calculations
Department of Revenue

/s/ Holly M. Lyons

February 25, 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 2357 – Vehicle Registration Fee, Donations (LSB 5725HH)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2357 establishes an annual registration fee of \$10 for motor vehicles donated to a nonprofit entity intended to be rebuilt for redonation to a needy individual. There may be no consideration given for the initial donation. HF 2537 also exempts the donation from the fee for new registration that is 5.0% of the purchase price of the vehicle.

Background

Currently, nonprofit entities that receive donated vehicles are required to pay an annual registration fee that is determined in Iowa Code sections [321.109](#) and [321.113](#). The minimum amount for this fee is \$50. Vehicles donated without consideration are currently exempt from the fee for new registration.

Assumptions

All vehicles donated to nonprofit entities will be charged a minimum \$50 annual registration fee under current law.

Fiscal Impact

The number of vehicles donated to nonprofit entities intended to be redonated to a needy individual is unknown. The fiscal impact of HF 2357 cannot be determined. However, this provision will reduce revenue to the Road Use Tax Fund (RUTF). Revenue to the RUTF will be decrease by a minimum of \$40 per vehicle donated to a nonprofit intended to be donated to a needy individual.

Sources

Legislative Services Agency
Iowa Department of Transportation
Iowa Department of Revenue

/s/ Holly M. Lyons

February 25, 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 2148 – Reserve Police Officers Tax Credit (LSB 5711YH)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2148 creates a new Reserve Peace Officer Tax Credit. Qualified individuals must meet minimum training standards established by the Iowa Law Enforcement Academy. The tax credit is equal to \$50 per year and is prorated for persons serving in the position for a portion of the year. The credit is not refundable and is available beginning tax year 2015.

Assumptions

- There are 680 qualified reserve peace officers currently in the State.
- All 680 officers are assumed to qualify for the maximum \$50 credit.
- To estimate the projected impact of a nonrefundable \$50 tax credit, the Department of Revenue utilized their individual income tax micro-simulation model. The credit was randomly assigned to 680 tax returns so the results could be adjusted for tax returns that do not have the full \$50 in income tax liability.

Fiscal Impact

The Reserve Peace Officer Tax Credit proposed in HF 2148 is projected to reduce net General Fund revenue by less than \$50,000 per year, starting FY 2016 and remain below \$50,000 for the foreseeable future. As a nonrefundable tax credit, the credit will also have a minor impact on the revenue generated by the local option income surtax for schools.

Sources

Iowa Law Enforcement Academy
Department of Revenue Income Tax Model

/s/ Holly M. Lyons

February 25, 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 2287 – Brownfield/Grayfield Tax Credit Restructure (LSB 5288HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2256 modifies the existing Brownfield/Grayfield Tax Credit Program. This Bill includes two provisions with an identified potential fiscal impact:

- Section 4, allowing refundable tax credits for nonprofit organizations.
- Section 9, removing the automatic repeal date (June 30, 2021) for the Program.

Background

The Brownfield/Grayfield Tax Credit was created in **HF 2687** (Underutilized Property Redevelopment Tax Credit Act of 2008). The tax credit requirements are found in **Iowa Code section 15.293A**. The automatic repeal date was added in SF 514 (Brownfield/Grayfield Act of 2011).

The Program is included in the Economic Development Authority's annual aggregate tax credit limitation contained in **Iowa Code section 15.119**. The maximum credit a single project may receive is limited to 10.0% of the Brownfield/Grayfield credits available that year. Neither of those provisions is modified in this Bill.

Fiscal Impact

Making tax credits refundable for nonprofit applicants will impact the timing of tax credit redemptions, bringing forward credits that, if awarded as nonrefundable credits to for-profit entities, will be redeemed later or perhaps never. This Bill will result in a negative impact to the General Fund in future years as follows:

- FY 2017 = \$0.5 million
- FY 2018 = \$0.3 million
- FY 2019 = \$0.2 million
- FY 2020 = \$0.2 million
- FY 2021 = \$0.1 million
- FY 2022 = \$0.1 million

In future fiscal years, the \$1.4 million in negative fiscal impact cited above will be offset in whole or in large part by reduced tax credit redemptions, as the identified fiscal impact is simply a timing impact.

Since the Brownfield/Grayfield Tax Credit Program is part of the Economic Development Authority's annual aggregate tax credit limitation, removing the June 20, 2021, sunset does not

change the annual amount of tax credits awarded by the Authority, it instead alters the amount of tax credits available for other programs under the aggregate cap.

Sources

Department of Revenue
Economic Development Authority

/s/ Holly M. Lyons

February 25, 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 2272 – School Finance, Whole Grade Sharing (LSB 5223HV)
Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2272 extends the whole grade sharing supplementary weighting and reorganization incentives an additional five years.

Background

Currently, school districts that participate in whole grade sharing and jointly adopt a resolution to study reorganization are eligible to receive supplementary weighting of up to 0.1 per student for three years. Additionally, if the school district reorganizes, it may be eligible to receive the supplementary weighting for a total of six years. In addition to supplementary weighting, school districts that reorganize may be eligible for a uniform levy rate reduction for three years. This Bill extends these reorganizations provisions authorized on or before July 1, 2014, to July 1, 2019.

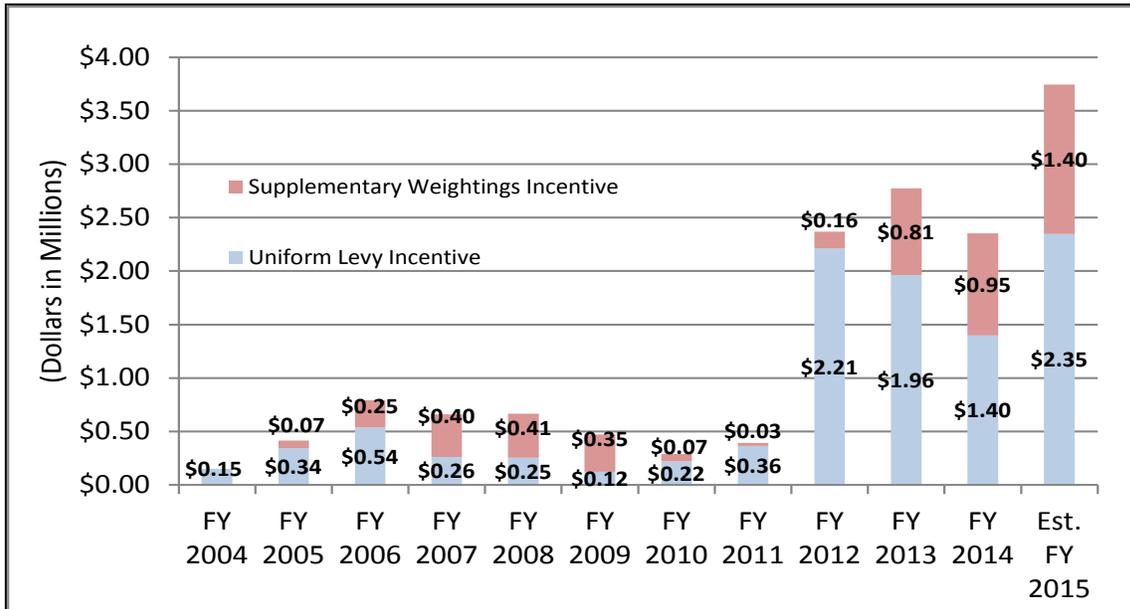
The following table provides historical information on supplementary weighting for whole grade sharing. The amount of weighting has varied through the years displayed. The estimate for FY 2015 indicates that 12 districts will receive supplementary weighting with a funding total of \$2.0 million, including \$1.8 million in State aid generated through the school aid formula.

Whole Grade Sharing Supplementary Weighting and Funding Levels

	<u>Supplementary Weighting Total</u>	<u>Total Funding</u>	<u>State Aid Portion</u>	<u>Property Tax Portion</u>	<u>Number of Districts with Weighting</u>
Est. FY 2015	324.10	\$ 2,063,221	\$ 1,820,146	\$ 243,075	12
FY 2014	289.30	1,778,194	1,553,830	224,363	10
FY 2013	188.50	1,137,765	989,814	147,952	10
FY 2012	164.30	975,030	845,816	129,214	13
FY 2011	166.83	990,986	858,840	132,146	20
FY 2010	277.90	1,618,340	1,402,561	215,778	33
FY 2009	234.00	1,309,396	1,135,602	173,794	30
FY 2008	N.A.	N.A.	N.A.	N.A.	N.A.
FY 2007	112.95	584,839	506,807	78,033	13
FY 2006	124.10	553,594	479,828	73,766	15
FY 2005	93.30	448,126	387,008	61,118	11
FY 2004	91.00	428,766	370,097	58,669	11
FY 2003	108.20	499,463	431,395	68,068	13

Reorganization incentives have generated additional State aid for qualifying reorganized districts. The following chart provides the State aid cost for uniform levy incentives and the supplementary weighting incentives. Since FY 2004, the amounts have fluctuated from a low of \$150,000 to just over \$3.7 million (slated for FY 2015). School districts that reorganize by July 1, 2014, will be eligible to receive these incentives for three years under current law.

Total State Aid Amounts for Reorganization Incentives



Assumptions

Assumptions include:

- Based on Department of Education analysis, beginning in FY 2016, there may be 2,800 students in districts eligible to receive supplementary weighting for whole grade sharing, yielding an additional weighting of 280.0 per year.
- The districts eligible to receive the weighting for FY 2016 will make progress to reorganizing and will receive the weighting for the second and third years.
- Estimates are based on a State and district cost per pupil of \$6,366 for each fiscal year. Any State percent of growth above 0.0% for FY 2016 through FY 2018 will increase the overall impact. The State aid portion is based on the 87.5% foundation level and \$46 per pupil for property tax replacement payments.
- The amount of State aid for reorganizations is unknown and will be predicated on the number of districts that approve reorganization prior to July 1, 2019. Based on historic data, that amount may be up to \$4.0 million for a single fiscal year.

Fiscal Impact

The estimated fiscal impact is currently unknown and will be based on the enrollment size of the districts that are eligible to receive the supplementary weighting for whole grade sharing and the number of districts that reorganize or dissolve that would be eligible for the reorganization incentives. Any fiscal impact resulting from this Bill will not occur until FY 2016 at the earliest and will be in addition to the reorganization incentives currently in place for districts that reorganize or dissolve on or before July 1, 2014.

However, based on the assumptions noted and historic weighting levels, beginning in FY 2016, \$1.8 million will be generated through the school aid formula for whole grade sharing supplementary weighting. This includes an increase in State General Fund expenditures for school aid totaling \$1.6 million and approximately \$200,000 in local property taxes for the impacted school districts. This estimate represents an annual minimum impact for each fiscal year.

Sources

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

/s/ Holly M. Lyons

February 25, 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 2274 – Fee Increase Notification (LSB 5139HV)

Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.iowa.gov)

Fiscal Note Version – New

Description

House File 2274 requires the Office of the Chief Information Officer to develop a user-friendly State services fee database and Internet site that is available to the public. This Bill requires timely email notification of changes in fees, rates, and charges by an agency to interested parties. The initial version of the State service fee database and Internet site is to be established by December 1, 2014.

Assumptions

- The Chief Information Officer estimates development costs to be \$280,000 with first year maintenance costs of \$20,000 and second year maintenance costs of \$30,000.
- This Bill does not specify a funding source for this project. It is assumed it will be funded from the Information Technology (IT) Operations Revolving Fund. This Fund is supported by payments from State agencies for information technology services as authorized in Iowa Code section **8A.123**.

Fiscal Impact

The FY 2015 costs for the project are estimated to be \$300,000 with ongoing costs of \$30,000 beginning in FY 2016. These costs will be absorbed by the IT Operations Revolving Fund.

Source

Office of the Chief Information Officer

/s/ Holly M. Lyons

February 25, 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 2360 – School Transportation Cost Supplement (LSB 2078HV)
Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2360 creates a Transportation Cost Supplement Program. Under the proposal, districts will be allowed to implement the Program if these two provisions are met:

- The School Budget Review Committee determines that the district’s average transportation cost per pupil exceeds the statewide average.
- Voters within the school district approve of participation in the Program. Program participation may be up to 10 years.

The Program may be funded with local property tax or a combination of local property tax and local income surtax. Additionally, although voter-approved, program participation may be intermittent during the voter-approved period if the district’s average transportation cost per pupil does not exceed the statewide average for a specific year.

Background

Under current law, school transportation costs are funded with school general fund dollars. Additionally, fees generated from education license plates (referred to as transportation assistance aid) are divided between school districts that have average transportation costs that exceed the statewide average by 150.0%, as determined by the School Budget Review Committee (SBRC). In general, the total shared between the eligible districts is less than \$20,000 total (the SBRC provided 16 districts with transportation assistance aid that ranged between from \$26 to \$3,365 in December 2013).

The following **Table** provides information pertaining to school transportation costs from FY 2002 through FY 2013, including the average statewide transportation cost per pupil, the number of districts above the statewide average, and the estimated impact that this Bill would have had in the past years. Based on the FY 2013 data, there were 244 districts (70.1%) that were above the statewide average transportation cost and the maximum funding this proposal will allow is estimated at \$26.5 million (an average of \$108,648 per eligible district).

	State Average Per Pupil Amount	Number of Districts Above the State Average	Percentage of Districts Above the State Average	Proposal - Total Cost Above Per Pupil Average	Proposal - Average Total Cost Per Eligible District Per Pupil Average
FY 2002	\$ 177.91	255	68.7%	\$ 17,175,561	\$ 67,355
FY 2003	183.82	252	67.9%	17,367,099	68,917
FY 2004	192.31	254	68.6%	17,859,604	70,313
FY 2005	205.25	257	70.0%	18,751,125	72,962
FY 2006	220.72	237	64.9%	16,273,822	68,666
FY 2007	227.77	262	71.8%	21,672,181	82,718
FY 2008	251.33	256	70.3%	24,362,596	95,166
FY 2009	254.47	256	70.7%	23,306,690	91,042
FY 2010	257.46	256	70.9%	23,128,185	90,344
FY 2011	289.35	248	69.1%	24,149,154	97,376
FY 2012	298.89	238	67.8%	24,605,473	103,384
FY 2013	306.18	244	70.1%	26,510,080	108,648

Assumptions

Assumptions include:

- Between FY 2013 and FY 2002, the average annual growth rate in the State average per pupil transportation cost has been about 5.0%. This rate is assumed to continue.
- The percentage of districts eligible to participate in the Program is based on average transportation costs that exceed the statewide average and will range between 65.0% and 72.0%.
- The number of districts that receive voter approval to implement the Program is unknown, but is anticipated to be less than the number of districts that will be eligible due to the per pupil cost requirement.
- Eligible school districts will be able to use property tax or a combination of property tax and income surtax to fund the Program. However, the specific combination is unknown and will depend on voter approval and the district's current income surtax rate (total income surtax rate cannot exceed 20.0%).
- The impact of the license plate fees allocated to eligible school districts is assumed to not increase in future fiscal years and will have a minimal impact on reducing the local funding for this provision.

Fiscal Impact

There is no State General Fund impact due to this Bill. There may be a local tax (property tax and income surtax) impact beginning in FY 2016 that is estimated to be less than \$27.5 million statewide. However, any local property tax increase will require Program participation and voter approval.

Sources

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

/s/ Holly M. Lyons

February 25, 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.
