

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

MARCH 4, 2014

HOUSE FILE 2179

H-8057

1 Amend House File 2179 as follows:

2 1. Page 9, after line 11 by inserting:

3 <Sec. _____. Section 275.12, subsection 5, Code 2014,
4 is amended to read as follows:

5 5. The petition may ~~also~~ include a provision that
6 the voter-approved physical plant and equipment levy
7 provided in section 298.2 will be voted upon at the
8 election conducted under section 275.18. The petition
9 may also include a provision that the revenue purpose
10 statement provided in section 423F.3 will be voted upon
11 at the election conducted under section 275.18.

12 Sec. _____. Section 275.20, Code 2014, is amended to
13 read as follows:

14 275.20 Separate vote in existing districts.

15 The voters shall vote separately in each existing
16 school district affected and voters residing in the
17 entire existing district are eligible to vote upon the
18 proposition to create a new school corporation and ~~the~~
19 ~~proposition to levy the voter approved physical plant~~
20 ~~and equipment levy under section 298.2, if the petition~~
21 ~~included a provision for a vote to authorize the~~
22 ~~levy on any additional provision authorized pursuant~~
23 ~~to section 275.12, subsection 5. If a proposition~~
24 ~~receives a majority of the votes cast in each of at~~
25 ~~least seventy-five percent of the districts, and also~~
26 ~~a majority of the total number of votes cast in all of~~
27 ~~the districts, the proposition is carried.>~~

28 2. Page 9, by striking lines 16 and 17 and
29 inserting:

30 <Sec. _____. Section 297.22, subsection 1, paragraphs
31 b and d, Code 2014, are amended to read as follows:>

32 3. Page 9, after line 28 by inserting:

33 <d. However, property having a value of not more
34 than five thousand dollars, other than real property,
35 may be sold or disposed of by any procedure which is
36 adopted by the board ~~and each~~. Each such sale shall
37 be published by at least one ~~insertion~~ each week for
38 two consecutive weeks in a newspaper having general
39 circulation in the district and any other disposition
40 shall be published by at least one insertion in a
41 newspaper having general circulation in the district.>

42 4. Page 10, line 6, after <fund.> by inserting
43 <Moneys remaining in the school district's student
44 construction fund after the board discontinues the
45 student construction program shall first be used to
46 reimburse the fund or funds from which the student
47 construction program's start-up costs were paid and
48 any moneys remaining after such reimbursement shall
49 be transferred by board resolution to the school
50 district's general fund.>

H-8057

H-8057

Page 2

1 5. By renumbering as necessary.

By SALMON of Black Hawk

H-8057 FILED MARCH 3, 2014

HOUSE FILE 2252

H-8059

1 Amend House File 2252 as follows:

2 1. Page 1, line 18, after <proficient> by inserting
3 <or to school districts that have large numbers of
4 students determined to be limited English proficient or
5 to school districts that have an exceptional diversity
6 of languages of origin spoken by students determined to
7 be limited English proficient>

By GAINES of Polk

STECKMAN of Cerro Gordo

ANDERSON of Polk

OLDSON of Polk

H-8059 FILED MARCH 3, 2014

HOUSE FILE 2272

H-8061

1 Amend House File 2272 as follows:

2 1. Page 1, by striking lines 1 through 21.

3 2. By striking page 2, line 9, through page 3, line
4 19.

5 3. Title page, by striking lines 1 and 2 and
6 inserting <An Act relating to whole grade sharing
7 incentives for school districts.>

By DOLECHECK of Ringgold

H-8061 FILED MARCH 3, 2014

HOUSE FILE 2366

H-8060

1 Amend House File 2366 as follows:

2 1. Page 2, line 16, by striking < (d)> and inserting
3 < (c)>

4 2. By renumbering as necessary.

By COSTELLO of Mills

H-8060 FILED MARCH 3, 2014

HOUSE FILE 2368

H-8064

1 Amend House File 2368 as follows:

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

4 <Section 1. Section 714G.1, subsection 1, Code
5 2014, is amended to read as follows:

6 1. "Consumer" means an individual who is a resident
7 of this state sixteen years of age or older who does
8 not otherwise meet the definition of a protected
9 consumer and who is not subject to a protected consumer
10 security freeze.

11 Sec. 2. Section 714G.1, Code 2014, is amended by
12 adding the following new subsections:

13 NEW SUBSECTION. 7A. "Protected consumer" means
14 an individual who is either under sixteen years of
15 age at the time a request for a protected consumer
16 security freeze is made for the individual or is an
17 incapacitated person or a protected person for whom a
18 guardian or conservator has been appointed.

19 NEW SUBSECTION. 7B. "Protected consumer security
20 freeze" means one of the following:

21 a. If a consumer reporting agency does not have a
22 file pertaining to a protected consumer, a restriction
23 that is placed on the protected consumer's record in
24 accordance with section 714G.8A that prohibits the
25 consumer reporting agency from releasing the protected
26 consumer's record except as provided in that section.

27 b. If a consumer reporting agency has a file
28 pertaining to a protected consumer, a restriction
29 that is placed on the protected consumer's consumer
30 credit report in accordance with section 714G.8A that
31 prohibits the consumer reporting agency from releasing
32 the protected consumer's consumer credit report or
33 any information derived from the protected consumer's
34 consumer credit report except as provided in that
35 section.

36 NEW SUBSECTION. 7C. "Record" means a compilation
37 of information that includes or satisfies all of the
38 following:

39 a. Identifies a protected consumer.

40 b. Is created by a consumer reporting agency solely
41 for the purpose of complying with section 714G.8A.

42 c. Is not created or used to consider the protected
43 consumer's credit worthiness, credit standing, credit
44 capacity, character, general reputation, personal
45 characteristics, or mode of living.

46 NEW SUBSECTION. 7D. "Representative" means a
47 protected consumer's parent, guardian, or custodian
48 who provides to a consumer reporting agency sufficient
49 proof of authority to act on behalf of a protected
50 consumer.

H-8064

1 NEW SUBSECTION. 8A. "Sufficient proof of authority"
2 means documentation that shows a representative has
3 authority to act on behalf of a protected consumer,
4 which may be demonstrated in the form of an order
5 issued by a court of law, a lawfully executed and valid
6 power of attorney, or a written notarized statement
7 signed by the representative that expressly describes
8 the authority of the representative to act on behalf of
9 a protected consumer.

10 NEW SUBSECTION. 8B. "Sufficient proof of
11 identification" means one or more of the following:

12 a. A protected consumer's social security number or
13 a copy of a social security card issued by the federal
14 social security administration.

15 b. A certified or official copy of a protected
16 consumer's birth certificate issued by the entity
17 authorized to issue the birth certificate.

18 c. A copy of a protected consumer's driver's
19 license, a protected consumer's nonoperator's
20 identification card issued by the state department
21 of transportation, or any other federal or state
22 government-issued form of identification pertaining to
23 a protected consumer.

24 Sec. 3. Section 714G.8, unnumbered paragraph 1,
25 Code 2014, is amended to read as follows:

26 A security freeze or protected consumer security
27 freeze shall not apply to the following persons or
28 entities:

29 Sec. 4. NEW SECTION. 714G.8A Protected consumer
30 security freeze.

31 1. A consumer reporting agency shall implement
32 a protected consumer security freeze for a protected
33 consumer if the consumer reporting agency receives a
34 request from the protected consumer's representative
35 for the placement of the protected consumer security
36 freeze pursuant to this section and the protected
37 consumer's representative complies with all of the
38 following:

39 a. Submits the request to the consumer reporting
40 agency at the address or other point of contact and in
41 the manner specified by the consumer reporting agency.

42 b. Provides sufficient proof of identification of
43 the protected consumer and the representative.

44 c. Provides sufficient proof of authority to act on
45 behalf of the protected consumer.

46 d. Payment of the fee specified in subsection 5.

47 2. a. A protected consumer security freeze
48 requested pursuant to subsection 1 shall commence
49 within thirty days after the request is received.
50 If a consumer reporting agency does not have a file

1 pertaining to a protected consumer when the consumer
2 reporting agency receives the request, the consumer
3 reporting agency shall create a record for the
4 protected consumer within thirty days after the request
5 is received.

6 b. While a protected consumer security freeze
7 is in effect, a consumer reporting agency shall not
8 release the protected consumer's consumer credit
9 report, any information derived from the protected
10 consumer's consumer credit report, or any information
11 contained in the record created for the protected
12 consumer. The protected consumer security freeze
13 shall remain in effect until the protected consumer
14 or the protected consumer's representative requests
15 the consumer reporting agency to remove the protected
16 consumer security freeze pursuant to subsection 3, or
17 the consumer reporting agency removes the protected
18 consumer security freeze pursuant to subsection 6.

19 3. A consumer reporting agency shall remove a
20 protected consumer security freeze if the consumer
21 reporting agency receives a request from the protected
22 consumer or the protected consumer's representative to
23 remove the protected consumer's security freeze that
24 complies with all of the following:

25 a. The request is submitted to the consumer
26 reporting agency at the address or other point of
27 contact and in the manner specified by the consumer
28 reporting agency.

29 b. In the case of a request by a protected
30 consumer, the request includes proof that previously
31 submitted sufficient proof of authority for the
32 protected consumer's representative to act on behalf
33 of the protected consumer is no longer valid, and
34 sufficient proof of identification of the protected
35 consumer.

36 c. In the case of a request by the representative
37 of a protected consumer, the request includes
38 sufficient proof of identification of the protected
39 consumer and the representative, and sufficient
40 proof of authority to act on behalf of the protected
41 consumer.

42 d. The fee specified in subsection 5.

43 4. A protected consumer security freeze shall
44 be removed by the consumer reporting agency within
45 thirty days after the request for removal pursuant to
46 subsection 3 is received by the consumer reporting
47 agency.

48 5. a. A consumer reporting agency may charge a
49 reasonable fee, not to exceed five dollars, for each
50 placement or removal of a protected consumer security

H-8064

Page 4

1 freeze. A consumer reporting agency may not charge
2 any other fee for a service performed pursuant to this
3 section.

4 b. Notwithstanding paragraph "a", a fee may not
5 be charged by a consumer reporting agency pursuant to
6 either of the following:

7 (1) If the protected consumer's representative
8 has obtained a police report or affidavit of alleged
9 identity theft under section 715A.8 and submits a copy
10 of the report or affidavit to the consumer reporting
11 agency.

12 (2) A request for the commencement or removal of a
13 protected consumer security freeze is for a protected
14 consumer who is under the age of sixteen years at
15 the time of the request and the consumer reporting
16 agency has a consumer credit report pertaining to the
17 protected consumer.

18 6. A consumer reporting agency may remove a
19 protected consumer security freeze for a protected
20 consumer or delete a record of a protected consumer if
21 the protected consumer security freeze was commenced
22 or the record was created based on a material
23 misrepresentation of fact by the protected consumer or
24 the protected consumer's representative.

25 7. The provisions of sections 714G.8, 714G.10, and
26 714G.11 shall be applicable to a protected consumer
27 security freeze.

28 Sec. 5. EFFECTIVE DATE. This Act takes effect
29 January 1, 2015.>

30 2. Title page, by striking lines 1 and 2 and
31 inserting <An Act extending security freeze protection
32 to specified individuals designated as protected
33 consumers, making penalties applicable, and including
34 effective date provisions.>

By KLEIN of Washington

H-8064 FILED MARCH 3, 2014

HOUSE FILE 2382

H-8063

1 Amend House File 2382 as follows:

2 1. Page 1, line 25, after <final> by inserting
3 <In granting a release pursuant to this paragraph,
4 the director of the department of administrative
5 services shall direct impacted departments or agencies
6 purchasing a product subject to the release to give
7 preference to purchasing Iowa products or products
8 produced from Iowa-based businesses.>

By BEARINGER of Fayette

H-8063 FILED MARCH 3, 2014

HOUSE FILE 2382

H-8065

1 Amend House File 2382 as follows:

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

3 <Section 1. Section 904.807, Code 2014, is amended
4 to read as follows:

5 904.807 Price lists to public officials --
6 purchasing requirements.

7 1. The state director shall cause to be prepared
8 from time to time classified and itemized price
9 lists of the products manufactured by Iowa state
10 industries. Such lists shall be furnished to all
11 boards of supervisors, boards of directors of school
12 corporations, city councils, and all other state,
13 county, city, and school departments and officials
14 empowered to purchase supplies and equipment for public
15 purposes.

16 2. If an entity described in this section declines
17 to purchase a product manufactured by Iowa state
18 industries, and the price of the product purchased
19 exceeds the price of the same or a similar product
20 manufactured by Iowa state industries, the entity shall
21 not use moneys received from property taxes to pay for
22 the cost of the product purchased.>

23 2. Title page, line 1, by striking <state>

24 3. By renumbering as necessary.

By THOMAS of Clayton

H-8065 FILED MARCH 3, 2014

HOUSE FILE 2409

H-8066

1 Amend House File 2409 as follows:

2 1. Page 4, after line 34 by inserting:

3 <Sec. _____. Section 282.18, subsection 11, Code
4 2014, is amended to read as follows:

5 11. A pupil who participates in open enrollment
6 for purposes of attending a grade in grades nine
7 through twelve in a school district other than the
8 district of residence is ineligible to participate
9 in varsity interscholastic athletic contests and
10 athletic competitions during the pupil's first ninety
11 school days of enrollment in the district except that
12 the pupil may participate immediately in a varsity
13 interscholastic sport if the pupil is entering grade
14 nine for the first time and did not participate in
15 an interscholastic athletic competition for another
16 school or school district during the summer immediately
17 following eighth grade, if the district of residence
18 and the other school district jointly participate
19 in the sport, if the sport in which the pupil wishes
20 to participate is not offered in the district of
21 residence, if the pupil chooses to use open enrollment
22 to attend school in another school district because
23 the district in which the student previously attended
24 school was dissolved and merged with one or more
25 contiguous school districts under section 256.11,
26 subsection 12, if the pupil participates in open
27 enrollment because the pupil's district of residence
28 has entered into a whole grade sharing agreement
29 with another district for the pupil's grade, ~~or~~ if
30 the parent or guardian of the pupil participating
31 in open enrollment is an active member of the armed
32 forces and resides in permanent housing on government
33 property provided by a branch of the armed services,
34 or if the district of residence determines that the
35 pupil was previously subject to a founded incident of
36 harassment or bullying as defined in section 280.28
37 while attending school in the district of residence.
38 A pupil who has paid tuition and attended school, or
39 has attended school pursuant to a mutual agreement
40 between the two districts, in a district other than
41 the pupil's district of residence for at least one
42 school year is also eligible to participate immediately
43 in interscholastic athletic contests and athletic
44 competitions under this section, but only as a member
45 of a team from the district that pupil had attended.
46 For purposes of this subsection, "school days of
47 enrollment" does not include enrollment in summer
48 school. For purposes of this subsection, "varsity"
49 means the same as defined in section 256.46.>

50 2. By renumbering as necessary.

By OURTH of Warren
STANERSON of Linn
WOOD of Scott
DAWSON of Woodbury

DOLECHECK of Ringgold
STECKMAN of Cerro Gordo
JORGENSEN of Woodbury

H-8066 FILED MARCH 3, 2014

HOUSE FILE 2417

H-8058

1 Amend House File 2417 as follows:

2 1. Page 1, after line 9 by inserting:

3 <Sec. _____. Section 222.1, Code 2014, is amended to
4 read as follows:

5 222.1 Purpose of chapter -- state resource centers
6 -- special unit at state mental health institute.

7 1. This chapter addresses the public and private
8 services available in this state to meet the needs
9 of persons with an intellectual disability. The
10 responsibility of counties, of the mental health and
11 disability service regions formed by counties, and of
12 the state for the costs and administration of publicly
13 funded services shall be as set out in section 222.60
14 and other pertinent sections of this chapter.

15 ~~1-~~ 2. The Glenwood state resource center and the
16 Woodward state resource center are established and
17 shall be maintained as the state's regional resource
18 centers for the purpose of providing treatment,
19 training, instruction, care, habilitation, and support
20 of persons with an intellectual disability or other
21 disabilities in this state, and providing facilities,
22 services, and other support to the communities located
23 in the region being served by a state resource center.
24 In addition, the state resource centers are encouraged
25 to serve as a training resource for community-based
26 program staff, medical students, and other participants
27 in professional education programs. A resource center
28 may request the approval of the council on human
29 services to change the name of the resource center for
30 use in communication with the public, in signage, and
31 in other forms of communication.

32 ~~2-~~ 3. A special intellectual disability unit
33 may be maintained at one of the state mental health
34 institutes for the purposes set forth in sections
35 222.88 to 222.91.>

36 2. By renumbering as necessary.

By FRY of Clarke

H-8058 FILED MARCH 3, 2014

SENATE FILE 2056

H-8062

1 Amend Senate File 2056, as passed by the Senate, as
2 follows:

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

4 <Section 1. Section 257.3, subsection 2, paragraph
5 d, Code 2014, is amended to read as follows:

6 d. For purposes of this section, a reorganized
7 school district is one which absorbs at least thirty
8 percent of the enrollment of the school district
9 affected by a reorganization or dissolved during
10 a dissolution and in which action to bring about a
11 reorganization or dissolution is initiated by a vote
12 of the board of directors or jointly by the affected
13 boards of directors to take effect on or after July
14 1, 2007, and on or before July 1, ~~2014~~ 2019. Each
15 district which initiated, by a vote of the board of
16 directors or jointly by the affected boards, action to
17 bring about a reorganization or dissolution to take
18 effect on or after July 1, 2007, and on or before July
19 1, ~~2014~~ 2019, shall certify the date and the nature
20 of the action taken to the department of education
21 by January 1 of the year in which the reorganization
22 or dissolution takes effect. ~~For a reorganization or
23 dissolution that took effect on or after July 1, 2002,
24 and on or before July 1, 2006, the reorganized school
25 district shall continue to receive the benefits of
26 paragraphs "a" and "b" of this subsection for the time
27 specified in those paragraphs.>~~

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

29 <Sec. _____. Section 257.11, subsection 5, Code 2014,
30 is amended by striking the subsection.

31 Sec. _____. Section 257.11A, Code 2014, is amended to
32 read as follows:

33 257.11A Supplementary weighting and school
34 reorganization.

35 1. In determining weighted enrollment under section
36 257.6, if the board of directors of a school district
37 has approved a contract for sharing pursuant to section
38 257.11 and the school district has approved an action
39 to bring about a reorganization to take effect on and
40 after July 1, 2007, and on or before July 1, ~~2014~~
41 2019, the reorganized school district shall include,
42 for a period of three years following the effective
43 date of the reorganization, additional pupils added by
44 the application of the supplementary weighting plan,
45 equal to the pupils added by the application of the
46 supplementary weighting plan in the year preceding the
47 reorganization. For the purposes of this subsection,
48 the weighted enrollment for the period of three
49 years following the effective date of reorganization
50 shall include the supplementary weighting in the base

H-8062

1 year used for determining the combined district cost
2 for the first year of the reorganization. However,
3 the weighting shall be reduced by the supplementary
4 weighting added for a pupil whose residency is not
5 within the reorganized district.

6 2. For purposes of this section, a reorganized
7 district is one in which the reorganization was
8 approved in an election pursuant to sections 275.18
9 and 275.20 and takes effect on or after July 1, 2007,
10 and on or before July 1, ~~2014~~ 2019. Each district
11 which initiates, by a vote of the board of directors or
12 jointly by the affected boards, action to bring about
13 a reorganization or dissolution to take effect on or
14 after July 1, 2007, and on or before July 1, ~~2014~~ 2019,
15 shall certify the date and the nature of the action
16 taken to the department of education by January 1 of
17 the year in which the reorganization or dissolution
18 takes effect.

19 3. A school district shall be eligible for a
20 combined maximum total of six years of supplementary
21 weighting under the provisions of this section and
22 section 257.11, subsection 2, paragraph "c". ~~A school~~
23 ~~district participating in a whole grade sharing~~
24 ~~arrangement during the budget year beginning July 1,~~
25 ~~2001, that adopted a resolution jointly with other~~
26 ~~affected boards to study the question of undergoing~~
27 ~~a reorganization or dissolution to take effect on or~~
28 ~~after July 1, 2002, and on or before July 1, 2006,~~
29 ~~shall continue to receive the supplementary weighting~~
30 ~~to which it was entitled pursuant to the provisions~~
31 ~~of this section and section 257.11, subsection 2,~~
32 ~~paragraph "e".>~~

33 3. Title page, by striking lines 1 and 2 and
34 inserting <An act relating to incentives for whole
35 grade sharing and reorganization or dissolution by
36 school districts.>

By DOLECHECK of Ringgold



HF 2369 – Stray Voltage Claims (LSB 6160HV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2369 relates to claims of stray electric current or voltage negatively affecting dairy cows. Dairy producers will file a written notice with the utility stating that the cows are being affected by stray voltage. Within 14 days of the notice, the utility must be permitted to take measurements and is required to abide by the dairy farm's biosecurity protocols. The farmer or the utility may request that the Utility Board take separate independent measurements and provide the results to both the farmer and utility.

Assumptions

- The Utility Board will develop a stray voltage program in the fourth quarter of FY 2014 and will be operational when the statute takes effect on July 1, 2014.
- A senior utility analyst will spend 50.0% of their time preparing administrative rules, reviewing cases, securing a third-party vendor to conduct testing, and coordinating with a vendor to conduct the required testing.
- There will be 12 cases annually beginning in FY 2016.
- The average cost per test will be \$5,000.
- Any costs to the Utility Board will be recovered from the utilities through standard assessments and deposited in the Commerce Revolving Fund.

Fiscal Impact

There is no impact to the State General Fund.

The costs for the Utility Board are estimated to be \$15,000 for FY 2014 and \$120,000 annually beginning in FY 2015. The costs will be recovered by assessments to the utilities and deposited in the Commerce Revolving Fund.

Source

Iowa Utilities Board, Department of Commerce

/s/ Holly M. Lyons

March 3, 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 2260 – Firefighter & EMS Tax Credit, EMS Medicaid (LSB 6070YH)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2260 increases the Firefighter and Emergency Medical Services (EMS) Tax Credit from the existing maximum of \$50 to \$100. This Bill also increases the EMS provider Medicaid reimbursement rate by 10.0%. The tax credit change is retroactive to tax year 2014. The Medicaid reimbursement rate change is effective July 1, 2014.

Background

The existing EMS and Firefighter Tax Credit was created in **SF 2322** (Volunteer Firefighter and EMS Tax Credit Act of 2012). The credit was first available for tax year 2013.

The EMS Medicaid reimbursement is based on a number of factors including basic or advanced life support; ground transportation, air transportation, or a neonatal base rate; mileage; and other factors such as supplies, additional attendants, or waiting time.

Assumptions

- Since the tax credit was not available until tax year 2013, taxpayer usage numbers are not yet available. Therefore, usage and tax credit redemption numbers from the originating 2012 legislation are used. That estimate assumed 21,000 volunteer firefighter and EMS personnel would qualify for the credit.
- To estimate the projected impact of a nonrefundable \$100 tax credit, the Department of Revenue utilized their individual income tax micro-simulation model. The credit was randomly assigned to 21,000 tax returns, so the results could be adjusted for tax returns that do not have the full \$100 in income tax liability.
- Nonrefundable income tax credits impact the calculation of the local option income surtax for schools. Statewide, that surtax equals 3.5% of the revenue amount raised by the State individual income tax.
- Medicaid is anticipated to spend approximately \$5.4 million on ambulance services in FY 2015 and FY 2016.
- The Federal Medical Assistance Percentage (FMAP) is 56.14% in FY 2015 and 55.14% in FY 2016.

Fiscal Impact

The increased Firefighter and EMS Tax Credit proposed in this Bill is estimated to reduce net General Fund revenue by \$975,000 per year, beginning in FY 2015.

As a nonrefundable tax credit, the credit will also have an impact on the revenue generated by the local option income surtax for schools. The tax credit increase is estimated to decrease the annual statewide surtax yield by \$35,000, beginning in FY 2015.

The EMS Medicaid reimbursement increase is projected to cost the General Fund \$238,000 in FY 2015 and \$242,000 in FY 2016.

Sources

Department of Revenue
Department of Human Services

/s/ Holly M. Lyons

March 3, 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 2296 – Gift Certificates Not Considered Unclaimed Property (LSB 5824HV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2296 requires gift certificates without an expiration date and with no deductions from the face value for failure of the owner to redeem the certificate in a timely manner to remain in force indefinitely and not become unclaimed property to be turned over to the Treasurer of State.

Background

The **Unclaimed Property Fund** receives money deemed abandoned under Iowa Code **chapter 556** and is used to pay claims to rightful owners as they are identified. The Iowa unclaimed property law requires all holders of property (including financial institutions, business associations, utility companies, and other legal entities) to review their records each year to determine whether they are in possession of any reportable unclaimed property due to the State of Iowa. Utility companies, banks, insurance companies, etc., must report and transfer any money or property that has not been claimed by the original owner to the Treasurer of State. The law also requires businesses to file an annual report and remit the assets to the Unclaimed Property Program of the Iowa Treasurer's Office by before November 1 of each year.

The Treasurer may sell items of unclaimed property after holding them for one year. The Treasurer deposits the unclaimed property and results of sold items into the State General Fund on a quarterly basis. The owner may at any time claim and recover the value of his or her property.

Assumptions

The Treasurer receives an average of \$320,000 of unclaimed gift cards annually from businesses.

Fiscal Impact

Deposits to the State General Fund will be reduced by \$320,000 annually.

Sources

Treasurer of State
Banking Division, Department of Commerce
Credit Union Division, Department of Commerce

/s/ Holly M. Lyons

March 3, 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 2406 – Greyhound Racing (LSB 5742HV)

Analyst: David Reynolds (Phone: (515) 281-6934) (dave.reynolds@legis.iowa.gov)

Fiscal Note Version – New

Description

House File 2406 allows gaming establishments (licensees) that operate pari-mutuel dog racing to discontinue live and simulcast racing. This Bill allows the licensee to continue operating other types of gambling games as well as the simulcast of horse racing. This Bill creates a Live Racing Cessation Fee for the racetracks located in Dubuque and Pottawattamie counties as follows:

- Dubuque Racetrack (Mystique): Fees totaling \$15.0 million paid over a six-year period that include \$2.142 million paid at the time racing is discontinued and \$2.143 million per year to be paid on July 1 over the following six years.
- Pottawattamie Racetrack (Bluffs Run): Fees totaling \$55.0 million paid over a six-year period that include \$7.852 million paid at the time racing is discontinued and \$7.858 million per year to be paid on July 1 over the following six years.

This Bill creates a Pari-Mutuel Racing Retirement Fund and transfers the following revenue sources to the Fund:

- Funds remaining in the Dog Racing Promotion Fund (approximately \$17,500)
- Live Racing Cessation Fee created in this Bill (\$70.0 million over six years)
- The remaining balance of all dog purse supplement payments (balance unknown)
- Proceeds from the Greyhound Racing Escrow Fund (approximately \$4.2 million)

The proceeds in the Pari-Mutuel Racing Retirement Fund are to be distributed to greyhound owners, breeders, kennel operators, any persons involved in Iowa greyhound racing, and no-kill animal adoption agencies. This Bill establishes general guidelines for how the funds will be distributed to eligible recipients. This Bill allows the Commission to retain a portion of the funds to pay for a consultant to assist the Commission with the development of a distribution plan.

Background

There are two locations in Iowa where live dog racing is operated. In Dubuque County, the racetrack is managed and operated by the Mystique Greyhound Park and Casino. In Pottawattamie County, the racetrack is managed and operated by Horseshoe Casino and Bluffs Run Greyhound Park. Both casinos also offer other forms of gambling (i.e., slot machines and table games). In addition to live racing, dog races are also simultaneously telecast (simulcast) at both of the above locations as well as Prairie Meadows Racetrack and Casino in Altoona.

Iowa Code section [99F.6\(4\)\(b\)](#) requires a contract to be annually negotiated between the Iowa Greyhound Association and each dog racetrack licensee to specify the amount of gambling game proceeds to be dedicated to supplement the purses of live dog races. In calendar year 2013, the amount that was supplemented by the racetracks totaled \$10.2 million.

Under current law, any winnings not claimed by a person that placed a wager within 60 days of the close of a race is forfeited to the State and deposited in the Unclaimed Winnings Fund. The proceeds of the Unclaimed Winnings Fund are appropriated by the General Assembly to the Department of Agriculture and Land Stewardship (DALs) to administer the Iowa Horse and Dog Breeding Program. The Program provides registration and inspection of horses and dogs that are

bred in Iowa for racing purposes. Revenue from unclaimed winnings from both dog and horse racing totals approximately \$225,000 to \$240,000 annually.

Assumptions

- The pari-mutuel tax rate for live dog racing is 4.0% and is assessed on the total gross sum wagered. Of this, 3.0% is remitted to the State and deposited in the Rebuild Iowa Infrastructure Fund, and 1.0% is remitted to the cities and counties where the racetracks are located.
- The tax rate for simulcast dog racing is 2.0%. Of this, 1.0% is remitted to the State and deposited in the Rebuild Iowa Infrastructure Fund, and 1.0% is remitted to the cities and counties where the racetracks are located.
- Racing activity in FY 2015 and subsequent years will be similar to calendar year 2013.
- The annual total gross sum wagered on live dog racing will be \$5.8 million and \$6.3 million on simulcast dog racing.
- Horse racing will continue to be simulcast at all Iowa racetracks, therefore, not impacting the \$200 daily license fee remitted to the State under Iowa Code section [99D.14\(3\)](#).
- This Bill is effective on enactment. For estimation purposes, it is assumed this Bill will take effect on April 1, 2014.

Fiscal Impact

[House File 2406](#) is estimated to result in a \$67,000 reduction of pari-mutuel tax revenue for the Rebuild Iowa Infrastructure Fund in FY 2014 and \$238,000 in FY 2015 and each year thereafter.

This Bill is also estimated to reduce annual pari-mutuel tax revenue for local governments in Dubuque, Pottawattamie, and Polk counties by a total of \$33,000 in FY 2014 and \$121,000 in FY 2015 and each year thereafter.

The discontinuance of dog racing is estimated to reduce revenue deposited in the Unclaimed Winnings Fund by \$71,000. According to the DALS, future inspections of greyhound breeders and associated fees will fall under the regulation of commercial breeders in Iowa Code [chapter 162](#).

The Racing and Gaming Commission spends an estimated \$573,000 for kennel inspections and drug testing of dogs at the racetracks. The costs are billed back to the tracks and the fees are deposited in the Gaming Regulatory Revolving Fund. Under [HF 2406](#), the inspections and drug testing will be discontinued, eliminating the need to bill the industry for these services.

The Pari-Mutuel Racing Retirement Fund will receive an estimated \$74.2 million, including the live racing cessation fee, over a six-year period from the racetrack casinos. The money will be distributed by the Racing and Gaming Commission to greyhound owners, breeders, kennel operators, any persons involved in Iowa greyhound racing, and no-kill animal adoption agencies.

Sources

Iowa Racing and Gaming Commission
Department of Agriculture and Land Stewardship

/s/ Holly M. Lyons

March 3, 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 2354 – Election Administration (LSB 5683HV)
Analyst: Ron Robinson (Phone: (515) 281-6256) (ron.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2354 relates to the administration of elections and voter registration as follows:

- Requires voter registration to close 11 days prior to primary elections.
- Requires the return envelopes for absentee ballots to be received in the elections commissioner's office before the polls close on the day of the election.
- Maintains the 12:00 p.m. Monday deadline for the receipt of ballots from certain military and overseas voters.
- Allows an affidavit to be imprinted on the return envelope. If a return envelope imprinted with the affidavit is used, absentee ballots mailed to a voter are required to be enclosed in the unsealed return envelope imprinted with the affidavit which is required to be enclosed in a second envelope to be sent to the registered voter requesting an absentee ballot. This Bill allows a county commissioner of elections to continue sending absentee ballots as provided under current law or to send absentee ballots utilizing a return envelope imprinted with the affidavit.
- Repeals Iowa Code section **53.14**. This will eliminate the requirement that an affidavit designate the voter's party affiliation if the ballot enclosed is a primary election ballot.

Background

Under current law, the following provisions apply:

- Voter registration closes at 5:00 p.m. 10 days prior to a general or primary election and 11 days prior to all other elections.
- Absentee ballots must be received before the polls close on Election Day or must be postmarked no later than the day before the election and received by the county commissioner of elections no later than 12:00 p.m. on the Monday following the election.
- Absentee ballots mailed to a voter must be enclosed in an unsealed envelope bearing a serial number and an affidavit, which are then required to be enclosed in or with a return envelope, all of which are then required to be enclosed in a third envelope to be sent to the registered voter requesting an absentee ballot.

Assumptions

- The average staffing costs for each county on day 11 before a primary election is \$400, not including utilities. (a Saturday)
- Not all 99 counties will have the auditor's office open on day 11 before a primary election.
- The envelope, printing, and postage costs resulting from the third absentee envelope is an estimated \$0.35 per ballot.
- An estimated 30,000 absentee ballots will be mailed for each primary election.
- An estimated 688,000 absentee ballots will be mailed for presidential general elections.
- An estimated 360,000 absentee ballots will be mailed for gubernatorial general elections.
- The number of absentee ballots for city and school elections is not available.

Fiscal Impact

HF 2354 will not impact the State General Fund. However, HF 2354 will result in estimated statewide savings for county funds as follows:

- \$40,000 from not having auditors' offices open on day 11 before primary elections beginning with FY 2016 and every two years after.
- \$126,000 from not requiring a third envelope for absentee ballots for gubernatorial elections beginning with FY 2015 and every four years after FY 2015.
- \$11,000 from not requiring a third envelope for absentee ballots for primary elections beginning with FY 2016 and every two years after FY 2016.
- \$241,000 from not requiring a third envelope for absentee ballots for presidential elections beginning with FY 2017 and every four years after FY 2017.

The savings for cities and schools cannot be determined since the number of absentee ballots mailed for those elections is not available. The savings would be for city and county funds, since they reimburse the counties for election administration.

Sources

Iowa State Association of Counties
Secretary of State

/s/ Holly M. Lyons

February 28, 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 2380 – Child Care Assistance (LSB 5642HV)
Analyst: Estelle Montgomery Phone: (515) 281-6764 (estelle.montgomery@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2380 directs the DHS to implement a Child Care Assistance (CCA) pilot program in Hamilton, Lee, Pottawattamie, and Scott counties that will extend eligibility to parents that are both employed part time and participating in academic or vocational training part time for a combination of at least 28 hours a week. Currently, parents may only do one or the other to be considered eligible.

The CCA pilot program will begin July 1, 2014, and last for six months. In January 2015, the Department is directed to report CCA pilot program findings to the General Assembly regarding the fiscal impact analysis of applying the revised eligibility requirements, the effect of the pilot program on current net income and potential future income of families enrolled in the pilot program, and the effect of applying the revised eligibility requirements statewide.

Background

Child Care Assistance (CCA) is a statewide subsidy program that helps pay for the care of a child while the parent or caretaker works or attends school. The CCA is available to the children of eligible parents with income at or below 145.0% of the Federal Poverty Level and who are absent for a portion of the day due to employment of an average of 28 hours a week, or full-time participation in academic or vocational training, or PROMISE JOBS activities. The CCA may also be available for a limited period of time to the children of a parent looking for employment or when a parent is unable to care for a child due to hospitalization or outpatient treatment for physical or mental illness.

Parents apply for six months of service at a time, but services are not capped after this period. After the first six-month period, parents are required to reapply to allow the Department of Human Services (DHS) to renew another six months if the parents are eligible to continue services. If income, employment, or academic conditions change at any point and the parent does not meet the CCA eligibility requirements, the parents are required to notify the DHS and will not continue to receive services.

To receive services a parent must fill out an application form. If they have access to a printer, the parent can print an application form from the DHS website and return it to the DHS office in the county the services will be received.

Assumptions

- The CCA pilot program changes eligibility requirements for subsidy recipients located in Hamilton, Lee, Pottawattamie, and Scott counties only.
- As of January 2014, a total of 1,734 active families are eligible for the CCA program in Hamilton, Lee, Pottawattamie, and Scott counties. Many of these families meet one of the eligibility requirements, and are not being reimbursed for others. For example, a parent

employed full time for 28 hours or more during the week and also attending a training program for five hours a week will only be eligible to receive CCA benefits for the employment hours, not the training program hours. It is unknown how many current eligible families will be eligible for more CCA benefits due to the revised eligibility requirements. Therefore, 70.0% of the current active families in the four counties, or 1,215 families, will be used for an approximate estimate.

- There is no specific data available that outlines how many new parents will be eligible in these counties due to the revised eligibility requirements of the CCA pilot program. However, the DHS states that the Promise Jobs Program has previously found 5.0% of Promise Jobs referrals meet the revised eligibility requirement of the pilot program. Based on this, an additional 87 families (5.0% of the current active families in the pilot counties) will be eligible for the CCA program.
- The DHS estimates that changes to the Kindertrack system used to track the families and CCA payments will cost \$238,000 in FY 2015.

Fiscal Impact

[House File 2380](#) will result in an additional General Fund cost of \$552,264 for FY 2015. Of this amount, \$314,264 will be used for eligible CCA payments and \$238,000 will be used for changes to the Kindertrack system to allow for pilot program implementation and tracking.

Sources

Department of Human Services

U.S. Department of Health and Human Services Administration for Children and Families

National Council of State Legislatures

/s/ Holly M. Lyons

March 3, 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 2371 – Emergency Mass Notification Systems (LSB 5256HV)
Analyst: Jennifer Acton (Phone: (515) 281-7846) (jennifer.acton@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2371 establishes a Mass Notification and Emergency Messaging System Fund under the control of the Department of Homeland Security and Emergency Management (HSEMD). Interest earned on the Fund balance remains in the Fund. Any ending balance, including General Fund appropriations, remain in the Fund and will carry forward to the next fiscal year. This Bill states it is legislative intent that the Mass Notification and Emergency Messaging System will receive an annual appropriation to ensure that the System functions throughout the State on an ongoing basis.

Background

- The Governor is recommending an increase of \$400,000 for the HSEMD in FY 2015 for the implementation of a statewide Mass Communication System that could be used by all 99 counties to disseminate information simultaneously during emergency situations and disaster recovery.
- In early 2013, the HSEMD issued a Request for Information (RFI) to collect statewide system proposals and cost estimates. A **Request for Proposal** (RFP) was issued on December 13, 2013, and the closing date was February 3, 2014. The successful vendor will be announced on June 1, 2014. The initial contract period is July 1, 2014, through June 30, 2019, with up to five annual one-year extensions. The Department is seeking proposals from vendors that can provide a statewide public mass notification and emergency messaging system that will allow both the Federal Emergency Management Agency (FEMA) Integrated Public Alert and Warning System (IPAWS) messaging and conventional mass notification for both emergency and nonemergency messaging. The System will be able to notify the public via phone, text, email, social media, TTY/TDD, (technology for hearing-impaired) and IPAWS.
- HF 2371 creates a Mass Notification and Emergency Messaging System Fund under the control of the HSEMD, and permits the Department to employ additional staff necessary to administer and operate the System.
- There are currently 53 counties that utilize some type of mass notification and emergency messaging system at a total cost of \$637,000 and 46 counties use no system or a free system including NOAA weather radios, outdoor warning systems, and the local media to issue warnings.

TTY = text phone for hearing impaired
TDD = telecommunication device for the Deaf

Assumptions

- The System will be under the control of the HSEMD. The Department has sole discretion over the System and may provide access to the System for use at the county and local level.
- The Department is requesting an annual, ongoing appropriation of \$400,000 to be maintained in a separate Fund. Of this amount, \$300,000 will be used for the vendor contract and \$100,000 will be used to administer the Program.
- Counties currently utilizing some type of mass notification system will have the option to use the State system, freeing up funds at the local level but usage is not mandated.

Fiscal Impact

[HF 2371](#) indicates an intent to provide an annual General Fund appropriation. It is anticipated that the cost will be limited to the amount appropriated. The funding will be provided to the HSEMD in the Justice Systems Appropriations Bill.

Source

Department of Homeland Security and Emergency Management

/s/ Holly M. Lyons

February 28, 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 2129 – Capital Gains Exclusion (LSB 5083HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2129 expands Iowa's special capital gains income tax exclusion for the sale of a business. Under current law ([Iowa Code section 422.7\(21\)](#)), Iowa excludes from State income tax any capital gains realized from the sale of all or substantially all of the tangible personal property of a business. This Bill will expand the sale definition to include all or substantially all of the stock or equity interest in a business. Under current law and under the proposed expansion, the seller is required to have "materially participated" in the business for at least 10 years in order to qualify for the income tax exclusion. The 10-year material participation requirement does not apply in instances of sales to lineal descendants. This Bill is retroactive to January 1, 2014.

Background

Iowa's current capital gains exclusion for the sale of the tangible personal property of a business has been in place as a 100.0% exclusion since tax year 1998 (HF 2513, Miscellaneous Tax Act of 1998). Prior to tax year 1998, the exclusion was limited.

Subject to requirements and limitations, Iowa also has capital gains exclusions for the sale of horses, cattle, and other breeding livestock, the sale of timber, and for Employee Stock Ownership Plans (ESOP).

According to Department of Revenue income tax statistics, the capital gains income tax exclusions provided in [Iowa Code section 422.7\(21\)](#) were utilized on 10,391 tax returns filed for tax year 2012 and the exclusion resulted in a tax savings of \$80.7 million for the benefiting taxpayers.

Assumptions

- Using State and federal tax returns of Iowa taxpayers, the Department of Revenue identified 369 tax returns reporting a capital gain for tax year 2012 where the taxpayer had participated in the business for a minimum of 10 years.
- The total capital gain identified on those 369 returns that would be eligible under the capital gains exclusion expansion proposed in HF 2129 is \$28.0 million.
- The assumed average marginal tax rate is 8.90%.
- The future growth in capital gains is assumed to equal the S & P 500 growth projections provided by Moody's Analytics (February 2014 projection).
- Exclusions from State income tax reduce the statewide yield on the local option income tax for schools by 3.5% of the net General Fund impact.

Fiscal Impact

The capital gains income tax exclusion contained in this Bill is projected to reduce net General Fund revenue by the following amounts:

- FY 2015 = \$3.7 million
- FY 2016 = \$3.3 million
- FY 2017 = \$3.4 million
- FY 2018 = \$3.4 million

The projected impact will continue beyond FY 2018. In addition to the State General Fund impact, the capital gains exclusion will also reduce local option income tax for schools revenue by \$116,000 per year, beginning in FY 2015.

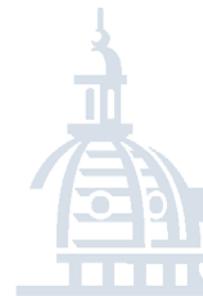
Sources

Department of Revenue
Moody's Analytics

/s/ Holly M. Lyons

March 3, 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 2243 – Voter Registration, Online (LSB 5061HH)
Analyst: Ron Robinson (Phone: (515) 281-6256) (ron.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2243 permits electronic voter registration from the State Commissioner of Elections' Internet site.

The Bill allows an eligible elector to apply to register to vote by electronic means by completing and submitting an electronic voter registration form provided on the Internet site for the Secretary of State as the State Commissioner of Elections. The electronic form must provide all information that is currently required on printed voter registration forms.

The Bill requires that a registrant attest to a statement that lists each voter registration eligibility requirement, that the registrant meets all of the requirements, and requires the electronic signature of the registrant, consistent with Iowa Code section **554D.103**, as part of the uniform electronic transactions Act. A registrant using the electronic voter registration form must have an Iowa driver's license, Iowa nonoperator's identification card, a social security number, or a unique identifying number assigned to them for registration purposes.

The Bill requires that the electronic registration form be accompanied by a Statement featured prominently in boldface capital letters informing the registrants of the penalty for providing false information on a voter registration application.

The Bill extends the category for the crime of voter registration fraud to include fraudulent electronic registration. Registration fraud is a class D felony.

The Bill takes effect January 1, 2015.

Background and Assumptions

Fiscal Information

The Secretary of State will be required to make upgrades to the Statewide Voter Registration System, including hardware, software, scanning equipment, training and education expense.

Correctional Information

In the five-year period January 1, 2009, through December 31, 2013, there was one case of voter fraud disposed in the Iowa courts, with that one case resulting in a dismissal. Please refer to the **Correctional Impact Memo**, dated January 30, 2014, for information related to costs by crime class. The memo provides a range of costs based on actual costs and length of stay plus certain assumptions. A range of costs is provided for nonviolent crimes. The costs for the crime in **HF 2243** may be at the lower end of the range (\$4,800) because it is likely the offender will receive probation supervision in the community rather than a sentence to state prison.

Minority Data Information

Please refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Minority Impact Memo](#), dated January 30, 2014, for information related to minorities in the criminal justice system. To the extent this Bill results in more convictions, there may be a disproportionate impact on African Americans.

Summary of Impacts

Fiscal Impact

HF 2243 is estimated to require the expenditure, by the Secretary of State from General Funds, of an additional \$250,000 during FY 2015. This includes training and education expenses of approximately \$2,000.

HF 2243 does not provide additional funding.

Correctional Impact

The correctional impact of this Bill is expected to be minimal given the infrequency of convictions.

Minority Impact

To the extent this Bill results in more convictions, there may be a minority impact. However, this is unlikely given the infrequency of convictions. To the extent this Bill may be applied to convicted felons, it might have a disproportionate impact on African Americans.

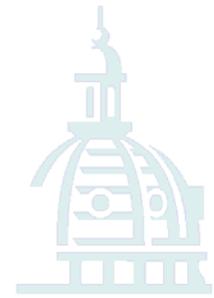
Sources

Secretary of State
Department of Human Rights, Criminal and Juvenile Justice Planning Division
Iowa State Association of Counties

/s/ Holly M. Lyons

March 3, 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 2411 – City Self-Funded Debt (LSB 1761HV)

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 2411](#) 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 this 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 2411 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 2411 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 will 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 2411 cannot be determined because the number of future eminent domain projects is unknown. However, the changes in this Bill may 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

March 3, 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.
