EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY

HOUSE CLIP SHEET

APRIL 8, 2014

HOUSE RESOLUTION 118

H-8215

Amend House Resolution 118 as follows:

1. By striking page 2, line 25, through page 3, line 5, and inserting <electricity generating plants; and
WHEREAS, carbon emissions are recognized as a hazardous air pollutant with documented climate impacts resulting in highly variable weather patterns and extreme weather events, with growing economic, environmental, and human consequences; and
WHEREAS, the Iowa House of Representatives acknowledges that the federal Clean Air Act of 1970 requires the United States Environmental Protection Agency to regulate carbon emissions in the public interest, as confirmed by the United States Supreme Court in Massachusetts v. Environmental Protection Agency in 2007; NOW THEREFORE,
BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, that the Iowa House of Representatives, on behalf of the State of Iowa, reiterates its commitment to implementing the requirements of the federal Clean Air Act under the direction of and in partnership with the United States Environmental Protection Agency, including standards for stationary sources of greenhouse gas emissions such as coal-fired power plants; and>

By STAED of Linn

H-8215 FILED APRIL 7, 2014

HOUSE RESOLUTION 118

H-8216

Amend House Resolution 118 as follows:

1. Page 2, by striking line 25 and inserting <electricity generating plants; and
WHEREAS, the Iowa House of Representatives acknowledges that the federal Clean Air Act of 1970 requires the United States Environmental Protection Agency to regulate carbon emissions in the public interest, as confirmed by the United States Supreme Court in Massachusetts v. Environmental Protection Agency in 2007; NOW THEREFORE,>

By STAED of Linn

H-8216 FILED APRIL 7, 2014

HOUSE RESOLUTION 118

H-8217

1 Amend House Resolution 118 as follows:
2 1. By striking page 2, line 26, through page 3,
3 line 5, and inserting:
4 <BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
5 That the Iowa House of Representatives, on behalf
6 of the State of Iowa, reiterates its commitment to
7 implementing the requirements of the federal Clean
8 Air Act under the direction of and in partnership
9 with the United States Environmental Protection
10 Agency, including standards for stationary sources
11 of greenhouse gas emissions such as coal-fired power
12 plants; and>

By STAED of Linn

H-8217 FILED APRIL 7, 2014

HOUSE RESOLUTION 118

H-8219

1 Amend House Resolution 118 as follows:
2 1. Page 2, by striking line 25 and inserting
3 <electricity generating plants; and
4 WHEREAS, carbon emissions are recognized as a
5 hazardous air pollutant with documented climate
6 impacts resulting in highly variable weather patterns
7 and extreme weather events, with growing economic,
8 environmental, and human consequences; NOW THEREFORE,>

By STAED of Linn

H-8219 FILED APRIL 7, 2014

HOUSE FILE 2462

H-8214

1 Amend the amendment, H-8213, to House File 2462 as
2 follows:
3 1. Page 2, after line 4 by inserting:
4 <Sec. ___. NEW SECTION. 22.13B Executive branch
5 bonuses ---- disclosure.
6 1. For purposes of this section:
7 a. "Bonus pay" means any additional remuneration
8 provided an employee in the form of a bonus, including
9 but not limited to a retention bonus, recruitment
10 bonus, exceptional job performance pay, extraordinary
11 job performance pay, exceptional performance pay,
12 extraordinary duty pay, or extraordinary or special
13 duty pay, and any extra benefit not otherwise provided
14 to other similarly situated employees.
15 b. "Executive branch employee" means an employee
16 of the executive branch of state government, which
17 includes any unit of state government, including
18 but not limited to an authority, board, commission,
19 committee, council, department, or independent
20 agency as defined in section 7E.4, and each principal
21 central department enumerated in section 7E.5; the
22 office of the governor; and the office of an elective
23 constitutional or statutory officer.
24 2. A decision to provide bonus pay to an executive
25 branch employee, including the amount paid and the
26 documented reasons and rationale for the bonus paid,
27 shall be a public record.
28 3. All decisions to provide bonus pay to an
29 executive branch employee, including information
30 described in subsection 2, shall be made easily
31 accessible to the public on an internet site maintained
32 as follows:
33 a. For decisions to provide bonus pay to an
34 employee of the executive branch, excluding an employee
35 of the state board of regents or institution under
36 the control of the state board of regents, by the
37 department of administrative services.
38 b. For decisions to provide bonus pay to an
39 employee of the state board of regents or institution
40 under the control of the state board of regents, by the
41 state board of regents.>
42 2. Page 2, after line 16 by inserting:
43 <___. Title page, line 1, after <employee> by
44 inserting <bonuses,>>
45 3. By renumbering as necessary.

By BAUDLER of Adair
GAINES of Polk

H-8214 FILED APRIL 7, 2014

HOUSE FILE 2462

H-8220

1 Amend the amendment, H-8213, to House File 2462 as
2 follows:
3 1. By striking page 1, line 4, through page 2, line
4 4, and inserting:
5 <<Section 1. NEW SECTION. 22.13A Personnel
6 settlement agreements ---- executive branch employers.
7 1. For purposes of this section:
8 a. "Executive branch employer" means the executive
9 branch of state government, which includes any unit
10 of state government, including but not limited to an
11 authority, board, commission, committee, council,
12 department, or independent agency as defined in section
13 7E.4, each principal central department enumerated
14 in section 7E.5; and the office of the governor.
15 "Executive branch employer" does not include the office
16 of an elective constitutional or statutory officer that
17 is not the office of the governor.
18 b. "Personnel settlement agreement" means a binding
19 legal agreement between an employee and the employee's
20 executive branch employer to resolve a personnel
21 dispute including but not limited to a grievance.
22 "Personnel settlement agreement" does not include an
23 initial decision by an employee's immediate supervisor
24 concerning a personnel dispute or grievance.
25 2. a. For personnel settlement agreements with an
26 employee of an executive branch employer, excluding an
27 employee of the state board of regents or institution
28 under the control of the state board of regents,
29 the personnel settlement agreement shall, to the
30 extent consistent with any provision of an applicable
31 collective bargaining agreement, be reviewed and
32 approved as to form by the attorney general or by
33 the attorney general's designee, and approved by the
34 director of the department of management, the director
35 of the department of administrative services, and the
36 head of the agency or office involved with the matter
37 at issue.
38 b. For personnel settlement agreements with an
39 employee of the state board of regents or institution
40 under the control of the state board of regents,
41 the personnel settlement agreement shall, to the
42 extent consistent with any provision of an applicable
43 collective bargaining agreement, be reviewed and
44 approved as to form by the attorney general or by
45 the attorney general's designee, and approved by the
46 executive director of the state board of regents and
47 the head of the institution involved with the matter
48 at issue.
49 c. For personnel settlement agreements with an
50 employee of an executive branch employer subject to

1 review and approval pursuant to the requirements of a
2 collective bargaining agreement that are inconsistent
3 with the requirements of this subsection, a report on
4 the personnel settlement agreement shall be provided to
5 those persons who would otherwise review or approve the
6 personnel settlement agreement for that employee.
7 3. Personnel settlement agreements shall not
8 contain any confidentiality or nondisclosure provision
9 that attempts to prevent the disclosure of the
10 personnel settlement agreement.
11 4. All personnel settlement agreements shall be
12 made easily accessible to the public on an internet
13 site maintained as follows:
14 a. For personnel settlement agreements with an
15 employee of an executive branch employer, excluding an
16 employee of the state board of regents or institution
17 under the control of the state board of regents, by the
18 department of administrative services.
19 b. For personnel settlement agreements with an
20 employee of the state board of regents or institution
21 under the control of the state board of regents, by the
22 state board of regents.>
23 2. Page 2, by striking lines 12 through 16 and
24 inserting:
25 <___. Title page, line 2, by striking <and
26 disciplinary actions>
27 ___. Title page, line 3, by striking <and
28 retroactive applicability>>
29 3. By renumbering as necessary.

By GAINES of Polk
ABDUL-SAMAD of Polk
ANDERSON of Polk
BERRY of Black Hawk
COHOON of Des Moines
GASKILL of Wapello
HANSON of Jefferson
HUNTER of Polk
ISENHART of Dubuque
JACOBY of Johnson
KEARNS of Lee
KRESSIG of Black Hawk
LENSING of Johnson
H. MILLER of Webster
MUHLBAUER of Crawford
OLDSON of Polk
PRICHARD of Floyd
RUFF of Clayton
M. SMITH of Marshall
STAED of Linn
STECKMAN of Cerro Gordo
STUTSMAN of Johnson
T. TAYLOR of Linn
THEDE of Scott
THOMAS of Clayton
WESSEL-KROESCHELL of Story
WINCKLER of Scott
WOLFE of Clinton

H-8220 FILED APRIL 7, 2014

HOUSE FILE 2463

H-8218

1 Amend House File 2463 as follows:
2 1. Page 75, line 3, after <health,> by inserting
3 <the department of workforce development,>

By ISENHART of Dubuque

H-8218 FILED APRIL 7, 2014

HOUSE FILE 2463

H-8221

1 Amend House File 2463 as follows:
2 1. Page 87, after line 11 by inserting:
3 <DIVISION ___
4 ELDERLY PERSONS WITH AGGRESSIVE OR PSYCHIATRIC
5 BEHAVIORS -- REPORT
6 Sec. ___. FACILITY FOR ELDERLY PERSONS WITH
7 AGGRESSIVE OR PSYCHIATRIC BEHAVIORS ---- COMMITTEE ----
8 REPORT.
9 1. The department of inspections and appeals, in
10 conjunction with the department of human services,
11 shall establish and facilitate a committee of
12 stakeholders to examine options for designating a
13 facility to provide care for elderly persons in this
14 state who are sexually aggressive, combative, or have
15 unmet geropsychiatric needs.
16 2. The membership of the committee shall include
17 but is not limited to the following:
18 a. Representatives of the departments of
19 inspections and appeals, human services, public health,
20 and aging, the state public defender, the office of
21 ombudsman, the office of the state long-term care
22 ombudsman, and the judicial branch.
23 b. Consumers of services provided by long-term care
24 facilities and family members of consumers.
25 c. Long-term care facility administrators or
26 owners.
27 d. Direct care workers employed by long-term care
28 facilities.
29 e. Representatives from Iowa legal aid.
30 f. Representatives from AARP Iowa.
31 g. Representatives from the Iowa civil liberties
32 union.
33 h. Other stakeholders as the department of
34 inspections and appeals and the department of human
35 services deem appropriate.
36 3. The committee shall discuss whether a long-term
37 care facility, as defined in section 142D.2, should
38 have the ability to refuse admission to, or discharge,
39 residents who are sexually aggressive, combative, or
40 have unmet geropsychiatric needs. The committee shall
41 consider options for establishment of a facility to
42 provide care for persons who are sexually aggressive,
43 combative, or have unmet geropsychiatric needs. The
44 committee shall identify the characteristics of
45 residents for such a facility, options for creating
46 a new facility to house such residents, options for
47 the expansion of an existing facility to house such
48 residents, options for using any alternative facilities
49 for such residents, the workforce and training
50 necessary for the workforce in such facility, the use

1 of protective restraints at such facility, options
2 to qualify a facility for Medicaid reimbursement,
3 cost projections for any recommendations, and other
4 information deemed relevant by the department of
5 inspections and appeals.
6 4. The committee shall provide a report detailing
7 its findings and recommendations to the governor and
8 the general assembly by December 15, 2014.>
9 2. By renumbering as necessary.

By H. MILLER of Webster

H-8221 FILED APRIL 7, 2014

Fiscal Note

Fiscal Services Division

HF 2366 – Election Administration and City Elections (LSB 6127HV)
Analyst: Ron Robinson (Phone: (515-281-6256) (ron.robinson@legis.iowa.gov)
Fiscal Note Version – New (Similar to HF 2354 and SF 2301)

Description

Amendment H-8199 to **House File 2366** relates, in part, to the administration of elections and voter registration as follows:

- Requires voter registration to close 11 days prior to primary elections.
- Maintains the 12:00 PM Monday deadline for the receipt of ballots from certain military and overseas voters.
- Allows an affidavit to be marked on the return envelope. If a return envelope marked with the affidavit is used, absentee ballots mailed to a voter are required to be enclosed in the unsealed return envelope marked with the affidavit and must 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 marked with the affidavit.
- Repeals Iowa Code section **53.14**. This will eliminate the requirement that an affidavit designate a voter's party affiliation if the ballot enclosed is a primary election ballot.
- The Division related to election administration is effective when enacted.

Background

Under current law, the following provisions apply:

- Voter registration closes at 5:00 PM 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 PM 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.
- The legislation will be enacted before June 3, 2014.

Fiscal Impact

Amendment H-8199 to **HF 2366** will have no impact on the State General Fund. However, HF 2366 will result in estimated statewide savings for county funds as follows:

- $40,000 from not having county auditor offices open on day 11 before primary elections beginning with FY 2014 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 2014 and every two years after FY 2014.
- $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

April 6, 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.

Fiscal Note

Fiscal Services Division

SF 2340 – Solar Energy Tax Credits (LSB 6111SV.1)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – As amended and passed the Senate

Description

Senate File 2340, as amended and passed by the Senate, increases the annual limit for the existing Solar Energy System Tax Credit from $1.5 million to $4.5 million, retroactive to January 1, 2014. In addition, this Bill provides that if the annual credit cap is not fully utilized in one year, the unused credits remain available in a future year.

This Bill allows a taxpayer to claim an Iowa credit equal to 60.0% of the federal solar energy tax credit instead of the 50.0% currently allowed. This Bill also increases the credit cap available for individual taxpayers from $3,000 to $5,000 and the credit cap available to business taxpayers from $15,000 to $20,000.

Background

Under current law, the federal credit expires January 1, 2017, so only installations prior to that date are eligible for the Iowa credit. However, should Congress extend the credit past the current sunset, the Iowa tax credit will be extended automatically.

Assumptions

- Of the total 2012 Solar Energy System Tax Credit awards, 40.0% of the total amount of applications was received after February 2013. It is assumed that beginning in March 2014 the Department will receive additional applications for 2013 awards equal to 40.0% of applications received by the end of February 2014.
- The 2013 award applications currently total $2.1 million. Under the current cap and annual limit, $1.5 million in awards have been issued as tax year 2013 awards and $602,908 have been issued as 2014 awards. Total estimated applications for credits for systems installed in tax year 2013 are $2.9 million.
- Under current law, $1.5 million of 2013 installations will be awarded as 2014 credits.
- This Bill would raise the tax credit rates and caps retroactive to 2014, thus raising the awarded credit amounts for installations in tax year 2014 and later.
- It is estimated that credit applications for 2014 installations will equal $4.3 million under the proposed higher caps and rates.
- With the estimated $1.5 in 2013 installations awarded 2014 credits and $4.3 in applications for 2014, it is assumed the full annual cap of $4.5 million will be issued for 2014 with applications above the cap pushed into 2015 awards.
- For calendar year 2015, a credit award level of $4.3 million is assumed, and for calendar year 2016, $3.7 million.
- It is assumed the awards will be claimed within the first five years of the carryforward period.
- Timing of the tax credit claims is assumed to be similar to other nonrefundable tax credits with a five-year carryforward period such as the Endow Iowa Tax Credit, the School Tuition Organization Tax Credit, and the Agricultural Assets Transfer Tax Credit. For those programs, tax credits earned in one year are redeemed 56.6% in the first year, 24.5% in the second year, and 18.9% is spread over the next four tax years.

Fiscal Impact

The proposed changes to the Solar Energy System Tax Credit are projected to reduce net General Fund revenue by the amounts in the following table.

Solar Energy Tax Credit
Net General Fund Impact, in Millions

	Solar Energy Tax Credit
FY 2015	$ -1.7
FY 2016	-2.3
FY 2017	-2.1
FY 2018	-0.9
FY 2019	-0.4
FY 2020	-0.3
FY 2021	-0.2
FY 2022	-0.1
	$ -8.0

Under current federal law, the fiscal impact does not continue past FY 2022. However, if the federal solar tax credit is extended, the Iowa tax credit is also extended.

Source

Department of Revenue

/s/ Holly M. Lyons

April 6, 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.

Fiscal Note

Fiscal Services Division

HF 2461 – Irrevocable Burial Trusts (LSB 5874HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2461 exempts the interest and earnings received from a burial trust fund from the State income tax. The change is effective retroactive to January 1, 2014 (tax year 2014).

Background

As provided in **Iowa Code chapter 523A**, a burial trust is an irrevocable trust fund established by a person with a financial institution for the purpose of funding the future purchase of cemetery merchandise, funeral merchandise, funeral services, or a combination thereof upon the death of the person named in the burial trust fund's records or a related purchase agreement. A burial trust fund does not include or imply the existence of any oral or written purchase agreement for cemetery merchandise, funeral merchandise, funeral services, or a combination thereof between the person and a seller.

While insurance-based versions of the irrevocable burial trust exist that are currently exempt from federal income tax, interest and investment earnings on the balance of the "grantor trust" version are taxable income under federal law, and therefore taxable income under state law.

Assumptions

- The Department of Revenue estimates that there is $2.815 billion in irrevocable burial trust balances currently existing in Iowa.
- Of the $2.815 billion, 33.3% ($0.937 billion) is assumed to be grantor trust versions that are taxable under current federal and state law.
- The annual balance in grantor trusts is assumed to grow 7.0% per year through a combination of balance growth and growth in the number of accounts.
- Interest and investment income is assumed to equal 3.0% of the annual grantor trust balance total.
- Of the interest and investment earnings, 50.0% is assumed to be earned by taxpayers with insufficient income to pay Iowa income tax. Therefore, the exemption in this Bill does not provide an additional tax benefit to those taxpayers.
- The remaining 50.0% of interest and investment income is assumed to be earned by taxpayers with an average marginal State income tax rate of 6.0%.
- Individual income tax exemptions reduce State tax liability and in turn reduce the revenue yield realized by the local option income surtax for schools. The statewide average surtax rate is 3.5% of State income tax liability.

Fiscal Impact

The tax exemption for interest and investment income from irrevocable burial trusts is projected to reduce net General Fund revenue by the following amounts:

- FY 2015 = $-0.8 million
- FY 2016 = $-0.9 million
- FY 2017 = $-1.0 million
- FY 2018 = $-1.0 million
- FY 2019 = $-1.1 million

The impact continues at a similar level in future fiscal years. The income tax exemption also reduces the revenue generated by the local option income surtax for schools by $35,000 annually.

Sources

Iowa Department of Revenue
Iowa Insurance Division
Moody's Analytics
National Funeral Directors Association
Legislative Services Agency analysis

/s/ Holly M. Lyons

April 7, 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.

Fiscal Note

Fiscal Services Division

HF 2273 – Vehicle Registrations and Levee & Drainage Districts (LSB 5748HV.2)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – As amended and passed by the Senate

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	$ -
FY 2015	-229,000
FY 2016	-234,000
FY 2017	-240,000
FY 2018	-245,000
FY 2019	-251,000

Sources

LSA Calculations
Department of Revenue

/s/ Holly M. Lyons

April 6, 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.