

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

APRIL 24, 2014

**Senate Amendment to
HOUSE FILE 2289**

H-8301

1 Amend House File 2289, as amended, passed, and
2 reprinted by the House, as follows:
3 1. By striking everything after the enacting clause
4 and inserting:
5 <Section 1. NEW SECTION. 321.492B Use of
6 unmanned aerial vehicle ---- prohibition ---- traffic law
7 enforcement.
8 The state or a political subdivision of the state
9 shall not use an unmanned aerial vehicle for traffic
10 law enforcement.
11 Sec. 2. NEW SECTION. 808.15 Unmanned aerial
12 vehicle ---- information ---- admissibility.
13 Information obtained as a result of the use of
14 an unmanned aerial vehicle is not admissible as
15 evidence in a criminal or civil proceeding, unless the
16 information is obtained pursuant to the authority of a
17 search warrant, or unless the information is otherwise
18 obtained in a manner that is consistent with state and
19 federal law.
20 Sec. 3. UNMANNED AERIAL VEHICLE -- REPORT. The
21 department of public safety, in consultation with the
22 attorney general, state and local agencies, and other
23 interested organizations, including but not limited to
24 organizations with expertise in unmanned aerial vehicle
25 technology, shall examine whether the Iowa criminal
26 code should be modified to regulate the use of unmanned
27 aerial vehicles, shall develop model guidelines for
28 the use of unmanned aerial vehicles, and shall report
29 such guidelines to the general assembly no later than
30 December 31, 2014.>
31 2. Title page, by striking lines 1 and 2 and
32 inserting <An Act relating to the regulation and use of
33 unmanned aerial vehicles.>

RECEIVED FROM THE SENATE

H-8301 FILED APRIL 23, 2014

HOUSE FILE 2445

H-8295

1 Amend House File 2445 as follows:

2 1. Page 1, after line 15 by inserting:

3 <Sec. _____. Section 15E.43, subsections 3 and 5,
4 Code 2014, are amended to read as follows:

5 3. An investment shall be deemed to have been made
6 on the same date as the date of acquisition of the
7 equity interest as determined by the Internal Revenue
8 Code. ~~An investment made prior to January 1, 2002,~~
9 ~~shall not qualify for a tax credit under this division.~~

10 5. ~~A tax credit shall not be redeemed during any~~
11 ~~tax year beginning prior to January 1, 2005.~~ A tax
12 credit shall not be transferable to any other taxpayer.

13 Sec. _____. Section 15E.43, Code 2014, is amended by
14 adding the following new subsection:

15 NEW SUBSECTION. 5A. A tax credit issued pursuant
16 to this division for an equity investment in a
17 qualifying business, as described in section 15E.44,
18 which is made on or after January 1, 2014, shall not be
19 redeemed by a taxpayer prior to January 1, 2016.>

20 2. Page 2, line 21, by striking <This> and
21 inserting <Except as otherwise provided in this
22 division of this Act, this>

23 3. Page 5, line 14, after <"o".> by inserting <Any
24 moneys appropriated to a fund for purposes of this
25 section shall be used for purposes of the strategic
26 infrastructure program.>

27 4. Page 5, line 18, by striking <investment> and
28 inserting <investment infrastructure>

29 5. Page 5, line 20, by striking <section> and
30 inserting <section, except for moneys appropriated to a
31 fund for purposes of this section,>

32 6. Page 7, after line 33 by inserting:

33 <Sec. _____. EFFECTIVE UPON ENACTMENT. This division
34 of this Act, being deemed of immediate importance,
35 takes effect upon enactment.>

36 7. Page 8, after line 12 by inserting:

37 <DIVISION ____
38 ECONOMIC DEVELOPMENT REGIONS

39 Sec. _____. Section 15E.231, unnumbered paragraph 1,
40 Code 2014, is amended to read as follows:

41 In order for an economic development region to
42 receive assistance pursuant to section 15.335B, an
43 economic development region's regional development
44 plan must be approved by the authority. An economic
45 development region shall consist of ~~not less than~~
46 ~~three counties, unless two contiguous counties have a~~
47 ~~combined population of at least three hundred thousand~~
48 ~~based on the most recent federal decennial census~~ two
49 or more contiguous counties and one or more public or
50 private, nonprofit entities that have entered into an

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1 agreement to pursue mutual economic development goals
2 with a regional focus. An economic development region
3 shall establish a focused economic development effort
4 that shall include a regional development plan relating
5 to one or more of the following areas:

6 Sec. ____ . EFFECTIVE UPON ENACTMENT. This division
7 of this Act, being deemed of immediate importance,
8 takes effect upon enactment.>

9 8. By renumbering as necessary.

By BALTIMORE of Boone

HOUSE FILE 2445

H-8302

1 Amend House File 2445 as follows:

2 1. Page 1, after line 15 by inserting:

3 <Sec. _____. Section 15E.43, subsections 3 and 5,
4 Code 2014, are amended to read as follows:

5 3. An investment shall be deemed to have been made
6 on the same date as the date of acquisition of the
7 equity interest as determined by the Internal Revenue
8 Code. ~~An investment made prior to January 1, 2002,~~
9 ~~shall not qualify for a tax credit under this division.~~

10 5. ~~A tax credit shall not be redeemed during any~~
11 ~~tax year beginning prior to January 1, 2005.~~ A tax
12 credit shall not be transferable to any other taxpayer.

13 Sec. _____. Section 15E.43, Code 2014, is amended by
14 adding the following new subsection:

15 NEW SUBSECTION. 5A. A tax credit issued pursuant
16 to this division for an equity investment in a
17 qualifying business, as described in section 15E.44,
18 which is made on or after January 1, 2014, shall not be
19 redeemed by a taxpayer prior to January 1, 2016.>

20 2. Page 2, line 21, by striking <This> and
21 inserting <Except as otherwise provided in this
22 division of this Act, this>

23 3. Page 5, line 14, after <"o".> by inserting <Any
24 moneys appropriated to a fund for purposes of this
25 section shall be used for purposes of the strategic
26 infrastructure program.>

27 4. Page 5, line 18, by striking <investment> and
28 inserting <investment infrastructure>

29 5. Page 5, line 20, by striking <section> and
30 inserting <section, except for moneys appropriated to a
31 fund for purposes of this section,>

32 6. Page 7, after line 33 by inserting:

33 <Sec. _____. EFFECTIVE UPON ENACTMENT. This division
34 of this Act, being deemed of immediate importance,
35 takes effect upon enactment.>

36 7. Page 8, after line 12 by inserting:

37 <DIVISION _____
38 ECONOMIC DEVELOPMENT REGIONS

39 Sec. _____. Section 15E.231, unnumbered paragraph 1,
40 Code 2014, is amended to read as follows:

41 In order for an economic development region to
42 receive assistance pursuant to section 15.335B, an
43 economic development region's regional development
44 plan must be approved by the authority. An economic
45 development region shall consist of ~~not less than~~
46 ~~three counties, unless two contiguous counties have a~~
47 ~~combined population of at least three hundred thousand~~
48 ~~based on the most recent federal decennial census~~ three
49 or more contiguous counties or two or more contiguous
50 counties and one or more public or private, nonprofit

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1 entities that have entered into an agreement to pursue
2 mutual economic development goals with a regional
3 focus. An economic development region shall establish
4 a focused economic development effort that shall
5 include a regional development plan relating to one or
6 more of the following areas:

7 Sec. ____ . EFFECTIVE UPON ENACTMENT. This division
8 of this Act, being deemed of immediate importance,
9 takes effect upon enactment.>

10 8. By renumbering as necessary.

By BALTIMORE of Boone

HOUSE FILE 2471

H-8294

1 Amend House File 2471 as follows:

2 1. Page 8, after line 5 by inserting:

3 <DIVISION _____
4 INCOME TAX CHECKOFFS FOR THE IOWA STATE FAIR FOUNDATION
5 FUND AND THE VETERANS TRUST FUND AND VOLUNTEER FIRE
6 FIGHTER PREPAREDNESS FUND

7 Sec. _____. NEW SECTION. 422.12D Income tax checkoff
8 for the Iowa state fair foundation fund.

9 1. A person who files an individual or a joint
10 income tax return with the department of revenue under
11 section 422.13 may designate one dollar or more to be
12 paid to the foundation fund of the Iowa state fair
13 foundation as established in section 173.22. If the
14 refund due on the return or the payment remitted with
15 the return is insufficient to pay the amount designated
16 by the taxpayer to the foundation fund, the amount
17 designated shall be reduced to the remaining amount
18 of the refund or the remaining amount remitted with
19 the return. The designation of a contribution to the
20 foundation fund under this section is irrevocable.

21 2. The director of revenue shall draft the income
22 tax form to allow the designation of contributions to
23 the foundation fund on the tax return. The department,
24 on or before January 31, shall transfer the total
25 amount designated on the tax form due in the preceding
26 year to the foundation fund. However, before a
27 checkoff pursuant to this section shall be permitted,
28 all liabilities on the books of the department of
29 administrative services and accounts identified
30 as owing under section 8A.504 and the political
31 contribution allowed under section 68A.601 shall be
32 satisfied.

33 3. The Iowa state fair board may authorize payment
34 from the foundation fund for purposes of supporting
35 foundation activities.

36 4. The department of revenue shall adopt rules to
37 implement this section.

38 5. This section is subject to repeal under section
39 422.12E.

40 Sec. _____. NEW SECTION. 422.12L Joint income tax
41 checkoff for veterans trust fund and volunteer fire
42 fighter preparedness fund.

43 1. A person who files an individual or a joint
44 income tax return with the department of revenue under
45 section 422.13 may designate one dollar or more to
46 be paid jointly to the veterans trust fund created
47 in section 35A.13 and to the volunteer fire fighter
48 preparedness fund created in section 100B.13. If the
49 refund due on the return or the payment remitted with
50 the return is insufficient to pay the additional amount

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1 designated by the taxpayer, the amount designated
2 shall be reduced to the remaining amount of refund or
3 the remaining amount remitted with the return. The
4 designation of a contribution under this section is
5 irrevocable.

6 2. The director of revenue shall draft the income
7 tax form to allow the designation of contributions
8 to the veterans trust fund and to the volunteer fire
9 fighter preparedness fund as one checkoff on the
10 tax return. The department of revenue, on or before
11 January 31, shall transfer one-half of the total
12 amount designated on the tax return forms due in the
13 preceding calendar year to the veterans trust fund and
14 the remaining one-half to the volunteer fire fighter
15 preparedness fund. However, before a checkoff pursuant
16 to this section shall be permitted, all liabilities on
17 the books of the department of administrative services
18 and accounts identified as owing under section 8A.504
19 and the political contribution allowed under section
20 68A.601 shall be satisfied.

21 3. The department of revenue shall adopt rules to
22 administer this section.

23 4. This section is subject to repeal under section
24 422.12E.

25 Sec. _____. REPEAL. Sections 422.12D and 422.12L,
26 Code 2014, are repealed.

27 Sec. _____. RETROACTIVE APPLICABILITY. This division
28 of this Act applies retroactively to January 1, 2014,
29 for tax years beginning on or after that date.>

30 2. Title page, line 6, before <making> by inserting
31 <by creating income tax checkoffs for the Iowa state
32 fair foundation fund and the veterans trust fund and
33 volunteer fire fighter preparedness fund,>

34 3. Title page, line 7, after <date> by inserting
35 <and retroactive applicability>

36 4. By renumbering as necessary.

By WINDSCHITL of Harrison

HOUSE FILE 2473

H-8297

1 Amend House File 2473 as follows:

2 1. Page 15, after line 12 by inserting:

3 <DIVISION _____
4 PUBLIC RETIREMENT SYSTEMS

5 Sec. _____. Section 97A.6, subsection 7, paragraph
6 a, subparagraph (1), Code 2014, is amended to read as
7 follows:

8 (1) Should any beneficiary for either ordinary
9 or accidental disability, except a beneficiary
10 who is fifty-five years of age or over and would
11 have completed twenty-two years of service if the
12 beneficiary had remained in active service, be engaged
13 in a gainful occupation paying more than the difference
14 between the member's net retirement allowance and
15 ~~one two~~ and one-half times the current earnable
16 compensation of an active member at the same position
17 on the salary scale within the member's rank as the
18 member held at retirement, then the amount of the
19 retirement allowance shall be reduced to an amount
20 such that the member's net retirement allowance plus
21 the amount earned by the member shall equal ~~one two~~
22 and one-half times the amount of the current earnable
23 compensation of an active member at the same position
24 on the salary scale within the member's rank as the
25 member held at retirement. Should the member's earning
26 capacity be later changed, the amount of the retirement
27 allowance may be further modified, provided that the
28 new retirement allowance shall not exceed the amount of
29 the retirement allowance originally granted adjusted by
30 annual readjustments of pensions pursuant to subsection
31 14 of this section nor an amount which would cause the
32 member's net retirement allowance, when added to the
33 amount earned by the beneficiary, to equal ~~one two~~
34 and one-half times the amount of the current earnable
35 compensation of an active member at the same position
36 on the salary scale within the member's rank as the
37 member held at retirement. A beneficiary restored
38 to active service at a salary less than the average
39 final compensation upon the basis of which the member
40 was retired at age fifty-five or greater, shall not
41 again become a member of the retirement system and
42 shall have the member's retirement allowance suspended
43 while in active service. If the rank or position
44 held by the retired member is subsequently abolished,
45 adjustments to the allowable limit on the amount of
46 income which can be earned in a gainful occupation
47 shall be computed in the same manner as provided in
48 subsection 14, paragraph "c", of this section for
49 readjustment of pensions when a rank or position has
50 been abolished. If the salary scale associated with a

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1 member's rank at retirement is changed after the member
2 retires, earnable compensation for purposes of this
3 section shall be based upon the salary an active member
4 currently would receive at the same rank and with
5 seniority equal to that of the retired member at the
6 time of retirement. For purposes of this paragraph,
7 "net retirement allowance" means the amount determined
8 by subtracting the amount paid during the previous
9 calendar year by the beneficiary for health insurance
10 or similar health care coverage for the beneficiary
11 and the beneficiary's dependents from the amount of
12 the member's retirement allowance paid for that year
13 pursuant to this chapter. The beneficiary shall submit
14 sufficient documentation to the board of trustees
15 to permit the system to determine the member's net
16 retirement allowance for the applicable year.

17 Sec. _____. Section 97B.49B, subsection 1, paragraph
18 e, Code 2014, is amended by adding the following new
19 subparagraph:

20 NEW SUBPARAGRAPH. (13) A person other than a
21 deputy sheriff, jailer, or detention officer who is
22 employed by a sheriff to provide courthouse security
23 services or prisoner transportation duties, is required
24 as a condition of employment to carry a firearm and has
25 been professionally trained and qualified in the use of
26 any firearm in connection with the individual's duties,
27 is required and authorized under limited circumstances
28 to perform law enforcement duties that may include but
29 are not limited to detaining persons, taking persons
30 into custody, making arrests, transporting or providing
31 custody and care for those persons under the sheriff's
32 control, and is a certified Iowa peace officer, has
33 Iowa reserve peace officer certification, or has
34 equivalent peace officer training.

35 Sec. _____. Section 97B.52A, subsection 1, paragraph
36 c, subparagraph (2), subparagraph division (b), Code
37 2014, is amended to read as follows:

38 (b) For a member whose first month of entitlement
39 is July 2004 or later, but before July ~~2014~~ 2016,
40 covered employment does not include employment as a
41 licensed health care professional by a public hospital.
42 For the purposes of this subparagraph, "public
43 hospital" means a hospital licensed pursuant to chapter
44 135B and governed pursuant to chapter 145A, 347, 347A,
45 or 392.

46 Sec. _____. Section 97B.80, subsection 1, Code 2014,
47 is amended to read as follows:

48 1. a. For purposes of this subsection, "eligible
49 member" means as follows:

50 (1) For the period beginning July 1, 1992, and

1 ending June 30, 2014, a vested or retired member who
2 has one or more full calendar years of covered wages.

3 (2) Beginning on or after July 1, 2014, a member
4 vested by service or a retired member who is vested by
5 service and who is within six months of the retired
6 member's first month of entitlement.

7 b. ~~Effective July 1, 1992, a vested or retired~~
8 ~~An eligible member who has one or more full calendar~~
9 ~~years of covered wages and~~ who at any time served on
10 active duty in the armed forces of the United States,
11 upon submitting verification of the dates of the active
12 duty service, may make contributions to the retirement
13 system for all or a portion of the period of time of
14 the active duty service, in increments of one or more
15 calendar quarters, and receive credit for membership
16 service and prior service for the period of time for
17 which the contributions are made.

18 Sec. _____. Section 97B.80C, subsection 1, Code 2014,
19 is amended by adding the following new paragraph:

20 NEW PARAGRAPH. 0a. "Eligible member" means as
21 follows:

22 (1) Prior to July 1, 2014, a vested or retired
23 member.

24 (2) Beginning on or after July 1, 2014, a member
25 vested by service or a retired member who is vested by
26 service and who is within six months of the retired
27 member's first month of entitlement.

28 Sec. _____. Section 97B.80C, subsection 2, paragraphs
29 a, b, and c, Code 2014, are amended to read as follows:

30 a. ~~A vested or retired~~ An eligible member may make
31 contributions to the retirement system to purchase up
32 to the maximum amount of permissive service credit
33 for qualified service as determined by the system,
34 pursuant to Internal Revenue Code section 415(n),
35 the requirements of this section, and the system's
36 administrative rules.

37 b. ~~A vested or retired~~ An eligible member of
38 the retirement system may make contributions to the
39 retirement system to purchase up to a maximum of twenty
40 quarters of permissive service credit for nonqualified
41 service as determined by the system, pursuant to
42 Internal Revenue Code section 415(n), the requirements
43 of this section, and the system's administrative rules.

44 ~~A vested or retired~~ An eligible member must have at
45 least twenty quarters of covered wages in order to
46 purchase permissive service credit for nonqualified
47 service.

48 c. ~~A vested or retired~~ An eligible member may
49 convert regular member service credit to special
50 service credit by payment of the amount actuarially

1 determined as necessary to fund the resulting increase
2 in the member's accrued benefit. The conversion shall
3 be treated as a purchase of qualified service credit
4 subject to the requirements of paragraph "a" if the
5 service credit to be converted was or would have been
6 for qualified service. The conversion shall be treated
7 as a purchase of nonqualified service credit subject to
8 the requirements of paragraph "b" if the service credit
9 to be converted was purchased as nonqualified service
10 credit.

11 Sec. _____. Section 411.6, subsection 7, paragraph
12 a, subparagraph (1), Code 2014, is amended to read as
13 follows:

14 (1) Should any beneficiary for either ordinary
15 or accidental disability, except a beneficiary who
16 is fifty-five years of age or over, be engaged in a
17 gainful occupation paying more than the difference
18 between the member's net retirement allowance and ~~one~~
19 two and one-half times the earnable compensation of
20 an active member at the same position on the salary
21 scale within the member's rank as the member held at
22 retirement, then the amount of the member's retirement
23 allowance shall be reduced to an amount such that the
24 member's net retirement allowance plus the amount
25 earned by the member shall equal ~~one~~ two and one-half
26 times the amount of the current earnable compensation
27 of an active member at the same position on the
28 salary scale within the member's rank as the member
29 held at retirement. Should the member's earnings be
30 later changed, the amount of the member's retirement
31 allowance may be further modified, provided that
32 the new retirement allowance shall not exceed the
33 amount of the retirement allowance adjusted by annual
34 readjustments of pensions pursuant to subsection 12
35 of this section nor an amount which would cause the
36 member's net retirement allowance, when added to the
37 amount earned by the beneficiary, to equal ~~one~~ two and
38 one-half times the amount of the earnable compensation
39 of an active member at the same position on the salary
40 scale within the member's rank as the member held at
41 retirement. A beneficiary restored to active service
42 at a salary less than the average final compensation
43 upon the basis of which the member was retired at age
44 fifty-five or greater, shall not again become a member
45 of the retirement system and shall have the member's
46 retirement allowance suspended while in active service.
47 If the rank or position held by the retired member is
48 subsequently abolished, adjustments to the allowable
49 limit on the amount of income which can be earned in
50 a gainful occupation shall be computed by the board

1 of trustees as though such rank or position had not
2 been abolished and salary increases had been granted to
3 such rank or position on the same basis as increases
4 granted to other ranks and positions in the department.
5 For purposes of this paragraph, "net retirement
6 allowance" means the amount determined by subtracting
7 the amount paid during the previous calendar year by
8 the beneficiary for health insurance or similar health
9 care coverage for the beneficiary and the beneficiary's
10 dependents from the amount of the member's retirement
11 allowance paid for that year pursuant to this chapter.
12 The beneficiary shall submit sufficient documentation
13 to the system to permit the system to determine the
14 member's net retirement allowance for the applicable
15 year.>

16 2. By renumbering as necessary.

By PETTENGILL of Benton

HOUSE FILE 2473

H-8299

1 Amend House File 2473 as follows:

2 1. Page 15, after line 12 by inserting:

3 <DIVISION _____

4 SCHOOL DISTRICT ENROLLMENT SUPPLEMENT

5 Sec. _____. Section 257.13, subsection 1, Code 2014,
6 is amended to read as follows:

7 1. For the school budget year beginning July 1,
8 2001, and succeeding budget years, if a district's
9 actual enrollment for the budget year, determined under
10 section 257.6, is greater than its budget enrollment
11 for the budget year, the district shall be eligible
12 to receive an on-time funding budget adjustment.
13 The adjustment shall be in an amount equal to the
14 difference between the actual enrollment for the budget
15 year and the budget enrollment for the budget year,
16 multiplied by the regular program district cost per
17 pupil, and then, if the district receives a school
18 district supplement payment under section 257.13A for
19 the same budget year, reduced by an amount equal to the
20 product of the regular program district cost per pupil
21 multiplied by the amount calculated in section 257.13A,
22 subsection 2, paragraph "b", subparagraph (2), for that
23 budget year.

24 Sec. _____. NEW SECTION. 257.13A School district
25 enrollment supplement program ---- appropriation.

26 1. For each fiscal year beginning on or after
27 July 1, 2014, there is appropriated from the general
28 fund of the state to the department of education an
29 amount necessary to make all school district enrollment
30 supplement payments under this section, as calculated
31 in subsection 2.

32 2. a. A school district enrollment supplement
33 program is established to provide additional funding
34 for school districts in which the district's actual
35 enrollment for the budget year exceeds the budget
36 enrollment for the budget year by ten percent or more.

37 b. For the budget year beginning July 1, 2014, the
38 department of education shall calculate for each school
39 district satisfying the requirements of paragraph "a",
40 all of the following:

41 (1) The school district's budget enrollment for the
42 budget year multiplied by one hundred ten percent.

43 (2) The difference between the school district's
44 actual enrollment for the budget year minus the amount
45 determined under subparagraph (1).

46 (3) The school district's combined district cost,
47 as determined under section 257.10, subsection 8,
48 divided by the school district's budget enrollment.

49 c. The amount of the school district enrollment
50 supplement for each district satisfying the

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1 requirements of paragraph "a" shall be an amount equal
2 to the product of the amount determined under paragraph
3 "b", subparagraph (2), multiplied by the amount
4 determined under paragraph "b", subparagraph (3).

5 3. School district enrollment supplement payments
6 shall be paid by the department of education in a lump
7 sum at the same time and in the same manner as the
8 first monthly installment is paid on or after January 1
9 of the budget year under section 257.16, subsection 2.

10 4. School district enrollment supplement payments
11 received under this section are miscellaneous income
12 and shall be deposited in the general fund of the
13 school district. However, the school district
14 enrollment supplement amount shall not be included in
15 district cost.

16 5. Except for an adjustment to an amount authorized
17 under section 257.13, subsection 1, or an amount under
18 section 257.31, subsection 5, participation in the
19 school district enrollment supplement program under
20 this section shall not affect a school district's
21 eligibility to receive an on-time funding budget
22 adjustment under section 257.13 or an amount from the
23 school budget review committee under section 257.31.

24 Sec. _____. Section 257.31, subsection 5, paragraph
25 a, Code 2014, is amended to read as follows:

26 a. Any unusual increase or decrease in enrollment.
27 In deciding a school district's need for additional
28 funds under this paragraph, the school budget review
29 committee shall consider an on-time funding budget
30 adjustment established under section 257.13 and amounts
31 received by the school district under section 257.13A
32 for the same budget year, and may accordingly adjust
33 amounts granted for the purposes of this paragraph.

34 Sec. _____. IMPLEMENTATION ---- EMERGENCY RULES. The
35 department of education may adopt emergency rules
36 under section 17A.4, subsection 3, and section
37 17A.5, subsection 2, paragraph "b", to implement the
38 provisions of this division of this Act and the rules
39 shall be effective immediately upon filing unless
40 a later date is specified in the rules. Any rules
41 adopted in accordance with this section shall also be
42 published as a notice of intended action as provided
43 in section 17A.4.

44 Sec. _____. EFFECTIVE UPON ENACTMENT. This division
45 of this Act, being deemed of immediate importance,
46 takes effect upon enactment.

47 Sec. _____. APPLICABILITY. This division of this Act
48 applies to school budget years beginning on or after
49 July 1, 2014.>

50 2. Title page, line 3, after <atters> by inserting

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Page 3

1 <, and including effective date and applicability
2 provisions>

By FISHER of Tama

H-8299 FILED APRIL 23, 2014

HOUSE FILE 2474

H-8298

1 Amend House File 2474 as follows:

2 1. Page 1, after line 5 by inserting:

3 <Sec. ____ . EFFECTIVE UPON ENACTMENT. This Act,
4 being deemed of immediate importance, takes effect upon
5 enactment.>

6 2. Title page, line 3, after <authorization> by
7 inserting <, and including effective date provisions>

8 3. By renumbering as necessary.

By HANSON of Jefferson

H-8298 FILED APRIL 23, 2014

SENATE FILE 2337

H-8296

1 Amend Senate File 2337, as passed by the Senate, as
2 follows:

3 1. Page 1, by striking lines 1 through 3 and
4 inserting:

5 <Section 1. Section 422.12C, subsection 1,
6 unnumbered paragraph 1, Code 2014, is amended to read
7 as follows:

8 The taxes imposed under this division, less the>

9 2. By striking page 1, line 10, through page 2,
10 line 19, and inserting:

11 <Sec. ____ . EFFECTIVE DATE. This Act takes effect
12 January 1, 2016.

13 Sec. ____ . APPLICABILITY. This Act applies to tax
14 years beginning on or after January 1, 2016.>

15 3. Title page, by striking line 3 and inserting
16 <effective date and applicability provisions.>

17 4. By renumbering as necessary.

By STANERSON of Linn

H-8296 FILED APRIL 23, 2014

SENATE FILE 2344

H-8300

1 Amend Senate File 2344, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. By striking page 4, line 27, through page 5,
4 line 14.
5 2. Page 5, by striking lines 19 and 20 and
6 inserting <subsection 11D, as applied through section
7 422.11Y, apply retroactively to tax years>
8 3. By striking page 5, line 22, through page 7,
9 line 2.
10 4. Page 7, line 15, by striking <2020> and
11 inserting <2018>
12 5. Title page, line 4, by striking <renewable fuel
13 tax credits and>
14 6. By renumbering as necessary.

By MOORE of Jackson

H-8300 FILED APRIL 23, 2014

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 2347

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

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on Senate File 2347, a bill for an Act relating to the funding of, the operation of, and appropriation of moneys to the college student aid commission, the department for the blind, the department of education, and the state board of regents, and providing for related matters, respectfully make the following report:

1. That the House recedes from its amendment, S-5157.

2. That Senate File 2347, as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. Page 3, line 27, by striking <section 261.114, if enacted> and inserting <section 261.114, ~~if enacted~~>

2. Page 4, by striking line 13 and inserting <1,975,000>

3. Page 4, by striking line 30 and inserting <8,304,047>

4. Page 4, by striking lines 32 through 35 and inserting:
<a. By January 15, 2015, the department shall submit a written report to the general assembly detailing the department's antibullying programming and current and projected expenditures for such programming for the fiscal year beginning July 1, 2014.

b. The department shall administer and distribute to school districts and accredited nonpublic schools, without cost to the school districts and accredited nonpublic schools, an early warning assessment system that allows teachers to screen and monitor student literacy skills from prekindergarten through grade six.>

5. Page 5, by striking line 13 and inserting <5,911,200>

6. Page 14, by striking line 8 and inserting <1,000,000>

7. Page 15, by striking lines 7 through 19.

CCS-2347

8. Page 15, after line 30 by inserting:

<21A. AREA EDUCATION AGENCIES

For distribution to the area education agencies:

..... \$ 1,000,000>

9. Page 21, by striking line 17 and inserting <29,886,877>

10. Page 22, by striking line 11 and inserting <89,176,732>

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

BRIAN SCHOENJAHN, CHAIRPERSON

CECIL DOLECHECK, CHAIRPERSON

NANCY J. BOETTGER

JAKE HIGHFILL

WALLY E. HORN

SHARON STECKMAN

HERMAN C. QUIRMBACH

ROB TAYLOR

CINDY WINCKLER



SF 2355 – Department of Transportation (DOT) Omnibus Policy Bill (LSB 6219SV.1)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – As passed by the Senate

Description

Senate File 2355 updates several Iowa Code chapters to comply with federal law, reorganizes Iowa Code chapters **307** and **307A**, and includes several other provisions. Changes include the following:

Division One adopts the following provisions:

- This Bill prohibits the establishment, operation, or maintenance of a junkyard within 1,000 feet of the nearest edge of any road on the national highway system. This Bill exempts existing junkyards and allows exceptions. This change adopts requirements from Moving Ahead for Progress in the 21st Century Act (MAP-21) for establishing **control of junkyards**.
- Redefines “primary highways” to include all highways on the national highway system and all highways on the federal aid primary system as it existed on June 1, 1991. The change will expand the DOT authority to regulate outdoor advertising along interstates and primary highways. This change adopts requirements of MAP-21 for establishing **control of outdoor advertising**.

Division Two adopts several of the following amendments:

- Allows the discharge of a security interest noted on an Iowa vehicle title in statewide computers upon the presentation of a valid certificate of title without the security interest from another jurisdiction.
- Exempts farmers and farm employees from commercial driver’s license requirements for covered vehicles. This Bill adopts the definition of farm vehicles as defined in MAP-21.
- Describes new colored lights used as official traffic control signals.
- Extends the number of days to return a certificate of title and claim a refund of the registration fee for aircraft from 10 to 30.
- Requires an annual Road Use Tax Fund efficiency report. Currently, this report is required to be issued quarterly.
- Requires county engineers to report all uncontrolled intersections with speed limits exceeding 55 miles per hour to the DOT.
- Allows the Department to designate third-party examiners for commercial driver’s license (CDL) tests that are not community colleges. Currently, only community colleges are designated to conduct CDL tests. This Iowa Code section change is effective on enactment and is repealed five years after the effective date.
- Creates a Commercial Air Service Retention and Expansion Committee within the DOT Office of Aviation, and sets membership requirements. The Committee will develop a plan to retain and expand existing passenger air service in Iowa.
- Decreases the waiting period to reapply for reinstatement of a suspended special minors driver’s license.

Division Three

- Establishes a two-year special dealer plate for vehicles, owned by the dealer and continuously for sale, that haul a load or tow a trailer. The fee for this plate is \$750.
- Amends disclosure requirements for vehicles sold by motor vehicle dealers to convey if a vehicle has had repairs, replaced parts, or adjustments exceeding 4.0% of the manufacturer's suggested retail price (MSRP). The MSRP replaces a previous method for determining the car's value.
- Exempts the purchase of vehicles loaned to customers by dealerships from the fee for new registration. These vehicles are often loaned when the customer's car is being serviced or repaired.
- Allows licensed motor vehicle dealers to sell used motor trucks with a gross vehicle weight exceeding 26,001 pounds on a consignment basis. The vehicle must be purchased by a corporation or business entity.

Background

The MAP-21 Act expanded the definition of the National Highway System to include new routes. Currently, these routes and advertising along these routes are not under the jurisdiction of the DOT. Similarly, MAP-21 requires states to be responsible for junkyard control along segments recently added to the primary highway system.

Assumptions

Continued noncompliance with MAP-21 will reduce federal funding for highways. The DOT stated that current law may result in a 10.0% reduction in federal funding for failure to control advertising, and a reduction of 7.0% for failure to control junkyards. Current estimates assume unchanged spending from Federal Fiscal Year (FFY) 2014 to FFY 2015.

The DOT states that expanding the definition of the primary highway system will require approval of an additional 250 sign permit applications. The DOT anticipates hiring an additional temporary employee (Transportation Aide) to inventory junkyards on added miles. The impact of allowing an additional 20 days to claim a registration refund for aircraft is unknown, but anticipated to be minimal.

Fiscal Impact

[SF 2355](#) will maintain current federal funding levels. Without this legislation, the DOT estimates that noncompliance with the control of advertising requirement will reduce federal revenue by \$46.9 million in FFY 2015. Noncompliance with the control of junkyard provisions will reduce federal funding by \$32.8 million in FFY 2015.

Establishing control of outdoor advertising will require the approval of 250 sign permits by the DOT for each year. Sign owners will be required to pay a \$100 application fee and an annual permit renewal fee of \$15. This will increase revenue to the Highway Beautification Fund by \$25,000 in FY 2015 and \$3,750 each year after. The DOT intends to hire a temporary employee that will work approximately 26 weeks at a cost of \$12,400 each fiscal year.

The creation of a new dealer plate will increase revenue to the Road Use Tax Fund by an unknown amount. Exempting vehicles purchased by dealerships to be loaned to customers will reduce revenue to the Road Use Tax Fund by an unknown amount. Requiring the DOT to collect data from county engineers will require staff time, but will not require hiring additional staff.

Source

Iowa DOT

April 23, 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 2472 – Broadband Development (LSB 5359HZ)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

House File 2472 relates to development of broadband access across the State and to the taxation of telecommunications companies. Broadband is defined as a high-speed, high-capacity electronic transmission medium that carries data signals from multiple independent network sources by establishing different bandwidth channels. Broadband is commonly used to deliver Internet services.

Provisions of this Bill with potential fiscal impact include:

- State income tax accelerated depreciation for broadband infrastructure expenditures for infrastructure placed in service on or after July 1, 2014.
- A new broadband infrastructure income tax credit equal to 3.5% or 7.0% of the qualified expenditures of a communications provider on or after July 1, 2014. The 3.5% credit is allowed for infrastructure expenditures in areas defined as underserved and the 7.0% credit is allowed in areas defined as unserved. To qualify for the credit, the taxpayer must certify, prior to installation commencement, that the broadband infrastructure installation will take place within a targeted unserved or underserved service area as defined in this Bill.
- A 10-year property tax exemption, equal to 100.0% of the actual value added, for broadband infrastructure installations completed on or after July 1, 2014. To qualify for the exemption, the taxpayer must certify, prior to installation commencement, that the broadband infrastructure installation will take place within a targeted unserved or underserved service area as defined in this Bill.
- A requirement that the Department of Revenue utilize the “replacement cost new, less depreciation” method for centrally assessing a telephone and telegraph company that has 1) property situated in a majority of the counties in the State, and 2) has a total actual value for assessment purposes of \$780.0 million for assessment years 2013 and for 2014. There is only one Iowa telecommunications company that meets both requirements. Under current law, telecommunications companies are valued for assessment purposes using a combination of cost, income, and market approaches to valuation. The change is effective with assessment year 2015 (FY 2017).
- Creation of a grant program for employers who employ interns in the fields of science, technology, engineering, and mathematics. The employer incentive is a State match of one dollar for every dollar paid by the employer to an intern. The amount the employer may receive is limited to \$5,000 per internship. The Economic Development Authority is given administrative responsibility for the employer incentive program and the program is contingent upon funding provided by the General Assembly. This Bill does not provide funding for the program, but a \$1.0 million General Fund appropriation is included in **HF 2460** (FY 2015 Economic Development Appropriations Bill), as that Bill passed the House on April 1, 2014.

Assumptions

Broadband Infrastructure Incentives

- The special depreciation allowance includes infrastructure expenditures where the infrastructure is placed in service on or after July 1, 2014.
- The tax credit is available for infrastructure expenditures on or after July 1, 2014, but the credit is not allowed unless the project has been certified, prior to initiation of the project, as serving qualified areas of the State.
- The property tax exemption applies to all qualified infrastructure completed on or after July 1, 2015, but the exemption is not allowed unless the project has been certified, prior to initiation of the project, as serving qualified areas of the State.
- Based on the previous three bullets, the depreciation allowance will apply to any project that is already underway. The tax credit and property tax exemption require certification before an eligible project is initiated. Therefore, the new income tax credit and property tax exemption do not apply to projects that are already underway.
- The amount of broadband expansion that currently takes place in Iowa is not known, nor is the total amount of broadband expansion that is needed to cover all areas of the State that currently qualify as underserved or unserved as those terms are defined in the Bill.
- For the purposes of this fiscal note, telecommunications companies are assumed to complete \$6.25 million in calendar year 2014, in qualified broadband expansion projects in underserved areas. Of that amount, 50.0% is assumed to be projects that would not occur without the tax incentives in the Bill, and 50.0% is assumed to occur with or without the new incentives.
- For the purposes of this fiscal note, telecommunications companies are assumed to complete \$50.0 million per year, beginning calendar year 2015, in qualified broadband expansion projects in underserved areas. Of that amount, 50.0% is assumed to be projects that would not occur without the tax incentives in the Bill, and 50.0% is assumed to occur with or without the new incentives.
- The tax credit portion of the estimate is calculated using an average of the 3.5% and 7.0% tax credit rates (5.25%).
- To fully benefit from the two income tax incentives, telecommunications companies must have sufficient income tax liability to utilize the additional depreciation and tax credits. It is assumed that as a group, telecommunications companies will be able to utilize no more than \$3.0 million in fiscal year 2015 tax benefits, and that \$3.0 million is assumed to increase 6.0% per fiscal year. Any tax benefits earned in a tax year that a company is not able to utilize that tax year will carry forward to future tax years until fully utilized.
- For property tax impact calculations, only the 50.0% of expenditures that are assumed to occur without this Bill are included in the fiscal impact calculation.
- For property tax value purposes, the assessed value is assumed to be the expended amount in the first year, and the assessed value of the property declines by 6.67% of the original expended amount each year.
- The property tax rate for utility property is assumed to be \$32.36 per \$1,000 of taxed value for all years. This is the average of the statewide urban (\$38.73) and rural (\$25.99) rates for the utility class of property paid in FY 2014. That tax rate is assumed for all future years. Of the \$32.36 rate, \$5.40 represents the school foundation levy and therefore has a State General Fund appropriation impact. The remaining \$26.96 has a local government impact.
- Property assessed for property tax purposes on January 1, 2015 (assessment year 2015), first impacts property taxes paid during FY 2017.

Telecommunications Company Assessment Method

- At a Statewide assessed value of \$780.0 million, the single, qualified company represents 54.0% of all telephone utility property value in Iowa, prior to the application of property tax exemptions. Under the provisions of [Iowa Code section 433.4\(2\)](#), enacted in 2013 (SF 295), a telecommunications company with a \$780.0 million assessed value will have a taxable value of \$592.3 million for FY 2016 and after. Using an assumed property tax rate of \$32.36 per \$1,000 under current law the company would pay \$19.2 million in property tax for FY 2017 and after.
- Using the “replacement cost new, less depreciation” method required under this Bill, the Department of Revenue estimates that the taxable value of the company would be \$379.9 million, \$212.4 million below the taxable value under current law.
- A decrease in taxable value of that amount will result in an annual property tax reduction for the company of \$6.87 million. The result of this tax reduction will be a \$1.15 million increase in the State appropriation for school aid, and a \$5.72 million decrease in local government property tax revenue.

Fiscal Impacts

Income Tax Depreciation and Tax Credit Changes

The enhanced accelerated depreciation provisions and the creation of a new income tax credit will reduce the State income tax owed by telecommunication companies and as a consequence, reduce net General Fund revenue. The estimated impact by fiscal year is:

- FY 2015 = \$-0.4 million
- FY 2016 = \$-2.9 million
- FY 2017 = \$-3.4 million
- FY 2018 = \$-3.6 million
- FY 2019 = \$-3.8 million

The estimated net General Fund impact of the depreciation and tax credit changes continues to grow modestly in future fiscal years as long as companies continue to build out broadband infrastructure into underserved and unserved areas.

Property Tax Exemption

The new property tax exemption will impact the State General Fund through an increased school aid appropriation at a rate of \$5.40 per \$1,000 of exempt value. The projected appropriation increases by fiscal year are:

- FY 2017 = \$0.0 million
- FY 2018 = \$0.3 million
- FY 2019 = \$0.6 million
- FY 2020 = \$0.8 million
- FY 2021 = \$1.0 million

The annual increase in the school aid appropriation continues to expand until the exemption has been in place for 10 years, or until companies cease to build qualified broadband infrastructure in underserved areas.

The new property tax exemption will impact local government revenue at a rate of \$26.96 per \$1,000 of exempt value. The projected impacts by fiscal year are:

- FY 2017 = \$-0.1 million
- FY 2018 = \$-1.5 million
- FY 2019 = \$-2.8 million
- FY 2020 = \$-3.9 million
- FY 2021 = \$-5.0 million

The reduced local government property tax revenue continues to grow until the exemption has been in place for 10 years, or until companies cease to build broadband infrastructure in areas defined as underserved and unserved.

Telecommunications Company Assessment Method

The requirement that a single telecommunications company be assessed as a unit, using the “replacement cost new, less depreciation” method will reduce the property taxes owed by the company. The reduced taxes paid will increase the State General Fund appropriation for school aid by \$1.15 million and local government property tax revenue by \$5.72 million. Both amounts are annual impacts that begin FY 2017.

Employer Incentives for Employing Interns

The grant program for employers who hire interns in the fields of science, technology, engineering, and mathematics created in Division VI of this Bill is contingent upon an appropriation. This Bill does not include an appropriation for the intern incentives, but a \$1.0 million FY 2015 appropriation is included in HF 2460 as it passed the House.

Government Finance Impact Summary

The following table summarizes the projected impact of the Bill on State and local government finance.

| Government Finance Projected Impact Summary | | | | |
|--|---------------------------|------|---------------------------------|-------|
| In millions of dollars | | | | |
| | State General Fund Impact | | Local Government Revenue Impact | |
| FY 2015 | \$ | -1.4 | \$ | 0.0 |
| FY 2016 | | -3.9 | | 0.0 |
| FY 2017 | | -5.6 | | -5.8 |
| FY 2018 | | -6.1 | | -7.2 |
| FY 2019 | | -6.6 | | -8.5 |
| FY 2020 | | -7.0 | | -9.6 |
| FY 2021 | | -7.5 | | -10.7 |

The General Fund impact includes the revenue reductions associated with the new income tax credit and accelerated depreciation, as well as the impacts of the two property tax changes on the annual school aid appropriation and the new appropriation of \$1.0 million for grants to employers who hire interns in specified disciplines. For the table, this new appropriation is assumed to continue at the \$1.0 million level after FY 2015.

The local government impact is the result of the broadband exemption and the telecommunications assessment method change.

Sources

Department of Revenue
Legislative Services Agency analysis

/s/ Holly M. Lyons

April 23, 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 2453 – Cultural Affairs Tax Credit Programs (LSB 5303HZ.1)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – As amended and passed by the Senate

Description

House File 2453, as amended and passed by the Senate, makes revisions to Iowa's existing Historic Preservation and Cultural and Entertainment District Tax Credit. The Bill allows unclaimed credits to be awarded to different projects and makes changes to the process of reserving tax credits for qualified projects. The Bill does not modify the existing \$45.0 million annual limit on tax credit awards.

This Bill is effective July 1, 2014, and applies to project agreements entered into on or after that date, unless otherwise specified in this Bill.

Background

The Historic Preservation and Cultural and Entertainment District Tax Credit Program is authorized in **Iowa Code chapter 404A**. That Iowa Code chapter was created in HF 2560 (Income and Property Tax Credit, Deduction, and Exemption Act of 2000) and the initial annual limit on tax credit awards was \$2.4 million. The Program's purpose and financing has been modified since that time and the current annual limit on tax credit awards is \$45.0 million. The most recent **Contingent Liabilities Report** produced by the Iowa Department of Revenue projects that under current law, FY 2014 tax credit redemptions under the Program will total \$37.7 million and increase to \$44.0 million in FY 2018.

Iowa Code section 404A.4(4)(b)(1) requires 10.0% of annual awards to be reserved for projects with qualified rehabilitation costs of \$750,000 or less. A 10.0% allocation of tax credits for smaller projects was first enacted in SF 566 (Historic Preservation Tax Credit Act of 2007). Over the years, the Department of Cultural Affairs has not received sufficient project applications to fully award the full 10.0% for smaller projects.

Assumptions

- At the conclusion of FY 2014, the pool of unused tax credits from the 10.0% set-aside for smaller projects will total \$8.6 million.
- Under authority granted in this Bill, the unused pool will be awarded to new projects during FY 2015 and FY 2016. Without this authority, the unused smaller project tax credits are assumed to never be used.

Fiscal Impact

The portion of this Bill that allows unused smaller project tax credits to be redirected to other projects is projected to result in the redemption of an additional \$8.6 million in tax credits over the next nine fiscal years. The projected net General Fund impact of this change by fiscal year is:

| Historic Tax Credits Smaller Project Reallocation In millions | | |
|---|--------------------------------------|------|
| | General Fund Revenue Reduction | |
| FY 2015 | \$ | -1.3 |
| FY 2016 | | -2.9 |
| FY 2017 | | -2.1 |
| FY 2018 | | -1.0 |
| FY 2019 | | -0.6 |
| FY 2020 | | -0.2 |
| FY 2021 | | -0.2 |
| FY 2022 | | -0.2 |
| FY 2023 | | -0.1 |
| Total | \$ | -8.6 |

After FY 2023, this Bill does not have an identifiable direct fiscal impact.

Sources

Department of Revenue
 Department of Cultural Affairs

/s/ Holly M. Lyons

April 23, 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.
