

**EIGHTY-SIXTH GENERAL ASSEMBLY
2015 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

APRIL 16, 2015

**Senate Amendment to
HOUSE FILE 447**

H-1226

1 Amend House File 447, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by striking lines 22 and 23 and
4 inserting <the jurisdiction of Iowa,>
5 2. Page 1, lines 27 and 28, by striking <and
6 resellers of wireless communications services>
7 3. Page 1, lines 33 and 34, by striking <and all
8 resellers of wireless communications services>
9 4. Page 2, after line 7 by inserting:
10 <6. Nothing in this section shall be construed as
11 requiring a wireless communications service provider
12 to act in a manner inconsistent with or in violation
13 of federal law.>
14 5. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-1226 FILED APRIL 15, 2015

**Senate Amendment to
HOUSE FILE 507**

H-1235

1 Amend House File 507, as passed by the House, as
2 follows:
3 1. Page 1, after line 21 by inserting:
4 <(3) This paragraph shall not apply to a property
5 or premises if, prior to July 1, 2015, the account
6 holder for that property or premises had an established
7 account with a legal entity described in subparagraph
8 (1) for the provision of wastewater, sewer system,
9 storm water drainage, or sewage treatment services to
10 the property or premises.>
11 2. Page 2, after line 4 by inserting:
12 <(3) This paragraph shall not apply to a property
13 or premises if, prior to July 1, 2015, the account
14 holder for that property or premises had an established
15 account with a legal entity described in subparagraph
16 (1) for the provision of wastewater, sewer system,
17 storm water drainage, or sewage treatment services to
18 the property or premises.>

RECEIVED FROM THE SENATE

H-1235 FILED APRIL 15, 2015

**Senate Amendment to
HOUSE FILE 548**

H-1234

1 Amend House File 548, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, line 6, by striking <A requirement> and
4 inserting <For installations placed in service on or
5 after July 1, 2015, a requirement>

RECEIVED FROM THE SENATE

H-1234 FILED APRIL 15, 2015

Senate Amendment to
HOUSE FILE 585

H-1233

1 Amend House File 585, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, before line 1 by inserting:
4 <Section 1. NEW SECTION. 9.8 Address
5 confidentiality program revolving fund.
6 1. An address confidentiality program revolving
7 fund is created in the state treasury. The fund
8 shall consist of moneys collected by the clerk of
9 the district court and transferred to the office of
10 the secretary of state pursuant to section 602.8108,
11 subsection 6A. The moneys in the fund are subject
12 to appropriation by the general assembly. The office
13 of the secretary of state shall administer the fund.
14 The office of the secretary of state shall provide
15 an annual report to the department of management and
16 the legislative services agency on expenditures from
17 the fund in a format as determined by the department
18 of management in consultation with the legislative
19 services agency.
20 2. To meet cash flow needs for the address
21 confidentiality program established in chapter 9E,
22 the office of secretary of state may temporarily
23 use funds from the general fund of the state to pay
24 expenses in excess of moneys available in the revolving
25 fund for purposes of the program if those additional
26 expenditures can be fully reimbursed with moneys
27 collected pursuant to section 602.8108, subsection 6A,
28 and the office of the secretary of state reimburses
29 the general fund of the state and ensures that all
30 moneys are repaid in full by the close of the fiscal
31 year. Because any general fund moneys used shall be
32 fully reimbursed, such temporary use of funds from
33 the general fund of the state shall not constitute an
34 appropriation for purposes of calculating the state
35 general fund expenditure limitation pursuant to section
36 8.54.
37 3. Section 8.33 does not apply to any moneys
38 appropriated to the revolving fund.>
39 2. Page 9, by striking lines 11 and 12.
40 3. Page 9, line 13, before <The> by inserting NEW
41 SUBSECTION6A.>
42 4. Page 9, by striking lines 16 through 20 and
43 inserting <for deposit in the address confidentiality
44 program revolving fund created in section 9.8.>
45 5. Page 10, line 11, after <sections> by inserting
46 <9.8,>
47 6. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-1233 FILED APRIL 15, 2015

HOUSE FILE 632

H-1227

1 Amend House File 632 as follows:

2 1. Page 5, after line 31 by inserting:

3 <Sec. _____. NEW SECTION. 505.26A Prior
4 authorization for coverage of health care services --
5 procedure.

6 1. As used in this section, "adverse determination",
7 "final adverse determination", "health benefit plan",
8 "health care provider", "health care services", and
9 "health carrier" mean the same as defined in section
10 514J.102. For purposes of this section, "health care
11 services" does not include prescription drug benefits.

12 2. a. The commissioner shall develop, by rule, a
13 process for use by each health carrier that requires
14 prior authorization for coverage of health care
15 services pursuant to a health benefit plan, providing
16 that if a request for prior authorization of coverage
17 of health care services submitted by a health care
18 provider to a health carrier is not approved or
19 disapproved within seventy-two hours of the health
20 care provider's submission of the request, the request
21 shall be deemed to be denied by the health carrier
22 and such denial shall be considered a final adverse
23 determination for the purposes of appeal of the prior
24 authorization determination as provided in chapter
25 514J.

26 b. However, if the prior authorization request is
27 incomplete or additional information is required, the
28 health carrier may request the additional information
29 within the seventy-two-hour period and once the
30 additional information is submitted, the provisions of
31 paragraph "a" shall again apply.

32 3. The commissioner shall develop, by rule, a
33 standard prior authorization process for use by each
34 health carrier that requires prior authorization for
35 health care services which meets all of the following
36 requirements:

37 a. Health carriers shall allow health care
38 providers to submit a prior authorization request
39 electronically.

40 b. Health carriers shall make all of the following
41 available and accessible on their internet sites:

42 (1) Prior authorization requirements and
43 restrictions, including a list of health care services
44 that require prior authorization.

45 (2) Clinical criteria that are easily
46 understandable to health care providers.

47 (3) Standards for submitting and considering
48 requests, including evidence-based guidelines,
49 when possible, for making prior authorization
50 determinations.

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1 c. Health carriers shall provide a process for
2 health care providers to appeal a prior authorization
3 determination as provided in chapter 514J.>

By PETTENGILL of Benton

H-1227 FILED APRIL 15, 2015

HOUSE FILE 632

H-1228

1 Amend House File 632 as follows:

2 1. Page 14, after line 21 by inserting:

3 <Sec. _____. Section 515.125, subsection 2, Code
4 2015, is amended to read as follows:

5 2. An insurer shall not fail to renew a policy
6 except by notice to the insured as provided in this
7 chapter. A notice of intention not to renew is not
8 effective unless mailed or delivered by the insurer
9 to the named insured at least thirty days prior
10 to the expiration date of the policy. A notice of
11 intention not to renew is not required if the insured
12 is transferred from an insurer to an ~~affiliate for~~
13 ~~future coverage as a result of a merger, acquisition,~~
14 ~~or company restructuring and if the transfer results~~
15 ~~in the same or broader coverage insurance company~~
16 admitted in Iowa which is an affiliate of, as defined
17 in section 521A.1, the transferring insurer and all of
18 the following conditions are met:

19 a. The transfer does not result in an interruption
20 in coverage.

21 b. The rating of the affiliate from the A.M. Best
22 company or a substitute rating service acceptable to
23 the commissioner, is the same or better than the rating
24 of the transferring insurer.

25 c. The transfer results in the same or broader
26 coverage.

27 d. Notice of the transfer is delivered to the
28 insured or sent by first class mail to the insured's
29 last known address not less than thirty days prior to
30 the transfer. The notice required by this paragraph is
31 not required in the event that the insured requests or
32 consents to the transfer.

33 e. The notice of transfer provides the name and
34 telephone number of the insured's insurance producer,
35 agent, or agency, if any.

36 Sec. _____. Section 515.128, subsection 3, Code 2015,
37 is amended to read as follows:

38 3. This section applies to all forms of commercial
39 property and casualty insurance written pursuant
40 to this chapter. It does not apply if the insurer
41 has offered to renew or if the insured fails to pay
42 a premium due or any advance premium required by
43 the insurer for renewal. A notice of nonrenewal is
44 not required if the insured is transferred from an
45 insurer to an ~~affiliate for future coverage as a result~~
46 ~~of a merger, acquisition, or company restructuring~~
47 ~~and if the transfer results in the same or broader~~
48 ~~coverage insurance company admitted in Iowa which~~
49 is an affiliate of, as defined in section 521A.1,
50 the transferring insurer and all of the following

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- 1 conditions are met:
2 a. The transfer does not result in an interruption
3 in coverage.
4 b. The rating of the affiliate from the A.M. Best
5 company or a substitute rating service acceptable to
6 the commissioner, is the same or better than the rating
7 of the transferring insurer.
8 c. The transfer results in the same or broader
9 coverage.
10 d. Notice of the transfer is delivered to the
11 insured or sent by first class mail to the insured's
12 last known address not less than forty-five days prior
13 to the transfer. The notice required by this paragraph
14 is not required in the event that the insured requests
15 or consents to the transfer.
16 e. The notice of transfer provides the name and
17 telephone number of the insured's insurance producer,
18 agent, or agency, if any.>
19 2. By renumbering as necessary.

By PETTENGILL of Benton

H-1228 FILED APRIL 15, 2015

HOUSE FILE 632

H-1236

- 1 Amend the amendment, H-1227, to House File 632 as
2 follows:
3 1. Page 1, lines 6 and 7, by striking <"adverse
4 determination", "final adverse determination",>
5 2. Page 1, by striking lines 21 through 25 and
6 inserting <shall be considered to be approved by the
7 health carrier.>

By PETTENGILL of Benton

H-1236 FILED APRIL 15, 2015

HOUSE FILE 635

H-1229

1 Amend House File 635 as follows:

2 1. Page 21, before line 27 by inserting:

3 <Sec. ____ . SCHOOL BUS SAFETY VIOLATIONS ----

4 DRIVER IMPROVEMENT PROGRAM OPTION FOR FIRST

5 OFFENSE. Notwithstanding 2012 Iowa Acts, chapter

6 1015, section 5, subsection 2, by July 1, 2015, the

7 department of transportation shall initiate rulemaking

8 to amend 761 IAC 615.43 to include a person who is

9 convicted of violating section 321.372, subsection

10 3, for the first time among the persons who may be

11 required, in lieu of driver's license suspension, to

12 attend and successfully complete, at the person's own

13 expense, a driver improvement program approved by the

14 department, subject to all other provisions of 761 IAC

15 615.43.

16 Sec. ____ . EFFECTIVE UPON ENACTMENT. The section

17 of this division of this Act titled "SCHOOL BUS SAFETY

18 VIOLATIONS -- DRIVER IMPROVEMENT PROGRAM OPTION FOR

19 FIRST OFFENSE", being deemed of immediate importance,

20 takes effect upon enactment.>

21 2. By renumbering as necessary.

By SALMON of Black Hawk

H-1229 FILED APRIL 15, 2015

HOUSE FILE 635

H-1230

1 Amend House File 635 as follows:

2 1. Page 21, after line 26 by inserting:

3 <Sec. ____ . Section 452A.3, subsection 1, paragraph
4 c, as enacted by 2015 Iowa Acts, Senate File 257,
5 section 7, is amended to read as follows:

6 c. The provisions of paragraph "b" and subsection
7 6, paragraph "a", subparagraph (2), shall be subject
8 to legislative review at least every six years.

9 The review shall be based upon a fuel distribution
10 percentage formula status report containing the
11 recommendations of a legislative interim committee
12 appointed to conduct a review of the fuel distribution
13 percentage formulas, to be prepared with the assistance
14 of the department of revenue in association with
15 the department of transportation. The report shall
16 include recommendations for changes or revisions to
17 the fuel distribution percentage formulas based upon
18 advances in technology, fuel use trends, and fuel price
19 fluctuations observed during the preceding six-year
20 interval; an analysis of the operation of the fuel
21 distribution percentage formulas during the preceding
22 six-year interval; and a summary of issues that
23 have arisen since the previous review and potential
24 approaches for resolution of those issues. The first
25 such report shall be submitted to the general assembly
26 no later than January 1, ~~2020~~ 2016, with subsequent
27 reports developed and submitted by January 1 at least
28 every sixth year thereafter.>

29 2. By renumbering as necessary.

By HEARTSILL of Marion

H-1230 FILED APRIL 15, 2015

HOUSE FILE 635

H-1231

1 Amend House File 635 as follows:

2 1. Page 10, line 12, after <vehicles.> by inserting
3 <The department shall contract with a third party
4 to act as the department's designated agent for the
5 administration of a motor vehicle insurance database
6 to verify compliance with the requirements of chapter
7 321A for a period of four years. The department shall
8 adopt rules relating to the content of the database, a
9 notification schedule for violators of chapter 321A,
10 and an administrative reinstatement fee of one hundred
11 dollars that is in addition to any other penalty
12 imposed by law. The department shall also adopt rules,
13 including penalties, requiring each insurer that issues
14 a policy to an owner of a motor vehicle registered
15 or garaged in this state that includes motor vehicle
16 liability coverage, uninsured motorist coverage, or
17 underinsured motorist coverage to submit on the seventh
18 and twenty-first day of each calendar month to the
19 department's designated agent a record that includes
20 each insured's name, date of birth, driver's license
21 number if available, the make, model, year, and vehicle
22 identification number of each insured vehicle, and the
23 policy number and effective date of each policy.>

By VANDER LINDEN of Mahaska

H-1231 FILED APRIL 15, 2015

HOUSE FILE 635

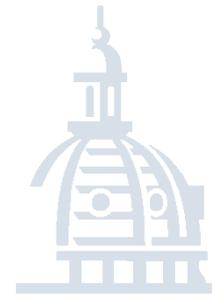
H-1232

1 Amend House File 635 as follows:

2 1. Page 1, after line 13 by inserting:
3 <Sec. ____ . Section 714.19, Code 2015, is amended by
4 adding the following new subsection:
5 NEW SUBSECTION. 11. Providers of flight
6 instruction regulated by the federal aviation
7 administration pursuant to 14 C.F.R. pts. 61 and 141
8 that do not require students to prepay for services or
9 enter into written or oral contracts of indebtedness.>
10 2. By renumbering as necessary.

By WORTHAN of Buena Vista

H-1232 FILED APRIL 15, 2015



HF 636 – Casino Promotional Play, Tax Phase Out (LSB1391HV)

Analyst: Christin Mechler (Phone: (515) 281-6561) (christin.mechler@legis.iowa.gov)

Fiscal Note Version – New

Description

House File 636 provides for the phase out of the state wagering tax on the adjusted gross receipts on redeemed promotional play at Iowa casinos. Beginning in FY 2016, the Bill caps the amount of tax that the casinos pay on redeemed promotional play at \$27.0 million annually. In subsequent years, the tax is reduced in increments of \$5.0 million per year until the tax on promotional play is eliminated in FY 2022. The Bill amends the method of calculating the wagering tax on gambling game receipts as provided in Iowa Code section **99F.11** and provides updated definitions of “promotional play receipts” and “taxable gross receipts”. The Bill defines promotional play receipts as the total sums wagered on gambling games with tokens, chips, electronic credits, or other forms of cashless wagering provided by a licensee without an exchange of money. Taxable gross receipts is defined as adjusted gross receipts less promotional play receipts. Current law requires the wagering tax to be calculated on the amount of adjusted gross receipts (AGR) (gross receipts reduced by paid-out winnings). Under current law, redeemed promotional play revenue is included in the calculation of AGR. The phase out provisions of the Bill are repealed on July 1, 2021.

Background

Current gambling revenues are taxed by the State based on adjusted gross receipts received from gambling games. The first \$1.0 million of gross receipts are taxed at a rate of 5.0% and the next \$2.0 million of gross receipts are taxed at a rate of 10.0%. The tax rate imposed on gross receipts that exceed \$3.0 million is calculated on an individual fiscal year basis as follows:

- Licensees of a gambling entity with a racetrack enclosure claiming AGR \$100.0 million or more are taxed at a rate of 24.0%.
- All other licensees are taxed at a rate of 22.0%.

There are currently 18 gambling entities operating in Iowa, with a new casino expected to be operational in July 2015. Of these 18 entities, two are taxed at 24.0% and 16 are taxed at 22.0%.

The distribution of the taxes collected on the total AGR of the 18 gambling entities is as follows:

- 20.0% to the State of Iowa for deposit in the Rebuild Iowa Infrastructure Fund (RIIF).
 - 1.0% to the city and county where the casino is located.
 - 0.8% is deposited in the County Endowment Fund; and
- 0.2% is divided equally between the RIIF and the Iowa Economic Development Authority (IEDA) for tourism programs.

Assumptions

- Annual AGR on promotional play in FY 2016 is estimated to total \$120.4 million; this is equal to the amount of AGR on promotional play for FY 2014.
- The Bill limits the amount of state wagering taxes collected on promotional play at \$27.0 million annually; this is equal to the amount collected in FY 2014.

- The Bill provides for the distribution of the taxes collected during the seven-year phase out period as listed below. This distribution equates to approximately the same distribution that would occur under current law.
 - 4.0% to the cities and counties where the casinos are located.
 - 4.0% to the County Endowment Fund.
 - 1.0% to the IEDA for tourism marketing.
 - The remainder is distributed to the RIIF.

Fiscal Impact

House File 636 will eliminate \$27.0 million of state wagering taxes currently collected annually on promotional play over a seven-year period (from FY 2016 to FY 2022) in \$5.0 million annual increments. The following table shows the impact of the promotional play tax phase out by fiscal year and the impact of the tax reduction by fund and entity. There is no impact to the State General Fund.

HF 636 - Promotional Play Tax Phase Out								
		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Tax on Promotional Play - Current Law		\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000
Promotional Play Tax Reduction		0	-5,000,000	-10,000,000	-15,000,000	-20,000,000	-25,000,000	-27,000,000
State Wagering Tax Collections - HF 636		<u>\$ 27,000,000</u>	<u>\$ 22,000,000</u>	<u>\$ 17,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 7,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 0</u>
<u>Impact of Tax Reduction</u>	<u>Dist. %</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
State - Rebuild Iowa Infrastructure Fund	91.0%	\$ 0	\$ -4,550,000	\$ -9,100,000	\$ -13,650,000	\$ -18,200,000	\$ -22,750,000	\$ -24,570,000
Cities/Counties	4.0%	0	-200,000	-400,000	-600,000	-800,000	-1,000,000	-1,080,000
County Endowment Fund	4.0%	0	-200,000	-400,000	-600,000	-800,000	-1,000,000	-1,080,000
IEDA Tourism	1.0%	0	-50,000	-100,000	-150,000	-200,000	-250,000	-270,000
Total	100.0%	<u>\$ 0</u>	<u>\$ -5,000,000</u>	<u>\$ -10,000,000</u>	<u>\$ -15,000,000</u>	<u>\$ -20,000,000</u>	<u>\$ -25,000,000</u>	<u>\$ -27,000,000</u>

Sources

Iowa Racing and Gaming Commission (IRGC)
 Legislative Services Agency
 Department of Management

/s/ Holly M. Lyons

April 15, 2015

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.