

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

APRIL 22, 2015

**Senate Amendment to  
HOUSE FILE 6**

**H-1245**

1 Amend House File 6, 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. Section 80B.11, subsection 1, paragraph  
6 c, Code 2015, is amended by adding the following new  
7 subparagraph:

8 NEW SUBPARAGRAPH. (4) In-service training under  
9 this paragraph "c" shall include the requirement  
10 that all law enforcement officers complete four hours  
11 of in-service training every five years related to  
12 domestic assault, sexual assault, human trafficking,  
13 stalking, and harassment. Such in-service training  
14 shall be approved by the academy in consultation with  
15 the Iowa coalition against sexual assault and the Iowa  
16 coalition against domestic violence.

17 Sec. 2. Section 614.1, subsection 12, Code 2015, is  
18 amended to read as follows:

19 12. Sexual abuse or sexual exploitation by a  
20 counselor, therapist, or school employee. An action  
21 for damages for injury suffered as a result of sexual  
22 abuse, as defined in section 709.1, by a counselor,  
23 therapist, or school employee, as defined in section  
24 709.15, or as a result of sexual exploitation by a  
25 counselor, therapist, or school employee shall be  
26 brought within five ten years of the date the victim  
27 was last treated by the counselor or therapist, or  
28 within five ten years of the date the victim was  
29 last enrolled in or attended the school, or, if the  
30 victim was a minor when the sexual abuse or sexual  
31 exploitation occurred, within ten years of the date the  
32 victim attains the age of eighteen.

33 Sec. 3. Section 614.8, subsection 2, Code 2015, is  
34 amended to read as follows:

35 2. Except as provided in section 614.1, ~~subsection~~  
36 subsections 9 and 12, the times limited for actions in  
37 this chapter, or chapter 216, 669, or 670, except those  
38 brought for penalties and forfeitures, are extended  
39 in favor of minors, so that they shall have one year  
40 from and after attainment of majority within which to  
41 file a complaint pursuant to chapter 216, to make a  
42 claim pursuant to chapter 669 or 670, or to otherwise  
43 commence an action.

44 Sec. 4. NEW SECTION. 692.23 Human trafficking  
45 information.

46 The division of criminal and juvenile justice  
47 planning of the department of human rights shall  
48 collect and maintain criminal history data on incidents  
49 related to human trafficking in this state, and  
50 shall submit an annual report to the general assembly

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1 concerning the collected data. For purposes of this  
2 section, "incidents related to human trafficking"  
3 means criminal violations of section 710.5, 710.11, or  
4 710A.2, section 725.1, subsection 2, or section 725.2  
5 or 725.3, or violations of section 710.2, 710.3, or  
6 710.4 if the victim was forced to provide labor or  
7 services or participate in commercial sexual activity.

8 Sec. 5. Section 702.11, subsection 1, Code 2015, is  
9 amended to read as follows:

10 1. A "forcible felony" is any felonious child  
11 endangerment, assault, murder, sexual abuse,  
12 kidnapping, robbery, arson in the first degree, ~~or~~  
13 burglary in the first degree, or human trafficking.

14 Sec. 6. Section 708.2A, subsection 1, Code 2015, is  
15 amended to read as follows:

16 1. For the purposes of this chapter, "domestic  
17 abuse assault" means an assault, as defined in section  
18 708.1, which is domestic abuse as defined in section  
19 236.2, subsection 2, paragraph "a", "b", "c", ~~or~~ "d", or  
20 "e".

21 Sec. 7. Section 708.11, subsection 1, paragraph b,  
22 Code 2015, is amended to read as follows:

23 b. "Course of conduct" means repeatedly  
24 maintaining a visual or physical proximity to a person  
25 without legitimate purpose, repeatedly utilizing a  
26 technological device to locate, listen to, or watch  
27 a person without legitimate purpose, or repeatedly  
28 conveying oral or written threats, threats implied  
29 by conduct, or a combination thereof, directed at or  
30 toward a person.

31 Sec. 8. Section 708.11, subsection 2, Code 2015, is  
32 amended to read as follows:

33 2. A person commits stalking when all of the  
34 following occur:

35 a. The person purposefully engages in a course of  
36 conduct directed at a specific person that would cause  
37 a reasonable person to feel terrorized, frightened,  
38 intimidated, or threatened or to fear that the person  
39 intends to cause bodily injury to, or the death of,  
40 that specific person or a member of the specific  
41 person's immediate family.

42 b. The person has knowledge or should have  
43 knowledge that ~~the specific person will be placed in~~  
44 ~~reasonable fear of~~ a reasonable person would feel  
45 terrorized, frightened, intimidated, or threatened or  
46 fear that the person intends to cause bodily injury to,  
47 or the death of, that specific person or a member of  
48 the specific person's immediate family by the course  
49 of conduct.

50 ~~e. The person's course of conduct induces fear in~~

~~1 the specific person of bodily injury to, or the death  
2 of, the specific person or a member of the specific  
3 person's immediate family.~~

4 Sec. 9. NEW SECTION. 708.11A Unauthorized  
5 placement of global positioning device.

6 1. A person commits unauthorized placement of  
7 a global positioning device, when, with intent to  
8 intimidate, annoy, or alarm another person, the person,  
9 without the consent of the other person, places a  
10 global positioning device on the other person or an  
11 object in order to track the movements of the other  
12 person without a legitimate purpose.

13 2. A person who commits a violation of this section  
14 commits a serious misdemeanor.

15 Sec. 10. Section 709.15, subsection 1, paragraph  
16 f, Code 2015, is amended by striking the paragraph and  
17 inserting in lieu thereof the following:

18 f. (1) "School employee" means any of the  
19 following, except as provided in subparagraph (2):

20 (a) A person who holds a license, certificate,  
21 authorization, or statement of professional recognition  
22 issued by the board of educational examiners under  
23 chapter 272.

24 (b) A person employed by a school district or  
25 nonpublic school full-time or part-time.

26 (c) A contract employee of a school district or  
27 nonpublic school who has significant contact with  
28 students enrolled in the school district or nonpublic  
29 school.

30 (d) A person who performs services as a volunteer  
31 for a school district or nonpublic school and who has  
32 significant contact with students enrolled in the  
33 school district or nonpublic school.

34 (2) "School employee" does not include the  
35 following:

36 (a) A student enrolled in a school district or  
37 nonpublic school.

38 (b) A person who holds a coaching authorization  
39 issued under section 272.31, subsection 1, if the  
40 person is less than four years older than the student  
41 with whom the person engages in conduct prohibited  
42 under subsection 3, paragraph "a", and the person is  
43 not in a position of direct authority over the student.

44 (c) A person who performs services as a volunteer  
45 for a school district or nonpublic school and who has  
46 significant contact with students enrolled in the  
47 school district or nonpublic school, if the person  
48 is less than four years older than the student with  
49 whom the person engages in conduct prohibited under  
50 subsection 3, paragraph "a", and the person is not in a

1 position of direct authority over the student.

2 Sec. 11. Section 709.15, subsection 3, Code 2015,  
3 is amended by adding the following new paragraph:

4 NEW PARAGRAPH. c. The provisions of this  
5 subsection do not apply to a person who is employed  
6 by, volunteers for, or is under contract with a school  
7 district or nonpublic school if the student is not  
8 enrolled in the same school district or nonpublic  
9 school that employs the person or for which the person  
10 volunteers or is under contract, and the person does  
11 not meet the requirements of subsection 1, paragraph  
12 "f", subparagraph (1), subparagraph division (a).

13 Sec. 12. Section 709.21, subsection 1, paragraph a,  
14 Code 2015, is amended to read as follows:

15 a. The other person ~~does not have knowledge about~~  
16 ~~and~~ does not consent or is unable to consent to being  
17 viewed, photographed, or filmed.

18 Sec. 13. Section 709.21, subsection 3, Code 2015,  
19 is amended to read as follows:

20 3. A person who violates this section commits a  
21 ~~serious~~ an aggravated misdemeanor.

22 Sec. 14. NEW SECTION. 710A.6 Outreach, public  
23 awareness, and training programs.

24 The crime victim assistance division of the  
25 department of justice, in cooperation with other  
26 governmental agencies and nongovernmental or community  
27 organizations, shall develop and conduct outreach,  
28 public awareness, and training programs for the general  
29 public, law enforcement agencies, first responders,  
30 potential victims, and persons conducting or regularly  
31 dealing with businesses or other ventures that have  
32 a high statistical incidence of debt bondage or  
33 forced labor or services. The programs shall train  
34 participants to recognize and report incidents of human  
35 trafficking and to suppress the demand that fosters  
36 exploitation of persons and leads to human trafficking.

37 Sec. 15. Section 716.7, subsection 2, paragraph  
38 a, Code 2015, is amended by adding the following new  
39 subparagraph:

40 NEW SUBPARAGRAPH. (7) Intentionally viewing,  
41 photographing, or filming another person through the  
42 window or any other aperture of a dwelling, without  
43 legitimate purpose, while present on the real property  
44 upon which the dwelling is located, or while placing  
45 on or retrieving from such property equipment to view,  
46 photograph, or film another person, if the person  
47 being viewed, photographed, or filmed has a reasonable  
48 expectation of privacy, and if the person being viewed,  
49 photographed, or filmed does not consent or cannot  
50 consent to being viewed, photographed, or filmed.

1 Sec. 16. Section 716.8, subsection 1, Code 2015, is  
2 amended to read as follows:

3 1. Any person who knowingly trespasses upon the  
4 property of another commits a simple misdemeanor,  
5 except that any person who intentionally trespasses as  
6 defined in section 716.7, subsection 2, paragraph "a",  
7 subparagraph (7), commits a serious misdemeanor.

8 Sec. 17. Section 802.2, subsection 1, Code 2015, is  
9 amended to read as follows:

10 1. An information or indictment for sexual abuse  
11 in the first, second, or third degree committed on or  
12 with a person who is under the age of eighteen years  
13 ~~shall be found within ten years after the person upon~~  
14 ~~whom the offense is committed attains eighteen years of~~  
15 ~~age, or if the person against whom the information or~~  
16 ~~indictment is sought is identified through the use of~~  
17 ~~a DNA profile, an information or indictment shall be~~  
18 ~~found within three years from the date the person is~~  
19 ~~identified by the person's DNA profile, whichever is~~  
20 ~~later~~ may be commenced at any time after the commission  
21 of the offense.

22 Sec. 18. Section 802.10, subsection 3, Code 2015,  
23 is amended to read as follows:

24 3. However, notwithstanding subsection 2, an  
25 indictment or information shall be found against a  
26 person within three years from the date the person is  
27 identified by the person's DNA profile. If the action  
28 involves sexual abuse of a person eighteen years of  
29 age or older or another sexual offense, the indictment  
30 or information shall be found as provided in section  
31 802.2, subsection 2, or 802.2B, if the person is  
32 identified by the person's DNA profile.

33 Sec. 19. Section 915.94, Code 2015, is amended to  
34 read as follows:

35 915.94 Victim compensation fund.

36 A victim compensation fund is established as  
37 a separate fund in the state treasury. Moneys  
38 deposited in the fund shall be administered by the  
39 department and dedicated to and used for the purposes  
40 of section 915.41 and this subchapter. In addition,  
41 the department may use moneys from the fund for the  
42 purpose of the department's prosecutor-based victim  
43 service coordination, including the duties defined in  
44 sections 910.3 and 910.6 and this chapter, and for the  
45 award of funds to programs that provide services and  
46 support to victims of domestic abuse or sexual assault  
47 as provided in chapter 236, to victims under section  
48 710A.2, and for the support of an automated victim  
49 notification system established in section 915.10A. ~~The~~  
50 For each fiscal year, the department may also use up

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1 to ~~one~~ three hundred thousand dollars from the fund  
2 to provide training for victim service providers, to  
3 provide training for related professionals concerning  
4 victim service programming, and to provide training  
5 concerning homicide, domestic assault, sexual assault,  
6 stalking, harassment, and human trafficking as required  
7 by section 710A.6. Notwithstanding section 8.33, any  
8 balance in the fund on June 30 of any fiscal year shall  
9 not revert to the general fund of the state.

10 2. Title page, by striking lines 1 through 3 and  
11 inserting <An Act relating to sexual abuse, invasion  
12 of privacy, and sexual exploitation by a counselor,  
13 therapist, and school employee, including the time  
14 period certain actions may be brought, and providing  
15 penalties.>

16 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

**H-1245** FILED APRIL 21, 2015

**Senate Amendment to**  
**HOUSE FILE 397**

**H-1244**

1 Amend House File 397, as passed by the House, as  
2 follows:

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

5 <Section 1. Section 92.2, subsection 1, unnumbered  
6 paragraph 1, Code 2015, is amended to read as follows:

7 A person over ten and under sixteen years of age  
8 cannot be employed, with or without compensation,  
9 in street occupations or migratory labor as defined  
10 in section 92.1, unless the person holds a work  
11 permit issued pursuant to this chapter ~~and the school~~  
12 ~~the person attends has certified that the person is~~  
13 ~~regularly attending school and the potential employment~~  
14 ~~will not interfere with the person's progress in~~  
15 ~~school. A written agreement, as defined in section~~  
16 ~~92.11, subsection 1, shall not be required for the~~  
17 ~~issuance of a work permit under this section.~~

18 Sec. 2. Section 92.11, unnumbered paragraph 1, Code  
19 2015, is amended to read as follows:

20 A work permit, except for migrant laborers, shall  
21 be issued only by the ~~superintendent of schools or~~  
22 ~~department of workforce development, or by a person~~  
23 ~~authorized by said superintendent in writing, or,~~  
24 ~~where there is no superintendent of schools, by a~~  
25 ~~person authorized in writing by the local school board~~  
26 ~~where such child resides, labor commissioner upon the~~  
27 application of the parent, guardian, or custodian of  
28 the child desiring such permit. The ~~person authorized~~  
29 ~~to issue work permits application shall not issue any~~  
30 ~~such permit unless the person has received, examined,~~  
31 ~~approved, and filed include the following:~~

32 Sec. 3. Section 92.11, subsection 1, Code 2015, is  
33 amended to read as follows:

34 1. A ~~written agreement~~ statement from the person,  
35 firm, or corporation into whose service the child under  
36 sixteen years of age is about to enter, promising to  
37 give such child employment, and describing the industry  
38 and in which the work to will be performed.

39 Sec. 4. Section 92.12, Code 2015, is amended to  
40 read as follows:

41 92.12 Migrant labor permits.

42 1. Every person, firm, or corporation employing  
43 migrant laborers shall obtain and keep on file,  
44 accessible to any officer charged with the enforcement  
45 of this chapter, a work permit, ~~prior to the employment~~  
46 ~~of such migratory laborer.~~

47 2. Work permits for migrant workers shall be  
48 issued by the ~~superintendent of schools, or the~~  
49 ~~superintendent's designee, nearest the temporary~~  
50 ~~living quarters of the family or by the department~~

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1 ~~of workforce development,~~ labor commissioner upon  
2 application of the parent or head of the migrant  
3 family. ~~The person authorized to issue such permits~~  
4 ~~for migratory workers~~ application shall not issue  
5 such permit until the person has received, examined,  
6 and approved include documentation of proof of age as  
7 described in section 92.11, subsection 2.

8 3. One copy of the permit issued shall be given  
9 to the employer to be kept on file for the length of  
10 employment and upon termination of employment shall be  
11 returned to the labor commissioner. ~~One copy of the~~  
12 ~~permit shall be kept by the issuing officer, and one~~  
13 ~~copy forwarded to the commissioner.~~ The blank forms  
14 for the application for a work permit for migratory  
15 workers and the work permit for migratory workers shall  
16 be formulated by the commissioner ~~and furnished by the~~  
17 ~~commissioner to the issuing officer.~~

18 Sec. 5. Section 92.13, Code 2015, is amended to  
19 read as follows:

20 92.13 Optional refusal of permit.

21 The labor commissioner ~~or the issuing officer~~ may  
22 refuse to grant a permit if, in the commissioner's ~~or~~  
23 ~~officer's~~ judgment, the best interests of the minor  
24 would be served by such refusal and the commissioner  
25 ~~or officer~~ shall keep a record of such refusals, and  
26 the reasons therefor.

27 Sec. 6. Section 92.14, Code 2015, is amended to  
28 read as follows:

29 92.14 Contents of work permit.

30 Every work permit shall state the date of issuance,  
31 name, sex, the date and place of birth, the residence  
32 of the child in whose name it is issued, ~~the color of~~  
33 ~~hair and eyes, the height and weight,~~ the proof of age,  
34 the school grade completed, the name and location of  
35 the establishment where the child is to be employed,  
36 the industry, ~~specified occupation, a brief description~~  
37 ~~of duties for which the permit is issued, and that~~  
38 the papers required for its issuance have been duly  
39 examined, approved, and filed, ~~and that the person~~  
40 ~~named therein has personally appeared before the~~  
41 ~~officer issuing the permit and has been examined.~~

42 Sec. 7. Section 92.15, Code 2015, is amended to  
43 read as follows:

44 92.15 Duplicate Application to labor commissioner.

45 ~~A duplicate of every such~~ An application for a work  
46 permit issued pursuant to section 92.11 or section  
47 92.12 shall be filled out and forwarded submitted to  
48 the office of the labor commissioner within ~~one week~~  
49 three days after it is issued the child begins work.

50 Sec. 8. Section 92.16, Code 2015, is amended to

1 read as follows:

2 92.16 Forms for permits ~~furnished~~ formulated.

3 The proper forms for the application for a work

4 permit, the work permit, ~~the employer's agreement,~~

5 ~~the school record,~~ the certificate of age, and the

6 physician's certificate shall be formulated by the

7 labor commissioner ~~and furnished to the issuing~~

8 ~~authorities.~~

9 Sec. 9. Section 92.17, subsection 1, Code 2015, is  
10 amended by striking the subsection.

11 Sec. 10. EFFECTIVE DATE. This Act takes effect  
12 June 1, 2015.>

13 2. Title page, by striking lines 1 and 2 and  
14 inserting <An Act relating to the state child labor law  
15 and including effective date provisions.>

RECEIVED FROM THE SENATE

HOUSE FILE 632

H-1241

1 Amend House File 632 as follows:

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

3 <Sec. \_\_\_\_\_. NEW SECTION. 505.33 Telehealth --  
4 standards.

5 1. As used in this section:

6 a. "Distant site" means the site at which a health  
7 care professional delivering the service is located at  
8 the time the telehealth service is provided.

9 b. "Health care professional" means a person who  
10 is licensed, certified, or otherwise authorized or  
11 permitted by the law of this state to administer health  
12 care in the ordinary course of business or in the  
13 practice of a profession, or in an approved education  
14 or training program, as long as the person is operating  
15 within the person's professional scope of practice.

16 c. "Remote patient monitoring" means using  
17 telehealth to enable the health care professional to  
18 monitor and manage a patient's medical, functional, and  
19 environmental needs if such needs can be appropriately  
20 met through telehealth intervention.

21 d. "Store-and-forward telehealth" means the use of  
22 asynchronous communications between a patient and a  
23 health care professional or between a referring health  
24 care professional and a medical specialist at a distant  
25 site, supported by telecommunications technology for  
26 the purpose of diagnosis, consultation, treatment, or  
27 therapeutic assistance in the care of the patient,  
28 including the transferring of medical data from one  
29 site to another through the use of a camera or similar  
30 device that records or stores an image that is sent or  
31 forwarded via telecommunications to another site for  
32 consultation.

33 e. "Telehealth" means the use of real-time,  
34 interactive audio or video telecommunications or  
35 electronic technology, remote patient monitoring,  
36 or store-and-forward telehealth by a health care  
37 professional to deliver health care services to a  
38 patient within the scope of practice of the health  
39 care professional, for the purposes of diagnosis,  
40 consultation, treatment, transfer of medical data,  
41 or exchange of medical education information.  
42 "Telehealth" does not include an audio-only telephone  
43 call, electronic mail message, or facsimile  
44 transmission.

45 2. The commissioner of insurance shall develop, by  
46 rule, coverage standards for a contract, policy, or  
47 plan providing for third-party payment or prepayment  
48 for health, medical, or surgical coverage benefits  
49 that elects to provide coverage for services provided  
50 as telehealth. The coverage standards for telehealth

1 shall reflect generally accepted health care practices  
2 and standards, as well as medical care management  
3 requirements applicable to in-person services.

4 3. In developing the coverage standards, the  
5 commissioner of insurance shall consult with applicable  
6 boards and regulatory authorities that exercise  
7 regulatory or rulemaking authority over an affected  
8 health care professional to ensure all of the  
9 following:

10 a. A health care professional, as appropriate to  
11 the scope of practice of the profession, may employ  
12 the technology of telehealth by applying telehealth  
13 within the professional's scope of practice or by  
14 using telehealth technology under the direction and  
15 supervision of another health care professional who  
16 is using telehealth technology within the supervising  
17 professional's scope of practice. A health care  
18 professional's employment of telehealth acting under  
19 the direction and supervision of another health care  
20 professional who is using telehealth within that  
21 health care professional's scope of practice shall  
22 not be interpreted as practicing the supervising  
23 professional's health care profession without a license  
24 or appropriate authorization. However, any health care  
25 professional employing telehealth must hold a current  
26 valid license or appropriate authorization to practice  
27 the respective profession in the state and be trained,  
28 educated, and knowledgeable regarding the health care  
29 service provided and technology used and shall not  
30 perform duties for which the professional does not have  
31 sufficient training, education, and knowledge. Failure  
32 to have sufficient training, education, and knowledge  
33 is grounds for disciplinary action by the respective  
34 board or regulatory authority.

35 b. The applicable board or regulatory authority  
36 that exercises regulatory or rulemaking authority  
37 over an affected profession under this section, or  
38 the department of public health in the absence of an  
39 applicable board or regulatory authority, adopts rules  
40 to administer this section.

41 c. The standard of care for a professional using  
42 telehealth to provide health care services to a patient  
43 shall be the same as the standard of care required of  
44 that professional for the provision of in-person health  
45 care services to a patient.

46 d. The type of setting where telehealth is provided  
47 for the patient or by the health care professional  
48 shall not be limited if the delivery of health care  
49 services is appropriately provided through telehealth.

50 e. This section shall not be construed to conflict

1 with or supersede provisions otherwise applicable  
2 to the licensure or regulation of health care  
3 professionals.

4 f. This section shall not be construed to alter  
5 the scope of practice of any health care professional,  
6 authorize the delivery of health care services in a  
7 setting or manner not otherwise authorized by law, or  
8 limit a patient's right to choose in-person contact  
9 with a health care professional for the delivery of  
10 health care services for which telehealth is available.

11 g. If a health care professional provides services  
12 pursuant to and in compliance with section 135.24  
13 via telehealth in accordance with this section, the  
14 provisions of section 135.24 including those relating  
15 to immunity from civil liability shall apply to such  
16 health care professional.

17 4. The rules shall specify that if coverage for  
18 telehealth is provided, all of the following shall  
19 apply:

20 a. The rules shall not be interpreted as preventing  
21 a third-party payment provider from imposing  
22 deductibles or copayment or coinsurance requirements  
23 for a health care service provided through telehealth  
24 if the deductible, copayment, or coinsurance does  
25 not exceed the deductible, copayment, or coinsurance  
26 applicable to in-person consultation for the same  
27 health care service. A third-party payment provider  
28 shall not impose annual or lifetime maximums on  
29 coverage of telehealth unless the annual or lifetime  
30 maximum applies in the aggregate to all items and  
31 services under the contract, policy, or plan.

32 b. The rules shall not be interpreted to require a  
33 third-party payment provider to provide reimbursement  
34 for a health care service that is not a covered benefit  
35 or to reimburse a health care professional who is not a  
36 covered provider under the contract, policy, or plan.

37 c. The rules shall not be interpreted to preclude  
38 a third-party payment provider from performing  
39 utilization review to determine the appropriateness of  
40 telehealth in the delivery of health care services if  
41 the determination is made in the same manner as those  
42 regarding the same health care service when delivered  
43 in person.

44 d. The rules shall not be interpreted to authorize  
45 a third-party payment provider to require the use of  
46 telehealth when the health care professional determines  
47 use of telehealth is not appropriate.

48 e. The rules shall apply to all of the following  
49 classes of third-party payment provider contracts,  
50 policies, or plans delivered, issued for delivery,

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1 continued, or renewed in this state on or after January  
2 1, 2016:

3 (1) Individual or group accident and sickness  
4 insurance providing coverage on an expense-incurred  
5 basis.

6 (2) An individual or group hospital or medical  
7 service contract issued pursuant to chapter 509, 514,  
8 or 514A.

9 (3) An individual or group health maintenance  
10 organization contract regulated under chapter 514B.

11 (4) An individual or group Medicare supplemental  
12 policy, unless coverage pursuant to such policy is  
13 preempted by federal law.

14 (5) A plan established pursuant to chapter 509A for  
15 public employees.

16 f. The rules shall not apply to accident-only,  
17 specified disease, short-term hospital or medical,  
18 hospital confinement indemnity, credit, dental, vision,  
19 long-term care, basic hospital, and medical-surgical  
20 expense coverage as defined by the commissioner,  
21 disability income insurance coverage, coverage issued  
22 as a supplement to liability insurance, workers'  
23 compensation or similar insurance, or automobile  
24 medical payment insurance.>

25 2. By renumbering as necessary.

**By FORBES of Polk**

**H-1241** FILED APRIL 21, 2015

**HOUSE FILE 641**

**H-1242**

1 Amend House File 641 as follows:

2 1. Page 9, line 26, by striking <2014> and  
3 inserting <2015>

4 2. Page 13, by striking lines 24 through 32.

5 3. Page 13, line 34, by striking <1.>

6 4. Page 14, by striking lines 1 through 9.

7 5. By renumbering as necessary.

**By COWNIE of Polk**

**H-1242** FILED APRIL 21, 2015

**SENATE FILE 366**

**H-1240**

1 Amend the amendment, H-1180, to Senate File 366,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, line 15, by striking <one and one-half>  
5 and inserting <~~one and one-half~~ two>

6 2. Page 1, lines 22 and 23, by striking <one and  
7 one-half> and inserting <~~one and one-half~~ two>

8 3. Page 1, line 36, by striking <one and one-half>  
9 and inserting <~~one and one-half~~ two>

**By PRICHARD of Floyd**

**H-1240** FILED APRIL 21, 2015

**SENATE FILE 488**

**H-1243**

1 Amend Senate File 488, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 3, by striking lines 13 through 15 and  
4 inserting <include moneys that are available to and  
5 obtained or accepted by the department for deposit in  
6 the fund. However, the fund shall not include moneys  
7 appropriated to the department by the general assembly  
8 other than as provided in this section.>

9 2. Page 7, by striking lines 10 through 12 and  
10 inserting <fund. The fund may include moneys that are  
11 available to and obtained or accepted by the department  
12 for deposit in the fund. However, the fund shall  
13 not include moneys appropriated to the department by  
14 the general assembly other than as provided in this  
15 section.>

**By** ISENHART of Dubuque

**H-1243** FILED APRIL 21, 2015



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**HF 631** – Homebuyer Savings Accounts (LSB2200HV)

Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))

Fiscal Note Version – New

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**Description**

**House File 631** creates a new State income tax exemption for qualified deposits to a First-time Homebuyer Savings Account. While there is no limit to the amount a taxpayer may contribute to an account, deposits qualifying for the income tax exemption are limited to \$3,000 per year for an individual account or \$6,000 per year for a married couple with a joint account. Interest earned on account balances is also exempt from State income tax.

A qualifying account must pay interest and be established with a State or federally chartered bank, savings and loan association, credit union, or trust company in Iowa. The account must have an administrator. An account holder may also serve as the account administrator. To be eligible to establish an account, a taxpayer must never have been the owner (individually or jointly) of a single-family, owner-occupied residence.

The assets of an account are to be used for the down payment and allowable closing costs associated with the purchase of a home. Withdrawals from the account are tax-free as long as the money is used for a down payment and closing costs for a single-family, owner-occupied home in Iowa. If the account holder withdraws the money from the account for any other reason, they must include that money as taxable income on their Iowa tax return in the year of withdrawal. Nonqualified withdrawals are subject to a 10.0% withdrawal penalty on the amount of the withdrawal. If the withdrawal occurs on the last business day of a calendar year, or is the result of the death of the account holder, no withdrawal penalty applies. This Bill is effective January 1, 2016, and applies to tax year 2016 and after.

**House File 631** imposes a serious misdemeanor penalty for knowingly preparing or causing to be prepared a false claim, statement, or billing to justify the withdrawal of money from a First-time Homebuyer Savings Account. This type of activity may already be charged as a form of criminal conduct under current law.

**Background**

**Correctional Impact**

Expanded definitions and enhanced penalties generally increase criminal justice system costs. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, **Correctional Impact Memo**, dated January 30, 2015, for information related to criminal justice system costs.

**Minority Data Information**

Refer to the memo to the General Assembly, **Minority Impact Memo**, dated January 30, 2015, for information related to minorities in the criminal justice system.

## **Assumptions**

- An estimated 38,000 single-family, owner-occupied homes are sold in Iowa each year.
- An estimated 40.0% of single-family, owner-occupied homes are sold to first-time homebuyers (15,200 homes).
- The annual number of accounts established to purchase first-time homes will fall into these general categories.
  - 8,000 one-year accounts (the year of purchase) with an average deposit of \$4,250 per account.
  - 2,500 two-year accounts with an average annual deposit of \$3,750.
  - 700 three-year accounts with an average annual deposit of \$3,250.
  - 300 four-year accounts with an average annual deposit of \$3,000.
  - 3,700 first-time home purchases will be made without an account.
  - The interest rate on accounts will average 3.4% over the next 10 years.
  - The average marginal income tax rate for benefited taxpayers will be 6.5%.
  - Due to the work and publicity needed to get the process fully operational, the fiscal impact in the first three years is assumed to be limited to a percentage of the projected full impact:
    - Calendar year 2016 (impacting FY 2017) = 25.0%
    - Calendar year 2017 (FY 2018) = 50.0%
    - Calendar year 2018 (FY 2019) = 75.0%
    - Calendar year 2019 and after = 100.0%
  - The average statewide rate for the local option income surtax for schools is 3.2%.

## **Summary of Impacts**

### **Fiscal Impact**

The tax credit created in this Bill is projected to reduce net General Fund revenue by the following amounts:

<b>First-time Homebuyer Tax Credit</b>	
In Millions	
	General Fund Revenue Reduction
FY 2017	\$ -0.8
FY 2018	-2.0
FY 2019	-3.2
FY 2020	-4.3
FY 2021	-4.3
FY 2022	-4.3

For fiscal years beyond FY 2021, the fiscal impact continues at a similar level. The new tax credit will reduce State tax liability and it will also reduce the revenue raised by the local option income surtax for schools, for school jurisdictions with the surtax in place. This Bill is projected to reduce the statewide surtax yield by \$100,000 annually.

### **Correctional Impact**

This Bill provides a serious misdemeanor penalty for any person that knowingly prepares or causes to be prepared a false claim, statement, or billing to justify the withdrawal of money from a first-time homebuyer savings account. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315 but not more than \$1,875.

The correctional impact cannot be estimated but is expected to be minimal.

**Minority Impact**

The minority impact cannot be estimated but is assumed to be minimal.

**Sources**

Federal First-time Homebuyer claims, 2008 and 2009

Iowa Association of Realtors

Iowa Department of Revenue

Legislative Services Agency analysis

/s/ Holly M. Lyons

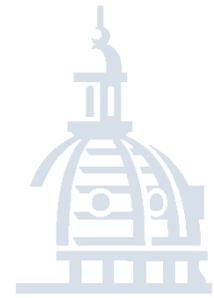
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April 20, 2015

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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.

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**HF 585** – Victims of Violence, Information Protections, Criminal Surcharge (LSB1739HV.2)  
Analyst: Jennifer Acton (Phone: 515-281-7846) ([jennifer.acton@legis.iowa.gov](mailto:jennifer.acton@legis.iowa.gov))  
Fiscal Note Version – As amended by Senate amendment **H-1233**

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**Description**

**House File 585**, as amended by Senate amendment **H-1233**, establishes an address confidentiality program in the Secretary of State's Office for victims of domestic abuse, domestic abuse assault, sexual abuse, stalking, or human trafficking. The Secretary of State's Office will assign a designated address where all mail for the program participant is sent. A program participant is certified for four years unless the certification is canceled, withdrawn, or invalidated. In addition, a program participant, who is otherwise eligible to vote, may annually register with the state commissioner of elections as an absentee voter.

**House File 585**, as amended by Senate amendment **H-1233**, creates a surcharge of \$100 if an adjudication of guilt or a deferred judgment has been entered for the crime of domestic abuse assault, sexual abuse, stalking, or human trafficking and a domestic abuse protective order contempt surcharge of \$50 for a person held in contempt of court for violating a domestic abuse protective order. The surcharges take effect July 1, 2015, and the program takes effect January 1, 2016. Senate amendment H-1233 creates an Address Confidentiality Program Revolving Fund. Monies in the Fund will be collected by the Clerks of Court from the surcharges and appropriated by the General Assembly to the Secretary of State's Office. The Secretary of State's Office is required to present an annual report to the Department of Management and the Legislative Services Agency on expenditures from the Fund.

**Background**

There are three types of protective orders in Iowa (Iowa Code chapter **664A**). Anyone can file a civil protective order for domestic abuse by filling out a form at any county courthouse. The three types of protective orders are as follows:

- **No-Contact Orders** – These are criminal orders that can be issued for domestic abuse assault crimes or any other public offense when the victim has been physically, emotionally, or financially harmed (Iowa Code section **664A.2**). A no-contact order can only be issued by a judge in response to a criminal act when the defendant has been arrested and charged.
- **Temporary Protective Orders** – These are civil orders that allow victims of domestic violence immediate protection. Victims can file for temporary protective orders and can act as their own attorney, regardless of whether criminal charges have been filed against the abuser or not. This type of order is usually only in effect until the defendant is served a notice and the court hearing to obtain a permanent protective order is scheduled.
- **Permanent Protective Orders** – These are civil orders issued to domestic abuse victims (Iowa Code section **236.2**) after a court hearing. Permanent orders can establish custody arrangements and may require the defendant to pay court costs, vacate the home, forfeit weapons, attend counseling, or provide financial support for the victim or their children. Permanent orders are effective for up to one year (with a one-year extension) and can only be lifted by a judge.

Protective order violations can either be treated as a civil contempt or a criminal simple misdemeanor charge (Iowa Code section **664A.7**). Criminal charges can be filed by the county attorney and the defendant is arrested and, if found guilty, subject to applicable penalties. If the

incident does not result in an arrest, the alternative is for the victim to file for civil contempt at the Clerk of Court's Office.

In FY 2014, there were a total of 23,102 no-contact and protective orders issued.

- No-Contact Orders - 15,291
- Protective Orders - 3,201
- Temporary Protective Orders - 4,610

**Assumptions**

**Surcharge Assumptions**

- [House File 585](#), as amended by Senate amendment [H-1233](#), requires the Clerks of Court to deposit money collected from the surcharges in the Address Confidentiality Program Revolving Fund. This requirement will increase the workload of Clerks of Court but the impact is anticipated to be minimal. The money in the Fund is subject to appropriation by the General Assembly.
- The \$50 Domestic Abuse Protective Order Contempt Surcharge under the Bill is applied to the violation of protective orders issued under Iowa Code chapter [236](#) civil cases.
- The average number of contempt cases for violation of Iowa Code chapter [236](#) protective orders from FY 2012 through FY 2014 is 661. The collection rate is assumed to be 55.8%. The surcharge will become effective July 1, 2015. In FY 2016, a lag effect of three months is assumed from the time the fine is assessed and when the fine is paid.
- There were no convictions of Iowa Code section [710A.2](#) for the period FY 2012 to FY 2014.
- The following table shows a three-year average of convictions for violations of Iowa Code chapter [709](#), Sex Abuse; Iowa Code section [708.11](#), Stalking; Iowa Code section [708.2A](#), Domestic Abuse Assault; and Iowa Code section [236.2](#), Domestic Abuse.

**FY 2012 through FY 2014 Three-Year Average Convictions**

<u>Case Type</u>	<u>Sex Abuse</u>	<u>Stalking</u>	<u>Domestic Abuse Assault</u>	<u>Domestic Abuse</u>	<u>Total Average Convictions</u>
Simple Misdemeanor	88	0	942	8	1,039
Serious Misdemeanor	71	0	958	3	1,032
Aggravated Misdemeanor	124	26	727	1	878
Class D Felony	56	14	116	0	186
Class C Felony	262	0	0	0	262
Class B Felony	58	0	0	0	58
Class A Felony	3	0	0	0	3
<b>TOTAL</b>	<b>662</b>	<b>40</b>	<b>2,743</b>	<b>12</b>	<b>3,458</b>

\* Totals may not add due to rounding.

- The following table shows the average amount collected from the \$100 surcharge and applies collection rates to the applicable offenses. The surcharges will become effective July 1, 2015. A lag effect of six months is assumed between the time the fine is assessed and the time the offender begins paying on the fine.

**Revenue Estimate for the \$100 Domestic Abuse Assault, Stalking,  
and Sexual Abuse Victim Surcharge**

<b>Case Type</b>	<b>Total Average Convictions</b>	<b>Proposed \$100 Domestic Abuse Assault, Stalking, and Sexual Abuse Victim Surcharge</b>	<b>Surcharge Revenue Imposed</b>	<b>Current Collection Rate</b>	<b>Total Estimated Revenue</b>
Simple Misdemeanor	1,039	\$ 100	\$103,867	27.9%	\$ 28,979
Serious Misdemeanor	1,032	100	103,167	21.9%	22,594
Aggravated Misdemeanor	878	100	87,767	14.2%	12,463
Class D Felony	186	100	18,633	6.6%	1,230
Class C Felony	262	100	26,233	6.6%	1,731
Class B Felony	58	100	5,767	6.6%	381
Class A Felony	3	100	300	6.6%	20
<b>TOTAL</b>	<b>3,458</b>		<b>\$345,734</b>		<b>\$ 67,398</b>

\* Totals may not add due to rounding.

**Program Assumptions**

- The Secretary of State’s Office estimates approximately 150 program participants the first year and approximately 500 program participants in the second year.
- Seventy-five percent of the program participants will request absentee ballots (112 absentee ballots in the first year and 375 absentee ballots in the second year).
- Participants will vote in three elections per year (two statewide elections and one special election).
- Priority express mail postage costs \$19.99 each.
- The estimated cost to mail absentee ballots is approximately \$4,500 in the first year and \$22,500 in the second year.
- Certified mail costs \$6.48 each. The certified mailing costs are estimated to be approximately \$1,600 in the first year and \$3,200 in the second year.
- No new programming costs are required for the IVoters System.
- The cost for an Administrative Assistant I is \$72,000 in FY 2016 and \$70,000 in FY 2017. This includes a one-time support cost of \$5,000 in FY 2016.
- Although the program does not begin until January 1, 2016, the Secretary of State’s Office will fill the position July 1, 2015. The first six months of employment would consist of creating and distributing communication materials, assisting in developing administrative rules, web design, working with county officials and State agencies on business practices, and creating in-house systems for the program.
- The printing costs for promotional brochures and information packets are estimated to be \$5,200 in the first year and \$6,700 in the second year.
- The Judicial Branch is required to submit the revenue from the surcharges in [HF 585](#), as amended and passed by the House, to the Treasurer’s Office. The Treasurer will transfer the revenue quarterly to the Secretary of State’s Office for the administration of the program.
- The Child Support Recovery Unit in the Department of Human Services will incur one-time costs for IT programming and staff time totaling an estimated \$69,000 of which \$24,600 is the State share. The Department plans to redirect priorities to absorb the costs within their current budget.

**Fiscal Impact**

The portion of the Bill that creates the surcharges takes effect July 1, 2015. The following table shows the estimated fiscal impact from the revenue generated through the \$100 Domestic Abuse Assault, Stalking, and Sexual Abuse Victim Surcharge established in Iowa Code section [911.2B](#), and the \$50 Domestic Abuse Protective Order Contempt Surcharge established in Iowa Code section [911.2C](#).

### Estimated Surcharge Revenue Impact

	<u>FY 2016</u>	<u>FY 2017</u>
<b>\$100 Domestic Abuse Assault, Stalking, and Sexual Abuse Victim Surcharge</b>	\$ 33,500	\$ 67,000
<b>\$50 Domestic Abuse Protective Order Contempt Surcharge</b>	13,800	18,400
	<u>\$ 47,300</u>	<u>\$ 85,400</u>

The portion of the Bill that creates the program takes effect January 1, 2016. The following table shows the fiscal impact to the Secretary of State's Office.

### Estimated Program Impact on the Secretary of State's Office

	<u>FY 2016</u>	<u>FY 2017</u>
<b>Absentee Voting Mail Costs</b>	\$ 4,500	\$ 22,500
<b>Certified Mailing Costs</b>	1,600	3,200
<b>Printing Costs</b>	5,200	6,700
<b>Staffing For 1.0 FTE Position</b>	72,000	70,000
	<u>\$ 83,300</u>	<u>\$ 102,400</u>

The net impact is a deficit of \$36,000 in FY 2016 between the amount of revenue generated by the surcharges and the estimated costs incurred by the Secretary of State's Office and \$17,000 in FY 2017. Senate amendment [H-1233](#), permits the Secretary of State's Office to temporarily use General Fund money to meet cash flow needs and requires the Secretary of State's Office to reimburse the General Fund by the close of the fiscal year.

#### **Sources**

Judicial Branch  
Criminal Juvenile Justice Planning Division  
Office of the Secretary of State  
Department of Human Services

/s/ Holly M. Lyons

April 20, 2015

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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.

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**HF 627** – Geothermal Installation Property Tax Exemption (LSB1665HV)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

**Description**

- House File 627** relates to property tax and geothermal heating and cooling systems. The Bill:
- Exempts the value added to a property by the installation of a geothermal heating and/or cooling system from property taxation. The new exemption is for property first assessed on or after January 1, 2016, and applies to installations made on or after July 1, 2015.
  - Removes the current 10-year limit on the property tax exemption for residential installations of geothermal heating and/or cooling systems (see Iowa Code section [427.1\(38\)](#)).
  - Makes Iowa Code section [25B.7](#) (State funding of property tax credits and exemptions) inapplicable to the geothermal property tax credit.

**Assumptions**

- Commercial and industrial installations are projected to equal \$9.5 million in 2015 and grow 1.6% per year.
- Agricultural installations are projected to equal the total for commercial and industrial properties each year.
- The new exemption applies to installations on or after July 1, 2015. The impact for the first assessment year is assumed to be 50.0% of total 2015 installations.
- For computation of the value added, it is assumed that the value added is 20.0% of the installed value of the geothermal system.
- For all years, the rollback is assumed to be 90.0% for commercial and industrial property, 50.0% for agricultural properties, and 58.0% for residential properties.
- For all years, the property tax rate used is \$36.85 per \$1,000 of taxed valuation for commercial and industrial property, \$25.36 for agricultural property, and \$35.14 for residential property.

**Fiscal Impact**

Creating a new property tax exemption for geothermal heating and/or cooling system installations will increase the standing General Fund appropriation for State school aid and decrease local government revenue. The projected impact is found in the following table.

Geothermal Installation Property Tax Exemption			
	State General Fund Est. Appropriation Increase	Est. Local Government Revenue Decrease	Estimated Total Property Tax Reduction
FY 2018	\$ 7,000	\$ 36,000	\$ 43,000
FY 2019	22,000	110,000	132,000
FY 2020	37,000	185,000	222,000
FY 2021	52,000	261,000	313,000
FY 2022	67,000	339,000	406,000
FY 2023	82,000	417,000	499,000
FY 2024	98,000	497,000	595,000

In addition, removal of the 10-year limit on the current residential property tax exemption for geothermal systems will also increase the State school aid appropriation \$21,000 and decrease local government revenue \$115,000 in FY 2025, with similar additional impacts each succeeding fiscal year.

**Sources**

Department of Revenue  
Legislative Services Agency analysis

/s/ Holly M. Lyons

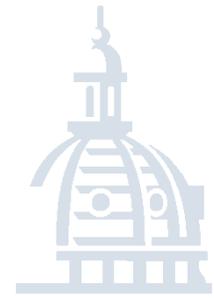
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April 20, 2015

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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.

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**HF 641** – Broadband Connections for Iowa Farms, Schools, and Communities (LSB1592HZ)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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### **Description**

**House File 641** relates to broadband facilitation, coordination, taxation, and access. The Bill creates a Broadband Grant Program and a broadband infrastructure property tax exemption. Division II creates a Broadband Grant Fund and specifies that grants of up to 10.0% of qualified installation costs may be approved. The Bill does not provide State funding for the grant program.

Division III of this Bill creates a property tax exemption for qualified broadband infrastructure. Under the provisions of the Bill, qualifying broadband infrastructure installations completed on or after July 1, 2015, are 100.0% exempt from property tax for a period of 10 years. To qualify for the exemption, the installation must take place within a targeted service area defined as a U.S. Census Bureau census block where broadband service at or above 25 megabits per second download speed and three megabits per second upload speed is not currently available.

### **Background**

Like all property in Iowa that is not otherwise exempt from property tax, broadband infrastructure is assessed and taxed for property tax purposes and is subject to the property tax levies applicable to the location of the infrastructure. Broadband infrastructure is typically installed and owned by utility companies that provide telephone and/or internet service to individuals and businesses. The Iowa Department of Revenue or local assessors assess the companies and assign the property value subject to property tax.

The availability of broadband at various upload and download speeds currently varies across the State. In a report released February 4, 2015, the Federal Communications Commission concluded that 75.0% of Iowans have access to 25 megabit internet service, with urban access at 95.0% and rural access at 40.0%.

### **Assumptions**

- Broadband infrastructure expenditures that occur within targeted service areas and therefore benefit from the property tax exemption created in this Bill will total \$135.0 million per year and fall into three expenditure categories:
  1. Broadband infrastructure expenditures that will not occur without the grant funds and property tax incentives created in this Bill (\$45.0 million annually.)
  2. Broadband infrastructure expenditures that will occur elsewhere in the State, but as a result of the grants and property tax benefits available in the targeted services areas, occurs within a targeted service area instead of elsewhere in Iowa (\$45.0 million annually.)
  3. Broadband infrastructure expenditures that will occur within targeted service areas even without the grant and property tax benefits created in this Bill (\$45.0 million annually.)
- The property tax impact of this Bill only includes the property tax exemptions resulting from numbers two and three above. The projected fiscal impact does not include the impact of the exemption for installations that occur as a result of item one.
- In a September 2014 Research Brief, USTelecom (The Broadband Association) reported U.S. broadband providers invested \$75.0 billion in network infrastructure in 2013. An

amount equal to 0.5% of the U.S. investment (\$375.0 million) is assumed to have taken place in Iowa. This level of U.S. and Iowa broadband investment is assumed for all future years.

- Of the assumed annual \$375.0 million Iowa broadband investment, \$45.0 million (12.0%) is assumed to take place in targeted services areas with or without this Bill, and another \$45.0 million is assumed to be invested in targeted service areas instead of other areas of the State where the property tax exemption is not available. Combined, this represents \$90.0 million in broadband investment that will qualify for the property tax exemption, but the investment will occur within the State with or without the property tax incentive.
- An additional \$45.0 million in annual broadband investment is assumed to occur within the targeted service areas that will not occur within Iowa if not for the property tax exemption and grants provided in the Bill. This investment is not included in the fiscal impact calculation as it is assumed to be property value that will not occur without the incentives in this Bill.
- With an initial implementation date of July 1, 2015, the first-year impact (assessment year 2016 and FY 2018) is assumed to be 50.0% of a full year.
- Once put in place, for property tax purposes broadband infrastructure is assumed to depreciate at an annual rate of 6.67% of its installed value.
- The tax exemption first applies to property installed on or after July 1, 2015, so the first assessment year impacted is AY 2016 (FY 2018.)
- The FY 2015 Statewide property tax rate for utility property is \$28.25 per \$1,000 of assessed value. The State school aid basic levy represents \$5.40 of that Statewide rate. The \$28.25 and \$5.40 rates are assumed to remain the same in future fiscal years.

**Fiscal Impact**

The property tax exemption for qualified broadband investment in targeted areas of Iowa will reduce local property tax revenue and increase the State General Fund appropriation for school aid. This fiscal impact is the result of exempting property investment that is assumed to occur with or without the incentives in this Bill. No portion of the estimated fiscal impact is the result of broadband investment that occurs as a result of the grants and tax incentives created in the Bill.

<b>Local Government and State Appropriation Impact</b>						
In Millions						
		Local Government	State General Fund	Property Tax		
		Tax Revenue Reduction	Appropriation Increase	Reduction		
AY 2016	FY 2018	\$ 1.0	\$ 0.2	\$	1.2	
AY 2017	FY 2019	3.0	0.7		3.7	
AY 2018	FY 2020	4.9	1.2		6.1	
AY 2019	FY 2021	6.6	1.6		8.2	
AY 2020	FY 2022	8.2	1.9		10.1	
AY 2021	FY 2023	9.6	2.3		11.9	
AY 2022	FY 2024	10.9	2.6		13.5	
AY 2023	FY 2025	12.1	2.9		15.0	
AY 2024	FY 2026	13.1	3.1		16.2	
AY 2025	FY 2027	14.0	3.3		17.3	
AY 2026	FY 2028	14.7	3.5		18.2	

To the extent that the Bill increases broadband investment in the State to a level higher than it will otherwise be, local governments may receive additional property tax dollars beginning in FY 2029.

**Sources**

USTelecom - The Broadband Association - Research Brief - Sept. 8, 2014

Federal Communications Commission Broadband Progress Report - Released Feb. 4, 2015

Department of Management Property Tax value and rate files

Legislative Services Agency analysis

/s/ Holly M. Lyons

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April 21, 2015

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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.

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