

**EIGHTY-SEVENTH GENERAL ASSEMBLY  
2017 REGULAR SESSION  
DAILY  
HOUSE CLIP SHEET**

APRIL 21, 2017

**HOUSE FILE 520**

**H-1420**

1 Amend House File 520 as follows:  
2 1. By striking everything after the enacting clause and  
3 inserting:  
4 <Section 1. Section 124.204, subsection 4, paragraphs m and  
5 u, Code 2017, are amended by striking the paragraphs.  
6 Sec. 2. Section 124.204, subsection 7, Code 2017, is amended  
7 by striking the subsection.  
8 Sec. 3. Section 124.206, subsection 7, Code 2017, is amended  
9 to read as follows:  
10 7. Hallucinogenic substances. Unless specifically excepted  
11 or unless listed in another schedule, any material, compound,  
12 mixture, or preparation which contains any quantity of the  
13 following substances, or, for purposes of paragraphs "a" and  
14 "b", which contains any of its salts, isomers, or salts of  
15 isomers whenever the existence of such salts, isomers, or salts  
16 of isomers is possible within the specific chemical designation  
17 (for purposes of this paragraph only, the term "isomer"  
18 includes the optical, positional, and geometric isomers):  
19 a. ~~Marijuana when used for medicinal purposes pursuant to~~  
20 ~~rules of the board.~~  
21 b. Tetrahydrocannabinols, meaning tetrahydrocannabinols  
22 naturally contained in a plant of the genus cannabis (cannabis  
23 plant) as well as synthetic equivalents of the substances  
24 contained in the cannabis plant, or in the resinous extractives  
25 of such plant, and synthetic substances, derivatives, and their  
26 isomers with similar chemical structure and pharmacological  
27 activity to those substances contained in the plant, such as  
28 the following:  
29 (1) 1 cis or trans tetrahydrocannabinol, and their optical  
30 isomers.  
31 (2) 6 cis or trans tetrahydrocannabinol, and their optical  
32 isomers.  
33 (3) 3,4 cis or trans tetrahydrocannabinol, and their  
34 optical isomers. (Since nomenclature of these substances  
35 is not internationally standardized, compounds of these

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1 structures, regardless of numerical designation of atomic  
2 positions covered.)

3 ~~b.~~ c. Nabilone [another name for nabilone: (+-) -  
4 trans-3-(1,1-dimethylheptyl)-6,6a,7,8,10,10a-hexahydro-1-  
5 hydroxy-6,6-dimethyl-9H-dibenzo[b,d]pyran-9-one].

6 Sec. 4. Section 124.401, subsection 5, unnumbered paragraph  
7 3, Code 2017, is amended to read as follows:

8 A person may knowingly or intentionally recommend, possess,  
9 use, dispense, deliver, transport, or administer ~~cannabidiol~~  
10 medical cannabis if the recommendation, possession, use,  
11 dispensing, delivery, transporting, or administering is in  
12 accordance with the provisions of chapter ~~124D~~ 124E. For  
13 purposes of this paragraph, ~~"cannabidiol"~~ "medical cannabis"  
14 means the same as defined in section ~~124D.2~~ 124E.2.

15 Sec. 5. NEW SECTION. 124E.1 Short title.

16 This chapter shall be known and may be cited as the  
17 "Compassionate Use of Medical Cannabis Act".

18 Sec. 6. NEW SECTION. 124E.2 Definitions.

19 As used in this chapter:

20 1. "Debilitating medical condition" means any of the  
21 following:

22 a. Cancer, if the underlying condition or treatment produces  
23 one or more of the following:

- 24 (1) Intractable pain.
- 25 (2) Nausea or severe vomiting.
- 26 (3) Cachexia or severe wasting.
- 27 b. Multiple sclerosis.
- 28 c. Epilepsy or seizure disorders.
- 29 d. AIDS or HIV as defined in section 141A.1.
- 30 e. Glaucoma.
- 31 f. Hepatitis C.
- 32 g. Crohn's disease or ulcerative colitis.
- 33 h. Amyotrophic lateral sclerosis.
- 34 i. Ehlers-Danlos syndrome.
- 35 j. Post-traumatic stress disorder.

- 1 k. Tourette's syndrome.
- 2 1. Any terminal illness, with a probable life expectancy of
- 3 under one year, if the illness or its treatment produces one or
- 4 more of the following:
  - 5 (1) Intractable pain.
  - 6 (2) Nausea or severe vomiting.
  - 7 (3) Cachexia or severe wasting.
- 8 m. Intractable pain.
- 9 n. Parkinson's disease.
- 10 o. Muscular dystrophy.
- 11 p. Huntington's disease.
- 12 q. Alzheimer's disease.
- 13 r. Complex regional pain syndrome, type I and II.
- 14 s. Rheumatoid arthritis.
- 15 t. Polyarteritis nodosa.
- 16 u. Any other chronic or debilitating disease or medical
- 17 condition or its medical treatment approved by the department
- 18 pursuant to rule.
- 19 2. "Department" means the department of public health.
- 20 3. "Disqualifying felony offense" means a violation under
- 21 federal or state law of a felony offense, which has as an
- 22 element the possession, use, or distribution of a controlled
- 23 substance, as defined in 21 U.S.C. {802(6).
- 24 4. "Enclosed, locked facility" means a closet, room,
- 25 greenhouse, or other enclosed area equipped with locks or
- 26 other security devices that permit access only by authorized
- 27 personnel.
- 28 5. "Health care practitioner" means an individual licensed
- 29 under chapter 148 to practice medicine and surgery or
- 30 osteopathic medicine and surgery or an individual licensed to
- 31 practice medicine in any other state who provides specialty
- 32 care for an Iowa resident for one or more of the debilitating
- 33 medical conditions provided in this chapter.
- 34 6. "Intractable pain" means a pain in which the cause of the
- 35 pain cannot be removed or otherwise treated with the consent

1 of the patient and which, in the generally accepted course of  
2 medical practice, no relief or cure of the cause of the pain  
3 is possible, or none has been found after reasonable efforts.  
4 Reasonable efforts for relieving or curing the cause of the  
5 pain may be determined on the basis of but are not limited to  
6 any of the following:

7 a. When treating a nonterminally ill patient for intractable  
8 pain, evaluation by the attending physician and one or more  
9 physicians specializing in pain medicine or the treatment of  
10 the area, system, or organ of the body perceived as the source  
11 of the pain.

12 b. When treating a terminally ill patient, evaluation by  
13 the attending physician who does so in accordance with the  
14 level of care, skill, and treatment that would be recognized  
15 by a reasonably prudent physician under similar conditions and  
16 circumstances.

17 7. "Medical cannabis" means any species of the genus  
18 cannabis plant, or any mixture or preparation of them,  
19 including whole plant extracts and resins.

20 8. "Medical cannabis dispensary" means an entity licensed  
21 under section 124E.8 that acquires medical cannabis from a  
22 medical cannabis manufacturer in this state for the purpose  
23 of dispensing medical cannabis in this state pursuant to this  
24 chapter.

25 9. "Medical cannabis manufacturer" means an entity licensed  
26 under section 124E.6 to manufacture and to possess, cultivate,  
27 transport, or supply medical cannabis pursuant to the  
28 provisions of this chapter.

29 10. "Primary caregiver" means a person, at least eighteen  
30 years of age, who has been designated by a patient's health  
31 care practitioner or a person having custody of a patient, as  
32 a necessary caretaker taking responsibility for managing the  
33 well-being of the patient with respect to the use of medical  
34 cannabis pursuant to the provisions of this chapter.

35 11. "Written certification" means a document signed by a

1 health care practitioner, with whom the patient has established  
2 a patient-provider relationship, which states that the patient  
3 has a debilitating medical condition and identifies that  
4 condition and provides any other relevant information.

5 Sec. 7. NEW SECTION. 124E.3 Health care practitioner  
6 certification ---- duties.

7 1. Prior to a patient's submission of an application for a  
8 medical cannabis registration card pursuant to section 124E.4,  
9 a health care practitioner shall do all of the following:

10 a. Determine, in the health care practitioner's medical  
11 judgment, whether the patient whom the health care practitioner  
12 has examined and treated suffers from a debilitating medical  
13 condition that qualifies for the use of medical cannabis under  
14 this chapter, and if so determined, provide the patient with a  
15 written certification of that diagnosis.

16 b. Provide explanatory information as provided by the  
17 department to the patient about the therapeutic use of medical  
18 cannabis.

19 c. Determine, on an annual basis, if the patient continues  
20 to suffer from a debilitating medical condition and, if so,  
21 issue the patient a new certification of that diagnosis. This  
22 paragraph shall not apply if the patient is suffering from an  
23 incurable debilitating medical condition.

24 d. Otherwise comply with all requirements established by the  
25 department pursuant to rule.

26 2. A health care practitioner may provide, but has no duty  
27 to provide, a written certification pursuant to this section.

28 Sec. 8. NEW SECTION. 124E.4 Medical cannabis registration  
29 card.

30 1. Issuance to patient. The department may approve the  
31 issuance of a medical cannabis registration card by the  
32 department of transportation to a patient who:

33 a. Is at least eighteen years of age.

34 b. Is a permanent resident of this state.

35 c. Submits a written certification to the department signed

1 by the patient's health care practitioner that the patient is  
2 suffering from a debilitating medical condition.

3 d. Submits an application to the department, on a form  
4 created by the department, in consultation with the department  
5 of transportation, that contains all of the following:

6 (1) The patient's full name, Iowa residence address, date  
7 of birth, and telephone number.

8 (2) A copy of the patient's valid photograph  
9 identification.

10 (3) Full name, address, and telephone number of the  
11 patient's health care practitioner.

12 (4) Full name, residence address, date of birth, and  
13 telephone number of each primary caregiver of the patient, if  
14 any.

15 (5) Any other information required by rule.

16 e. Submits a medical cannabis registration card fee of one  
17 hundred dollars to the department. If the patient attests to  
18 receiving social security disability benefits, supplemental  
19 security insurance payments, or being enrolled in the medical  
20 assistance program, the fee shall be twenty-five dollars.

21 2. Patient card contents. A medical cannabis registration  
22 card issued to a patient by the department of transportation  
23 pursuant to subsection 1 shall contain, at a minimum, all of  
24 the following:

25 a. The patient's full name, Iowa residence address, and date  
26 of birth.

27 b. The patient's photograph.

28 c. The date of issuance and expiration of the registration  
29 card.

30 d. Any other information required by rule.

31 3. Issuance to primary caregiver. For a patient in a  
32 primary caregiver's care, the department may approve the  
33 issuance of a medical cannabis registration card by the  
34 department of transportation to the primary caregiver who:

35 a. Submits a written certification to the department signed

1 by the patient's health care practitioner that the patient in  
2 the primary caregiver's care is suffering from a debilitating  
3 medical condition.

4 b. Submits an application to the department, on a form  
5 created by the department, in consultation with the department  
6 of transportation, that contains all of the following:

7 (1) The primary caregiver's full name, residence address,  
8 date of birth, and telephone number.

9 (2) The patient's full name.

10 (3) A copy of the primary caregiver's valid photograph  
11 identification.

12 (4) Full name, address, and telephone number of the  
13 patient's health care practitioner.

14 (5) Any other information required by rule.

15 c. Submits a medical cannabis registration card fee of  
16 twenty-five dollars to the department.

17 4. Primary caregiver card contents. A medical cannabis  
18 registration card issued by the department of transportation to  
19 a primary caregiver pursuant to subsection 3 shall contain, at  
20 a minimum, all of the following:

21 a. The primary caregiver's full name, residence address, and  
22 date of birth.

23 b. The primary caregiver's photograph.

24 c. The date of issuance and expiration of the registration  
25 card.

26 d. The registration card number of each patient in the  
27 primary caregiver's care. If the patient in the primary  
28 caregiver's care is under the age of eighteen, the full name of  
29 the patient's parent or legal guardian.

30 e. Any other information required by rule.

31 5. Expiration date of card. A medical cannabis registration  
32 card issued pursuant to this section shall expire one year  
33 after the date of issuance and may be renewed.

34 6. Card issuance ---- department of transportation.

35 a. The department may enter into a chapter 28E agreement

1 with the department of transportation to facilitate the  
2 issuance of medical cannabis registration cards pursuant to  
3 subsections 1 and 3.

4 b. The department of transportation may issue renewal  
5 medical cannabis registration cards through an online or  
6 in-person process.

7 Sec. 9. NEW SECTION. 124E.5 Medical advisory board ----  
8 duties.

9 1. No later than August 15, 2017, the director of public  
10 health shall establish a medical advisory board consisting of  
11 nine practitioners representing the fields of neurology, pain  
12 management, gastroenterology, oncology, psychiatry, pediatrics,  
13 infectious disease, family medicine, and pharmacy, and three  
14 patients or primary caregivers with valid medical cannabis  
15 registration cards. The practitioners shall be nationally  
16 board-certified in their area of specialty and knowledgeable  
17 about the use of medical cannabis.

18 2. A quorum of the advisory board shall consist of seven  
19 members.

20 3. The duties of the advisory board shall include but not be  
21 limited to the following:

22 a. Reviewing and recommending to the department for  
23 approval additional chronic or debilitating diseases or  
24 medical conditions or their treatments as debilitating medical  
25 conditions that qualify for the use of medical cannabis under  
26 this chapter.

27 b. Accepting and reviewing petitions to add chronic or  
28 debilitating diseases or medical conditions or their medical  
29 treatments to the list of debilitating medical conditions that  
30 qualify for the use of medical cannabis under this chapter.

31 c. Working with the department regarding the requirements  
32 for the licensure of medical cannabis manufacturers and medical  
33 cannabis dispensaries, including licensure procedures.

34 d. Advising the department regarding the location of  
35 medical cannabis dispensaries throughout the state, the form



1 and quantity of allowable medical cannabis to be dispensed  
2 to a patient or primary caregiver, and the general oversight  
3 of medical cannabis manufacturers and medical cannabis  
4 dispensaries in this state.

5 e. Convening at least twice per year to conduct public  
6 hearings and to review and recommend for approval petitions,  
7 which shall be maintained as confidential personal health  
8 information, to add chronic or debilitating diseases or  
9 medical conditions or their medical treatments to the list of  
10 debilitating medical conditions that qualify for the use of  
11 medical cannabis under this chapter.

12 f. Recommending improvements relating to the effectiveness  
13 of the provisions of this chapter.

14 g. In making recommendations pursuant to this section,  
15 consideration of the economic and financial impacts on patients  
16 and the medical cannabis industry, and making recommendations  
17 that minimize the extent of such impacts to the greatest extent  
18 practicable.

19 Sec. 10. NEW SECTION. 124E.6 Medical cannabis manufacturer  
20 licensure.

21 1. a. The department shall license up to four medical  
22 cannabis manufacturers to manufacture medical cannabis within  
23 this state consistent with the provisions of this chapter by  
24 December 1, 2017. The department shall license new medical  
25 cannabis manufacturers or relicense the existing medical  
26 cannabis manufacturers by December 1 of each year.

27 b. Information submitted during the application process  
28 shall be confidential until the medical cannabis manufacturer  
29 is licensed by the department unless otherwise protected from  
30 disclosure under state or federal law.

31 2. As a condition for licensure, a medical cannabis  
32 manufacturer must agree to begin supplying medical cannabis to  
33 medical cannabis dispensaries in this state by July 2, 2018.

34 3. The department shall consider the following factors in  
35 determining whether to license a medical cannabis manufacturer:

- 1 a. The technical expertise of the medical cannabis
- 2 manufacturer regarding medical cannabis.
- 3 b. The qualifications of the medical cannabis manufacturer's
- 4 ownership and management team.
- 5 c. The long-term financial stability of the medical cannabis
- 6 manufacturer.
- 7 d. The ability to provide appropriate security measures on
- 8 the premises of the medical cannabis manufacturer.
- 9 e. Whether the medical cannabis manufacturer has
- 10 demonstrated an ability to meet certain medical cannabis
- 11 production needs for medical use regarding the range of
- 12 recommended dosages for each debilitating medical condition,
- 13 the range of chemical compositions of any plant of the genus
- 14 cannabis that will likely be medically beneficial for each
- 15 of the debilitating medical conditions, and the form of the
- 16 medical cannabis in the manner determined by the department
- 17 pursuant to rule.
- 18 f. The medical cannabis manufacturer's projection of and
- 19 ongoing assessment of fees on patients with debilitating
- 20 medical conditions.
- 21 g. The medical cannabis manufacturer's experience in medical
- 22 cannabis production, plant extraction, and pharmaceutical
- 23 formulations.
- 24 4. The department shall require each medical cannabis
- 25 manufacturer to contract with a laboratory approved by the
- 26 department to test the medical cannabis produced by the
- 27 manufacturer. The department shall require that the laboratory
- 28 report testing results to the manufacturer in a manner
- 29 determined by the department pursuant to rule.
- 30 5. Each entity submitting an application for licensure
- 31 as a medical cannabis manufacturer shall pay a nonrefundable
- 32 application fee of fifteen thousand dollars to the department.
- 33 Sec. 11. NEW SECTION. 124E.7 Medical cannabis
- 34 manufacturers.
- 35 1. A medical cannabis manufacturer shall contract with a

1 laboratory approved by the department for purposes of testing  
2 the medical cannabis manufactured by the medical cannabis  
3 manufacturer as to content, contamination, and consistency.  
4 The cost of all laboratory testing shall be paid by the medical  
5 cannabis manufacturer.

6 2. The operating documents of a medical cannabis  
7 manufacturer shall include all of the following:

8 a. Procedures for the oversight of the medical cannabis  
9 manufacturer and procedures to ensure accurate recordkeeping.

10 b. Procedures for the implementation of appropriate security  
11 measures to deter and prevent the theft of medical cannabis and  
12 unauthorized entrance into areas containing medical cannabis.

13 3. A medical cannabis manufacturer shall implement security  
14 requirements, including requirements for protection of each  
15 location by a fully operational security alarm system, facility  
16 access controls, perimeter intrusion detection systems, and a  
17 personnel identification system.

18 4. A medical cannabis manufacturer shall not share  
19 office space with, refer patients to, or have any financial  
20 relationship with a health care practitioner.

21 5. A medical cannabis manufacturer shall not permit any  
22 person to consume medical cannabis on the property of the  
23 medical cannabis manufacturer.

24 6. A medical cannabis manufacturer is subject to reasonable  
25 inspection by the department.

26 7. A medical cannabis manufacturer shall not employ a  
27 person who is under eighteen years of age or who has been  
28 convicted of a disqualifying felony offense. An employee  
29 of a medical cannabis manufacturer shall be subject to a  
30 background investigation conducted by the division of criminal  
31 investigation of the department of public safety and a national  
32 criminal history background check.

33 8. A medical cannabis manufacturer shall not operate in any  
34 location, whether for manufacturing, cultivating, harvesting,  
35 packaging, or processing, within one thousand feet of a public

1 or private school existing before the date of the medical  
2 cannabis manufacturer's licensure by the department.

3 9. A medical cannabis manufacturer shall comply with  
4 reasonable restrictions set by the department relating to  
5 signage, marketing, display, and advertising of medical  
6 cannabis.

7 10. a. A medical cannabis manufacturer shall provide a  
8 reliable and ongoing supply of medical cannabis to medical  
9 cannabis dispensaries pursuant to this chapter.

10 b. All manufacturing, cultivating, harvesting, packaging,  
11 and processing of medical cannabis shall take place in an  
12 enclosed, locked facility at a physical address provided to the  
13 department during the licensure process.

14 c. A medical cannabis manufacturer shall not manufacture  
15 edible medical cannabis products utilizing food coloring.

16 d. A medical cannabis manufacturer shall manufacture a  
17 reliable and ongoing supply of medical cannabis to treat every  
18 debilitating medical condition listed in this chapter.

19 11. The department shall establish and collect an annual  
20 fee from a medical cannabis manufacturer not to exceed the cost  
21 of regulating and inspecting the manufacturer in the calendar  
22 year.

23 Sec. 12. NEW SECTION. 124E.8 Medical cannabis dispensary  
24 licensure.

25 1. a. The department shall license by April 2, 2018, twelve  
26 medical cannabis dispensaries to dispense medical cannabis  
27 within this state consistent with the provisions of this  
28 chapter. The department shall license new medical cannabis  
29 dispensaries or relicense the existing medical cannabis  
30 dispensaries by December 1 of each year.

31 b. Information submitted during the application process  
32 shall be confidential until the medical cannabis dispensary  
33 is licensed by the department unless otherwise protected from  
34 disclosure under state or federal law.

35 2. As a condition for licensure, a medical cannabis

1 dispensary must agree to begin supplying medical cannabis to  
2 patients by July 16, 2018.

3 3. The department shall consider the following factors in  
4 determining whether to license a medical cannabis dispensary:

5 a. The technical expertise of the medical cannabis  
6 dispensary regarding medical cannabis.

7 b. The qualifications of the medical cannabis dispensary's  
8 owners and management team.

9 c. The long-term financial stability of the medical cannabis  
10 dispensary.

11 d. The ability to provide appropriate security measures on  
12 the premises of the medical cannabis dispensary.

13 e. The medical cannabis dispensary's projection and ongoing  
14 assessment of fees for the purchase of medical cannabis on  
15 patients with debilitating medical conditions.

16 4. Each entity submitting an application for licensure  
17 as a medical cannabis dispensary shall pay a nonrefundable  
18 application fee of fifteen thousand dollars to the department.

19 Sec. 13. NEW SECTION. 124E.9 Medical cannabis dispensaries.

20 1. a. Medical cannabis dispensaries shall be located based  
21 on geographical need throughout the state to improve patient  
22 access.

23 b. A medical cannabis dispensary may dispense medical  
24 cannabis pursuant to the provisions of this chapter but shall  
25 not dispense any medical cannabis in a form or quantity other  
26 than the form or quantity allowed by the department pursuant  
27 to rule.

28 2. The operating documents of a medical cannabis dispensary  
29 shall include all of the following:

30 a. Procedures for the oversight of the medical cannabis  
31 dispensary and procedures to ensure accurate recordkeeping.

32 b. Procedures for the implementation of appropriate security  
33 measures to deter and prevent the theft of medical cannabis and  
34 unauthorized entrance into areas containing medical cannabis.

35 3. A medical cannabis dispensary shall implement security

1 requirements, including requirements for protection by a fully  
2 operational security alarm system, facility access controls,  
3 perimeter intrusion detection systems, and a personnel  
4 identification system.

5 4. A medical cannabis dispensary shall not share office  
6 space with, refer patients to, or have any financial  
7 relationship with a health care practitioner.

8 5. A medical cannabis dispensary shall not permit any person  
9 to consume medical cannabis on the property of the medical  
10 cannabis dispensary.

11 6. A medical cannabis dispensary is subject to reasonable  
12 inspection by the department.

13 7. A medical cannabis dispensary shall not employ a  
14 person who is under eighteen years of age or who has been  
15 convicted of a disqualifying felony offense. An employee  
16 of a medical cannabis dispensary shall be subject to a  
17 background investigation conducted by the division of criminal  
18 investigation of the department of public safety and a national  
19 criminal history background check.

20 8. A medical cannabis dispensary shall not operate in any  
21 location within one thousand feet of a public or private school  
22 existing before the date of the medical cannabis dispensary's  
23 licensure by the department.

24 9. A medical cannabis dispensary shall comply with  
25 reasonable restrictions set by the department relating to  
26 signage, marketing, display, and advertising of medical  
27 cannabis.

28 10. Prior to dispensing of any medical cannabis, a medical  
29 cannabis dispensary shall do all of the following:

30 a. Verify that the medical cannabis dispensary has received  
31 a valid medical cannabis registration card from a patient or a  
32 patient's primary caregiver, if applicable.

33 b. Assign a tracking number to any medical cannabis  
34 dispensed from the medical cannabis dispensary.

35 c. (1) Properly package medical cannabis in compliance with

1 federal law regarding child resistant packaging and exemptions  
2 for packaging for elderly patients, and label medical cannabis  
3 with a list of all active ingredients and individually  
4 identifying information, including all of the following:

5 (a) The name and date of birth of the patient and the  
6 patient's primary caregiver, if appropriate.

7 (b) The medical cannabis registration card numbers of the  
8 patient and the patient's primary caregiver, if applicable.

9 (c) The chemical composition of the medical cannabis.

10 (2) Proper packaging of medical cannabis shall include but  
11 not be limited to all of the following:

12 (a) Warning labels regarding the use of medical cannabis by  
13 a woman during pregnancy and while breastfeeding.

14 (b) Clearly labeled packaging indicating that an edible  
15 medical cannabis product contains medical cannabis and which  
16 packaging shall not imitate candy products or in any way make  
17 the product marketable to children.

18 Sec. 14. NEW SECTION. 124E.10 Fees.

19 Medical cannabis registration card fees and medical cannabis  
20 manufacturer and medical cannabis dispensary application  
21 and annual fees collected by the department pursuant to  
22 this chapter shall be retained by the department, shall be  
23 considered repayment receipts as defined in section 8.2, and  
24 shall be used for the purpose of regulating medical cannabis  
25 manufacturers and medical cannabis dispensaries and for other  
26 expenses necessary for the administration of this chapter.

27 Sec. 15. NEW SECTION. 124E.11 Department duties ---- rules.

28 1. a. The department shall maintain a confidential file of  
29 the names of each patient to or for whom the department issues  
30 a medical cannabis registration card, the name of each primary  
31 caregiver to whom the department issues a medical cannabis  
32 registration card under section 124E.4, and the names of each  
33 health care practitioner who provides a written certification  
34 for medical cannabis pursuant to this chapter.

35 b. Individual names contained in the file shall be

1 confidential and shall not be subject to disclosure, except as  
2 provided in subparagraph (1).

3 (1) Information in the confidential file maintained  
4 pursuant to paragraph "a" may be released on an individual basis  
5 to the following persons under the following circumstances:

6 (a) To authorized employees or agents of the department and  
7 the department of transportation as necessary to perform the  
8 duties of the department and the department of transportation  
9 pursuant to this chapter.

10 (b) To authorized employees of state or local law  
11 enforcement agencies, but only for the purpose of verifying  
12 that a person is lawfully in possession of a medical cannabis  
13 registration card issued pursuant to this chapter.

14 (c) To authorized employees of a medical cannabis  
15 dispensary, but only for the purpose of verifying that a person  
16 is lawfully in possession of a medical cannabis registration  
17 card issued pursuant to this chapter.

18 (d) To any other authorized persons recognized by the  
19 department by rule, but only for the purpose of verifying  
20 that a person is lawfully in possession of a medical cannabis  
21 registration card issued pursuant to this chapter.

22 (2) Release of information pursuant to subparagraph  
23 (1) shall be consistent with the federal Health Insurance  
24 Portability and Accountability Act of 1996, Pub. L. No.  
25 104-191.

26 2. The department shall adopt rules pursuant to chapter  
27 17A to administer this chapter which shall include but not be  
28 limited to rules to do all of the following:

29 a. Govern the manner in which the department shall consider  
30 applications for new and renewal medical cannabis registration  
31 cards.

32 b. Identify criteria and set forth procedures for  
33 including additional chronic or debilitating diseases or  
34 medical conditions or their medical treatments on the list of  
35 debilitating medical conditions that qualify for the use of



1 medical cannabis. Procedures shall include a petition process  
2 and shall allow for public comment and public hearings before  
3 the medical advisory board.

4 c. Set forth additional chronic or debilitating diseases  
5 or medical conditions or associated medical treatments for  
6 inclusion on the list of debilitating medical conditions that  
7 qualify for the use of medical cannabis as recommended by the  
8 medical advisory board.

9 d. Establish, in consultation with medical cannabis  
10 manufacturers and medical cannabis dispensaries, the form and  
11 quantity of medical cannabis allowed to be dispensed to a  
12 patient or primary caregiver pursuant to this chapter. The  
13 form and quantity of medical cannabis shall be appropriate to  
14 serve the medical needs of patients with debilitating medical  
15 conditions.

16 e. Establish, in conjunction with the medical advisory  
17 board, requirements for the licensure of medical cannabis  
18 manufacturers and medical cannabis dispensaries and set forth  
19 procedures for medical cannabis manufacturers and medical  
20 cannabis dispensaries to obtain licenses.

21 f. Develop a dispensing system for medical cannabis within  
22 this state that provides for all of the following:

23 (1) Medical cannabis dispensaries within this state housed  
24 on secured grounds and operated by licensed medical cannabis  
25 dispensaries.

26 (2) The dispensing of medical cannabis to patients and  
27 their primary caregivers to occur at locations designated by  
28 the department.

29 g. Establish and collect annual fees from medical cannabis  
30 manufacturers and medical cannabis dispensaries to cover  
31 the costs associated with regulating and inspecting medical  
32 cannabis manufacturers and medical cannabis dispensaries.

33 h. Specify and implement procedures that address public  
34 safety including security procedures and product quality  
35 including measures to ensure contaminant-free cultivation of

1 medical cannabis, safety, and labeling.

2 i. Establish and implement a medical cannabis inventory  
3 and delivery tracking system to track medical cannabis  
4 from production by a medical cannabis manufacturer through  
5 dispensing at a medical cannabis dispensary.

6 Sec. 16. NEW SECTION. 124E.12 Reciprocity.

7 A valid medical cannabis registration card, or its  
8 equivalent, issued under the laws of another state that allows  
9 an out-of-state patient to possess or use medical cannabis in  
10 the jurisdiction of issuance shall have the same force and  
11 effect as a valid medical cannabis registration card issued  
12 pursuant to this chapter, except that an out-of-state patient  
13 in this state shall not obtain medical cannabis from a medical  
14 cannabis dispensary in this state and an out-of-state patient  
15 shall not smoke medical cannabis.

16 Sec. 17. NEW SECTION. 124E.13 Use of medical cannabis ----  
17 affirmative defenses.

18 1. A health care practitioner, including any authorized  
19 agent or employee thereof, shall not be subject to  
20 prosecution for the unlawful certification, possession, or  
21 administration of marijuana under the laws of this state for  
22 activities arising directly out of or directly related to the  
23 certification or use of medical cannabis in the treatment of  
24 a patient diagnosed with a debilitating medical condition as  
25 authorized by this chapter.

26 2. A medical cannabis manufacturer, including any  
27 authorized agent or employee thereof, shall not be subject  
28 to prosecution for manufacturing, possessing, cultivating,  
29 harvesting, packaging, processing, transporting, or supplying  
30 medical cannabis pursuant to this chapter.

31 3. A medical cannabis dispensary, including any authorized  
32 agent or employee thereof, shall not be subject to prosecution  
33 for transporting, supplying, or dispensing medical cannabis  
34 pursuant to this chapter.

35 a. In a prosecution for the unlawful possession of marijuana

1 under the laws of this state, including but not limited to  
2 chapters 124 and 453B, it is an affirmative and complete  
3 defense to the prosecution that the patient has been diagnosed  
4 with a debilitating medical condition, used or possessed  
5 medical cannabis pursuant to a certification by a health care  
6 practitioner as authorized under this chapter, and, for a  
7 patient eighteen years of age or older, is in possession of a  
8 valid medical cannabis registration card.

9 b. In a prosecution for the unlawful possession of marijuana  
10 under the laws of this state, including but not limited to  
11 chapters 124 and 453B, it is an affirmative and complete  
12 defense to the prosecution that the person possessed medical  
13 cannabis because the person is a primary caregiver of a patient  
14 who has been diagnosed with a debilitating medical condition  
15 and is in possession of a valid medical cannabis registration  
16 card, and where the primary caregiver's possession of the  
17 medical cannabis is on behalf of the patient and for the  
18 patient's use only as authorized under this chapter.

19 c. If a patient or primary caregiver is charged with the  
20 commission of a crime and is not in possession of the person's  
21 medical cannabis registration card, any charge or charges filed  
22 against the person shall be dismissed by the court if the  
23 person produces to the court prior to or at the person's trial  
24 a medical cannabis registration card issued to that person and  
25 valid at the time the person was charged.

26 4. An agency of this state or a political subdivision  
27 thereof, including any law enforcement agency, shall not remove  
28 or initiate proceedings to remove a patient under the age  
29 of eighteen from the home of a parent based solely upon the  
30 parent's or patient's possession or use of medical cannabis as  
31 authorized under this chapter.

32 Sec. 18. NEW SECTION. 124E.14 Penalties.

33 1. A person who knowingly or intentionally possesses or  
34 uses medical cannabis in violation of the requirements of this  
35 chapter is subject to the penalties provided under chapters 124

1 and 453B.

2 2. A medical cannabis manufacturer or a medical cannabis  
3 dispensary shall be assessed a civil penalty of up to one  
4 thousand dollars per violation for any violation of this  
5 chapter in addition to any other applicable penalties.

6 Sec. 19. NEW SECTION. 124E.15 Use of medical cannabis ----  
7 smoking prohibited.

8 A patient shall not consume medical cannabis possessed  
9 or used as authorized under this chapter by smoking medical  
10 cannabis.

11 Sec. 20. NEW SECTION. 124E.16 Employment.

12 1. An employer in this state may retain, create, reinstate,  
13 or enforce a written zero tolerance policy prohibiting the  
14 possession or use of medical cannabis or any derivative  
15 thereof including cannabidiol by an employee in the employer's  
16 workplace, including but not limited to a policy prohibiting  
17 an employee from having any detectable amount of medical  
18 cannabis or any derivative thereof including cannabidiol in the  
19 employee's body while at work.

20 2. An employer's prohibition of the possession or use  
21 of medical cannabis or any derivative thereof including  
22 cannabidiol under this section shall not be considered to be  
23 an unfair or discriminatory employment practice under section  
24 216.6.

25 Sec. 21. Section 730.5, subsection 11, Code 2017, is amended  
26 by adding the following new paragraph:

27 NEW PARAGRAPH. f. Testing or taking action against an  
28 individual with a confirmed positive test result due to the  
29 individual's use of medical cannabis as authorized under  
30 chapter 124E.

31 Sec. 22. REPEAL. Chapter 124D, Code 2017, is repealed.

32 Sec. 23. EMERGENCY RULES. The department may adopt  
33 emergency rules under section 17A.4, subsection 3, and section  
34 17A.5, subsection 2, paragraph "b", to implement the provisions  
35 of this Act and the rules shall be effective immediately upon

1 filing unless a later date is specified in the rules. Any  
2 rules adopted in accordance with this section shall also be  
3 published as a notice of intended action as provided in section  
4 17A.4.

5 Sec. 24. TRANSITION PROVISIONS. A medical cannabidiol  
6 registration card issued under chapter 124D prior to the  
7 effective date of this Act, remains effective and continues  
8 in effect as issued for the twelve-month period following its  
9 issuance. This Act does not preclude a medical cannabidiol  
10 registration card holder from seeking to renew the registration  
11 card under this Act prior to the expiration of the twelve-month  
12 period.

13 Sec. 25. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
14 of immediate importance, takes effect upon enactment.>

15 2. Title page, by striking lines 1 through 4 and inserting  
16 <An Act concerning the compassionate use of medical cannabis  
17 Act, reclassifying marijuana, including tetrahydrocannabinols,  
18 from a schedule I controlled substance to a schedule II  
19 controlled substance, providing for civil and criminal  
20 penalties and fees, and including effective date provisions.>

**By** M. SMITH of Marshall

HOUSE FILE 520

H-1423

1 Amend the amendment, H-1420, to House File 520 as follows:  
2 1. By striking page 1, line 1, through page 21, line 20, and  
3 inserting:

4 <Amend House File 520 as follows:

5 \_\_\_\_\_. By striking everything after the enacting clause and  
6 inserting:

7 <Section 1. NEW SECTION. 124.201A Cannabidiol  
8 investigational product ---- rules.

9 1. If a cannabidiol investigational product approved as  
10 a prescription drug medication by the United States food and  
11 drug administration is eliminated from or revised in the  
12 federal schedule of controlled substances by the federal drug  
13 enforcement agency and notice of the elimination or revision  
14 is given to the board, the board shall similarly eliminate  
15 or revise the prescription drug medication in the schedule  
16 of controlled substances under this chapter. Such action by  
17 the board shall be immediately effective upon the date of  
18 publication of the final regulation containing the elimination  
19 or revision in the federal register.

20 2. The board shall adopt rules pursuant to chapter 17A  
21 to administer this section. The board may adopt rules on an  
22 emergency basis as provided in section 17A.4, subsection 3, and  
23 section 17A.5, subsection 2, to administer this section, and  
24 the rules shall be effective immediately upon filing unless  
25 a later date is specified in the rules. Any emergency rules  
26 adopted in accordance with this section shall also be published  
27 as a notice of intended action as provided in section 17A.4,  
28 subsection 1.

29 Sec. 2. Section 124.204, subsection 4, paragraphs m and u,  
30 Code 2017, are amended by striking the paragraphs.

31 Sec. 3. Section 124.204, subsection 7, Code 2017, is amended  
32 by striking the subsection.

33 Sec. 4. Section 124.206, subsection 7, Code 2017, is amended  
34 to read as follows:

35 7. Hallucinogenic substances. Unless specifically excepted

H-1423

1 or unless listed in another schedule, any material, compound,  
2 mixture, or preparation which contains any quantity of the  
3 following substances, or, for purposes of paragraphs "a" and  
4 "b", which contains any of its salts, isomers, or salts of  
5 isomers whenever the existence of such salts, isomers, or salts  
6 of isomers is possible within the specific chemical designation  
7 (for purposes of this paragraph only, the term "isomer"  
8 includes the optical, positional, and geometric isomers):

9 a. ~~Marijuana when used for medicinal purposes pursuant to~~  
10 ~~rules of the board.~~

11 b. Tetrahydrocannabinols, meaning tetrahydrocannabinols  
12 naturally contained in a plant of the genus cannabis (cannabis  
13 plant) as well as synthetic equivalents of the substances  
14 contained in the cannabis plant, or in the resinous extractives  
15 of such plant, and synthetic substances, derivatives, and their  
16 isomers with similar chemical structure and pharmacological  
17 activity to those substances contained in the plant, such as  
18 the following:

19 (1) 1 cis or trans tetrahydrocannabinol, and their optical  
20 isomers.

21 (2) 6 cis or trans tetrahydrocannabinol, and their optical  
22 isomers.

23 (3) 3,4 cis or trans tetrahydrocannabinol, and their  
24 optical isomers. (Since nomenclature of these substances  
25 is not internationally standardized, compounds of these  
26 structures, regardless of numerical designation of atomic  
27 positions covered.)

28 ~~b.~~ c. Nabilone [another name for nabilone: (+-) -  
29 trans-3-(1,1-dimethylheptyl)-6,6a,7,8,10,10a-hexahydro-1-  
30 hydroxy-6,6-dimethyl-9H-dibenzo[b,d]pyran-9-one].

31 Sec. 5. Section 124.401, subsection 5, unnumbered paragraph  
32 3, Code 2017, is amended to read as follows:

33 A person may knowingly or intentionally recommend, possess,  
34 use, dispense, deliver, transport, or administer ~~cannabidiol~~  
35 medical cannabis if the recommendation, possession, use,

1 dispensing, delivery, transporting, or administering is in  
2 accordance with the provisions of chapter ~~124D~~ 124E. For  
3 purposes of this paragraph, ~~"cannabidiol"~~ "medical cannabis"  
4 means the same as defined in section ~~124D.2~~ 124E.2.

5 Sec. 6. NEW SECTION. 124E.1 Short title.

6 This chapter shall be known and may be cited as the  
7 "Compassionate Use of Medical Cannabis Act".

8 Sec. 7. NEW SECTION. 124E.2 Definitions.

9 As used in this chapter:

10 1. "Debilitating medical condition" means any of the  
11 following:

12 a. Cancer, if the underlying condition or treatment produces  
13 one or more of the following:

- 14 (1) Intractable pain.
- 15 (2) Nausea or severe vomiting.
- 16 (3) Cachexia or severe wasting.

17 b. Multiple sclerosis.

18 c. Epilepsy or seizure disorders.

19 d. AIDS or HIV as defined in section 141A.1.

20 e. Glaucoma.

21 f. Hepatitis C.

22 g. Crohn's disease or ulcerative colitis.

23 h. Amyotrophic lateral sclerosis.

24 i. Ehlers-Danlos syndrome.

25 j. Post-traumatic stress disorder.

26 k. Tourette's syndrome.

27 l. Any terminal illness, with a probable life expectancy of  
28 under one year, if the illness or its treatment produces one or  
29 more of the following:

- 30 (1) Intractable pain.
- 31 (2) Nausea or severe vomiting.
- 32 (3) Cachexia or severe wasting.

33 m. Intractable pain.

34 n. Parkinson's disease.

35 o. Muscular dystrophy.



- 1 p. Huntington's disease.
- 2 q. Alzheimer's disease.
- 3 r. Complex regional pain syndrome, type I and II.
- 4 s. Rheumatoid arthritis.
- 5 t. Polyarteritis nodosa.
- 6 u. Any other chronic or debilitating disease or medical
- 7 condition or its medical treatment approved by the department
- 8 pursuant to rule.

9 2. "Department" means the department of public health.

10 3. "Disqualifying felony offense" means a violation under  
11 federal or state law of a felony offense, which has as an  
12 element the possession, use, or distribution of a controlled  
13 substance, as defined in 21 U.S.C. {802(6).

14 4. "Enclosed, locked facility" means a closet, room,  
15 greenhouse, or other enclosed area equipped with locks or  
16 other security devices that permit access only by authorized  
17 personnel.

18 5. "Health care practitioner" means an individual licensed  
19 under chapter 148 to practice medicine and surgery or  
20 osteopathic medicine and surgery or an individual licensed to  
21 practice medicine in any other state who provides specialty  
22 care for an Iowa resident for one or more of the debilitating  
23 medical conditions provided in this chapter.

24 6. "Intractable pain" means a pain in which the cause of the  
25 pain cannot be removed or otherwise treated with the consent  
26 of the patient and which, in the generally accepted course of  
27 medical practice, no relief or cure of the cause of the pain  
28 is possible, or none has been found after reasonable efforts.  
29 Reasonable efforts for relieving or curing the cause of the  
30 pain may be determined on the basis of but are not limited to  
31 any of the following:

32 a. When treating a nonterminally ill patient for intractable  
33 pain, evaluation by the attending physician and one or more  
34 physicians specializing in pain medicine or the treatment of  
35 the area, system, or organ of the body perceived as the source

1 of the pain.

2 b. When treating a terminally ill patient, evaluation by  
3 the attending physician who does so in accordance with the  
4 level of care, skill, and treatment that would be recognized  
5 by a reasonably prudent physician under similar conditions and  
6 circumstances.

7 7. "Medical cannabis" means any species of the genus  
8 cannabis plant, or any mixture or preparation of them,  
9 including whole plant extracts and resins.

10 8. "Medical cannabis dispensary" means an entity licensed  
11 under section 124E.8 that acquires medical cannabis from a  
12 medical cannabis manufacturer in this state for the purpose  
13 of dispensing medical cannabis in this state pursuant to this  
14 chapter.

15 9. "Medical cannabis manufacturer" means an entity licensed  
16 under section 124E.6 to manufacture and to possess, cultivate,  
17 transport, or supply medical cannabis pursuant to the  
18 provisions of this chapter.

19 10. "Primary caregiver" means a person, at least eighteen  
20 years of age, who has been designated by a patient's health  
21 care practitioner or a person having custody of a patient, as  
22 a necessary caretaker taking responsibility for managing the  
23 well-being of the patient with respect to the use of medical  
24 cannabis pursuant to the provisions of this chapter.

25 11. "Written certification" means a document signed by a  
26 health care practitioner, with whom the patient has established  
27 a patient-provider relationship, which states that the patient  
28 has a debilitating medical condition and identifies that  
29 condition and provides any other relevant information.

30 Sec. 8. NEW SECTION. 124E.3 Health care practitioner  
31 certification ---- duties.

32 1. Prior to a patient's submission of an application for a  
33 medical cannabis registration card pursuant to section 124E.4,  
34 a health care practitioner shall do all of the following:

35 a. Determine, in the health care practitioner's medical

1 judgment, whether the patient whom the health care practitioner  
2 has examined and treated suffers from a debilitating medical  
3 condition that qualifies for the use of medical cannabis under  
4 this chapter, and if so determined, provide the patient with a  
5 written certification of that diagnosis.

6 b. Provide explanatory information as provided by the  
7 department to the patient about the therapeutic use of medical  
8 cannabis.

9 c. Determine, on an annual basis, if the patient continues  
10 to suffer from a debilitating medical condition and, if so,  
11 issue the patient a new certification of that diagnosis. This  
12 paragraph shall not apply if the patient is suffering from an  
13 incurable debilitating medical condition.

14 d. Otherwise comply with all requirements established by the  
15 department pursuant to rule.

16 2. A health care practitioner may provide, but has no duty  
17 to provide, a written certification pursuant to this section.

18 Sec. 9. NEW SECTION. 124E.4 Medical cannabis registration  
19 card.

20 1. Issuance to patient. The department may approve the  
21 issuance of a medical cannabis registration card by the  
22 department of transportation to a patient who:

23 a. Is at least eighteen years of age.

24 b. Is a permanent resident of this state.

25 c. Submits a written certification to the department signed  
26 by the patient's health care practitioner that the patient is  
27 suffering from a debilitating medical condition.

28 d. Submits an application to the department, on a form  
29 created by the department, in consultation with the department  
30 of transportation, that contains all of the following:

31 (1) The patient's full name, Iowa residence address, date  
32 of birth, and telephone number.

33 (2) A copy of the patient's valid photograph  
34 identification.

35 (3) Full name, address, and telephone number of the

1 patient's health care practitioner.

2 (4) Full name, residence address, date of birth, and  
3 telephone number of each primary caregiver of the patient, if  
4 any.

5 (5) Any other information required by rule.

6 e. Submits a medical cannabis registration card fee of one  
7 hundred dollars to the department. If the patient attests to  
8 receiving social security disability benefits, supplemental  
9 security insurance payments, or being enrolled in the medical  
10 assistance program, the fee shall be twenty-five dollars.

11 2. Patient card contents. A medical cannabis registration  
12 card issued to a patient by the department of transportation  
13 pursuant to subsection 1 shall contain, at a minimum, all of  
14 the following:

15 a. The patient's full name, Iowa residence address, and date  
16 of birth.

17 b. The patient's photograph.

18 c. The date of issuance and expiration of the registration  
19 card.

20 d. Any other information required by rule.

21 3. Issuance to primary caregiver. For a patient in a  
22 primary caregiver's care, the department may approve the  
23 issuance of a medical cannabis registration card by the  
24 department of transportation to the primary caregiver who:

25 a. Submits a written certification to the department signed  
26 by the patient's health care practitioner that the patient in  
27 the primary caregiver's care is suffering from a debilitating  
28 medical condition.

29 b. Submits an application to the department, on a form  
30 created by the department, in consultation with the department  
31 of transportation, that contains all of the following:

32 (1) The primary caregiver's full name, residence address,  
33 date of birth, and telephone number.

34 (2) The patient's full name.

35 (3) A copy of the primary caregiver's valid photograph

1 identification.

2 (4) Full name, address, and telephone number of the  
3 patient's health care practitioner.

4 (5) Any other information required by rule.

5 c. Submits a medical cannabis registration card fee of  
6 twenty-five dollars to the department.

7 4. Primary caregiver card contents. A medical cannabis  
8 registration card issued by the department of transportation to  
9 a primary caregiver pursuant to subsection 3 shall contain, at  
10 a minimum, all of the following:

11 a. The primary caregiver's full name, residence address, and  
12 date of birth.

13 b. The primary caregiver's photograph.

14 c. The date of issuance and expiration of the registration  
15 card.

16 d. The registration card number of each patient in the  
17 primary caregiver's care. If the patient in the primary  
18 caregiver's care is under the age of eighteen, the full name of  
19 the patient's parent or legal guardian.

20 e. Any other information required by rule.

21 5. Expiration date of card. A medical cannabis registration  
22 card issued pursuant to this section shall expire one year  
23 after the date of issuance and may be renewed.

24 6. Card issuance ---- department of transportation.

25 a. The department may enter into a chapter 28E agreement  
26 with the department of transportation to facilitate the  
27 issuance of medical cannabis registration cards pursuant to  
28 subsections 1 and 3.

29 b. The department of transportation may issue renewal  
30 medical cannabis registration cards through an online or  
31 in-person process.

32 Sec. 10. NEW SECTION. 124E.5 Medical advisory board ----  
33 duties.

34 1. No later than August 15, 2017, the director of public  
35 health shall establish a medical advisory board consisting of

1 nine practitioners representing the fields of neurology, pain  
2 management, gastroenterology, oncology, psychiatry, pediatrics,  
3 infectious disease, family medicine, and pharmacy, and three  
4 patients or primary caregivers with valid medical cannabis  
5 registration cards. The practitioners shall be nationally  
6 board-certified in their area of specialty and knowledgeable  
7 about the use of medical cannabis.

8 2. A quorum of the advisory board shall consist of seven  
9 members.

10 3. The duties of the advisory board shall include but not be  
11 limited to the following:

12 a. Reviewing and recommending to the department for  
13 approval additional chronic or debilitating diseases or  
14 medical conditions or their treatments as debilitating medical  
15 conditions that qualify for the use of medical cannabis under  
16 this chapter.

17 b. Accepting and reviewing petitions to add chronic or  
18 debilitating diseases or medical conditions or their medical  
19 treatments to the list of debilitating medical conditions that  
20 qualify for the use of medical cannabis under this chapter.

21 c. Working with the department regarding the requirements  
22 for the licensure of medical cannabis manufacturers and medical  
23 cannabis dispensaries, including licensure procedures.

24 d. Advising the department regarding the location of  
25 medical cannabis dispensaries throughout the state, the form  
26 and quantity of allowable medical cannabis to be dispensed  
27 to a patient or primary caregiver, and the general oversight  
28 of medical cannabis manufacturers and medical cannabis  
29 dispensaries in this state.

30 e. Convening at least twice per year to conduct public  
31 hearings and to review and recommend for approval petitions,  
32 which shall be maintained as confidential personal health  
33 information, to add chronic or debilitating diseases or  
34 medical conditions or their medical treatments to the list of  
35 debilitating medical conditions that qualify for the use of

1 medical cannabis under this chapter.

2 f. Recommending improvements relating to the effectiveness  
3 of the provisions of this chapter.

4 g. In making recommendations pursuant to this section,  
5 consideration of the economic and financial impacts on patients  
6 and the medical cannabis industry, and making recommendations  
7 that minimize the extent of such impacts to the greatest extent  
8 practicable.

9 Sec. 11. NEW SECTION. 124E.6 Medical cannabis manufacturer  
10 licensure.

11 1. a. The department shall license up to four medical  
12 cannabis manufacturers to manufacture medical cannabis within  
13 this state consistent with the provisions of this chapter by  
14 December 1, 2017. The department shall license new medical  
15 cannabis manufacturers or relicense the existing medical  
16 cannabis manufacturers by December 1 of each year.

17 b. Information submitted during the application process  
18 shall be confidential until the medical cannabis manufacturer  
19 is licensed by the department unless otherwise protected from  
20 disclosure under state or federal law.

21 2. As a condition for licensure, a medical cannabis  
22 manufacturer must agree to begin supplying medical cannabis to  
23 medical cannabis dispensaries in this state by July 2, 2018.

24 3. The department shall consider the following factors in  
25 determining whether to license a medical cannabis manufacturer:

26 a. The technical expertise of the medical cannabis  
27 manufacturer regarding medical cannabis.

28 b. The qualifications of the medical cannabis manufacturer's  
29 ownership and management team.

30 c. The long-term financial stability of the medical cannabis  
31 manufacturer.

32 d. The ability to provide appropriate security measures on  
33 the premises of the medical cannabis manufacturer.

34 e. Whether the medical cannabis manufacturer has  
35 demonstrated an ability to meet certain medical cannabis

1 production needs for medical use regarding the range of  
2 recommended dosages for each debilitating medical condition,  
3 the range of chemical compositions of any plant of the genus  
4 cannabis that will likely be medically beneficial for each  
5 of the debilitating medical conditions, and the form of the  
6 medical cannabis in the manner determined by the department  
7 pursuant to rule.

8 f. The medical cannabis manufacturer's projection of and  
9 ongoing assessment of fees on patients with debilitating  
10 medical conditions.

11 g. The medical cannabis manufacturer's experience in medical  
12 cannabis production, plant extraction, and pharmaceutical  
13 formulations.

14 4. The department shall require each medical cannabis  
15 manufacturer to contract with a laboratory approved by the  
16 department to test the medical cannabis produced by the  
17 manufacturer. The department shall require that the laboratory  
18 report testing results to the manufacturer in a manner  
19 determined by the department pursuant to rule.

20 5. Each entity submitting an application for licensure  
21 as a medical cannabis manufacturer shall pay a nonrefundable  
22 application fee of fifteen thousand dollars to the department.

23 Sec. 12. NEW SECTION. 124E.7 Medical cannabis  
24 manufacturers.

25 1. A medical cannabis manufacturer shall contract with a  
26 laboratory approved by the department for purposes of testing  
27 the medical cannabis manufactured by the medical cannabis  
28 manufacturer as to content, contamination, and consistency.  
29 The cost of all laboratory testing shall be paid by the medical  
30 cannabis manufacturer.

31 2. The operating documents of a medical cannabis  
32 manufacturer shall include all of the following:

33 a. Procedures for the oversight of the medical cannabis  
34 manufacturer and procedures to ensure accurate recordkeeping.

35 b. Procedures for the implementation of appropriate security



1 measures to deter and prevent the theft of medical cannabis and  
2 unauthorized entrance into areas containing medical cannabis.

3 3. A medical cannabis manufacturer shall implement security  
4 requirements, including requirements for protection of each  
5 location by a fully operational security alarm system, facility  
6 access controls, perimeter intrusion detection systems, and a  
7 personnel identification system.

8 4. A medical cannabis manufacturer shall not share  
9 office space with, refer patients to, or have any financial  
10 relationship with a health care practitioner.

11 5. A medical cannabis manufacturer shall not permit any  
12 person to consume medical cannabis on the property of the  
13 medical cannabis manufacturer.

14 6. A medical cannabis manufacturer is subject to reasonable  
15 inspection by the department.

16 7. A medical cannabis manufacturer shall not employ a  
17 person who is under eighteen years of age or who has been  
18 convicted of a disqualifying felony offense. An employee  
19 of a medical cannabis manufacturer shall be subject to a  
20 background investigation conducted by the division of criminal  
21 investigation of the department of public safety and a national  
22 criminal history background check.

23 8. A medical cannabis manufacturer shall not operate in any  
24 location, whether for manufacturing, cultivating, harvesting,  
25 packaging, or processing, within one thousand feet of a public  
26 or private school existing before the date of the medical  
27 cannabis manufacturer's licensure by the department.

28 9. A medical cannabis manufacturer shall comply with  
29 reasonable restrictions set by the department relating to  
30 signage, marketing, display, and advertising of medical  
31 cannabis.

32 10. a. A medical cannabis manufacturer shall provide a  
33 reliable and ongoing supply of medical cannabis to medical  
34 cannabis dispensaries pursuant to this chapter.

35 b. All manufacturing, cultivating, harvesting, packaging,

1 and processing of medical cannabis shall take place in an  
2 enclosed, locked facility at a physical address provided to the  
3 department during the licensure process.

4 c. A medical cannabis manufacturer shall not manufacture  
5 edible medical cannabis products utilizing food coloring.

6 d. A medical cannabis manufacturer shall manufacture a  
7 reliable and ongoing supply of medical cannabis to treat every  
8 debilitating medical condition listed in this chapter.

9 11. The department shall establish and collect an annual  
10 fee from a medical cannabis manufacturer not to exceed the cost  
11 of regulating and inspecting the manufacturer in the calendar  
12 year.

13 Sec. 13. NEW SECTION. 124E.8 Medical cannabis dispensary  
14 licensure.

15 1. a. The department shall license by April 2, 2018, twelve  
16 medical cannabis dispensaries to dispense medical cannabis  
17 within this state consistent with the provisions of this  
18 chapter. The department shall license new medical cannabis  
19 dispensaries or relicense the existing medical cannabis  
20 dispensaries by December 1 of each year.

21 b. Information submitted during the application process  
22 shall be confidential until the medical cannabis dispensary  
23 is licensed by the department unless otherwise protected from  
24 disclosure under state or federal law.

25 2. As a condition for licensure, a medical cannabis  
26 dispensary must agree to begin supplying medical cannabis to  
27 patients by July 16, 2018.

28 3. The department shall consider the following factors in  
29 determining whether to license a medical cannabis dispensary:

30 a. The technical expertise of the medical cannabis  
31 dispensary regarding medical cannabis.

32 b. The qualifications of the medical cannabis dispensary's  
33 owners and management team.

34 c. The long-term financial stability of the medical cannabis  
35 dispensary.

1 d. The ability to provide appropriate security measures on  
2 the premises of the medical cannabis dispensary.

3 e. The medical cannabis dispensary's projection and ongoing  
4 assessment of fees for the purchase of medical cannabis on  
5 patients with debilitating medical conditions.

6 4. Each entity submitting an application for licensure  
7 as a medical cannabis dispensary shall pay a nonrefundable  
8 application fee of fifteen thousand dollars to the department.

9 Sec. 14. NEW SECTION. 124E.9 Medical cannabis dispensaries.

10 1. a. Medical cannabis dispensaries shall be located based  
11 on geographical need throughout the state to improve patient  
12 access.

13 b. A medical cannabis dispensary may dispense medical  
14 cannabis pursuant to the provisions of this chapter but shall  
15 not dispense any medical cannabis in a form or quantity other  
16 than the form or quantity allowed by the department pursuant  
17 to rule.

18 2. The operating documents of a medical cannabis dispensary  
19 shall include all of the following:

20 a. Procedures for the oversight of the medical cannabis  
21 dispensary and procedures to ensure accurate recordkeeping.

22 b. Procedures for the implementation of appropriate security  
23 measures to deter and prevent the theft of medical cannabis and  
24 unauthorized entrance into areas containing medical cannabis.

25 3. A medical cannabis dispensary shall implement security  
26 requirements, including requirements for protection by a fully  
27 operational security alarm system, facility access controls,  
28 perimeter intrusion detection systems, and a personnel  
29 identification system.

30 4. A medical cannabis dispensary shall not share office  
31 space with, refer patients to, or have any financial  
32 relationship with a health care practitioner.

33 5. A medical cannabis dispensary shall not permit any person  
34 to consume medical cannabis on the property of the medical  
35 cannabis dispensary.

1 6. A medical cannabis dispensary is subject to reasonable  
2 inspection by the department.

3 7. A medical cannabis dispensary shall not employ a  
4 person who is under eighteen years of age or who has been  
5 convicted of a disqualifying felony offense. An employee  
6 of a medical cannabis dispensary shall be subject to a  
7 background investigation conducted by the division of criminal  
8 investigation of the department of public safety and a national  
9 criminal history background check.

10 8. A medical cannabis dispensary shall not operate in any  
11 location within one thousand feet of a public or private school  
12 existing before the date of the medical cannabis dispensary's  
13 licensure by the department.

14 9. A medical cannabis dispensary shall comply with  
15 reasonable restrictions set by the department relating to  
16 signage, marketing, display, and advertising of medical  
17 cannabis.

18 10. Prior to dispensing of any medical cannabis, a medical  
19 cannabis dispensary shall do all of the following:

20 a. Verify that the medical cannabis dispensary has received  
21 a valid medical cannabis registration card from a patient or a  
22 patient's primary caregiver, if applicable.

23 b. Assign a tracking number to any medical cannabis  
24 dispensed from the medical cannabis dispensary.

25 c. (1) Properly package medical cannabis in compliance with  
26 federal law regarding child resistant packaging and exemptions  
27 for packaging for elderly patients, and label medical cannabis  
28 with a list of all active ingredients and individually  
29 identifying information, including all of the following:

30 (a) The name and date of birth of the patient and the  
31 patient's primary caregiver, if appropriate.

32 (b) The medical cannabis registration card numbers of the  
33 patient and the patient's primary caregiver, if applicable.

34 (c) The chemical composition of the medical cannabis.

35 (2) Proper packaging of medical cannabis shall include but

1 not be limited to all of the following:

2 (a) Warning labels regarding the use of medical cannabis by  
3 a woman during pregnancy and while breastfeeding.

4 (b) Clearly labeled packaging indicating that an edible  
5 medical cannabis product contains medical cannabis and which  
6 packaging shall not imitate candy products or in any way make  
7 the product marketable to children.

8 Sec. 15. NEW SECTION. 124E.10 Fees.

9 Medical cannabis registration card fees and medical cannabis  
10 manufacturer and medical cannabis dispensary application  
11 and annual fees collected by the department pursuant to  
12 this chapter shall be retained by the department, shall be  
13 considered repayment receipts as defined in section 8.2, and  
14 shall be used for the purpose of regulating medical cannabis  
15 manufacturers and medical cannabis dispensaries and for other  
16 expenses necessary for the administration of this chapter.

17 Sec. 16. NEW SECTION. 124E.11 Department duties ---- rules.

18 1. a. The department shall maintain a confidential file of  
19 the names of each patient to or for whom the department issues  
20 a medical cannabis registration card, the name of each primary  
21 caregiver to whom the department issues a medical cannabis  
22 registration card under section 124E.4, and the names of each  
23 health care practitioner who provides a written certification  
24 for medical cannabis pursuant to this chapter.

25 b. Individual names contained in the file shall be  
26 confidential and shall not be subject to disclosure, except as  
27 provided in subparagraph (1).

28 (1) Information in the confidential file maintained  
29 pursuant to paragraph "a" may be released on an individual basis  
30 to the following persons under the following circumstances:

31 (a) To authorized employees or agents of the department and  
32 the department of transportation as necessary to perform the  
33 duties of the department and the department of transportation  
34 pursuant to this chapter.

35 (b) To authorized employees of state or local law

1 enforcement agencies, but only for the purpose of verifying  
2 that a person is lawfully in possession of a medical cannabis  
3 registration card issued pursuant to this chapter.

4 (c) To authorized employees of a medical cannabis  
5 dispensary, but only for the purpose of verifying that a person  
6 is lawfully in possession of a medical cannabis registration  
7 card issued pursuant to this chapter.

8 (d) To any other authorized persons recognized by the  
9 department by rule, but only for the purpose of verifying  
10 that a person is lawfully in possession of a medical cannabis  
11 registration card issued pursuant to this chapter.

12 (2) Release of information pursuant to subparagraph  
13 (1) shall be consistent with the federal Health Insurance  
14 Portability and Accountability Act of 1996, Pub. L. No.  
15 104-191.

16 2. The department shall adopt rules pursuant to chapter  
17 17A to administer this chapter which shall include but not be  
18 limited to rules to do all of the following:

19 a. Govern the manner in which the department shall consider  
20 applications for new and renewal medical cannabis registration  
21 cards.

22 b. Identify criteria and set forth procedures for  
23 including additional chronic or debilitating diseases or  
24 medical conditions or their medical treatments on the list of  
25 debilitating medical conditions that qualify for the use of  
26 medical cannabis. Procedures shall include a petition process  
27 and shall allow for public comment and public hearings before  
28 the medical advisory board.

29 c. Set forth additional chronic or debilitating diseases  
30 or medical conditions or associated medical treatments for  
31 inclusion on the list of debilitating medical conditions that  
32 qualify for the use of medical cannabis as recommended by the  
33 medical advisory board.

34 d. Establish, in consultation with medical cannabis  
35 manufacturers and medical cannabis dispensaries, the form and

1 quantity of medical cannabis allowed to be dispensed to a  
2 patient or primary caregiver pursuant to this chapter. The  
3 form and quantity of medical cannabis shall be appropriate to  
4 serve the medical needs of patients with debilitating medical  
5 conditions.

6 e. Establish, in conjunction with the medical advisory  
7 board, requirements for the licensure of medical cannabis  
8 manufacturers and medical cannabis dispensaries and set forth  
9 procedures for medical cannabis manufacturers and medical  
10 cannabis dispensaries to obtain licenses.

11 f. Develop a dispensing system for medical cannabis within  
12 this state that provides for all of the following:

13 (1) Medical cannabis dispensaries within this state housed  
14 on secured grounds and operated by licensed medical cannabis  
15 dispensaries.

16 (2) The dispensing of medical cannabis to patients and  
17 their primary caregivers to occur at locations designated by  
18 the department.

19 g. Establish and collect annual fees from medical cannabis  
20 manufacturers and medical cannabis dispensaries to cover  
21 the costs associated with regulating and inspecting medical  
22 cannabis manufacturers and medical cannabis dispensaries.

23 h. Specify and implement procedures that address public  
24 safety including security procedures and product quality  
25 including measures to ensure contaminant-free cultivation of  
26 medical cannabis, safety, and labeling.

27 i. Establish and implement a medical cannabis inventory  
28 and delivery tracking system to track medical cannabis  
29 from production by a medical cannabis manufacturer through  
30 dispensing at a medical cannabis dispensary.

31 Sec. 17. NEW SECTION. 124E.12 Reciprocity.

32 A valid medical cannabis registration card, or its  
33 equivalent, issued under the laws of another state that allows  
34 an out-of-state patient to possess or use medical cannabis in  
35 the jurisdiction of issuance shall have the same force and

1 effect as a valid medical cannabis registration card issued  
2 pursuant to this chapter, except that an out-of-state patient  
3 in this state shall not obtain medical cannabis from a medical  
4 cannabis dispensary in this state and an out-of-state patient  
5 shall not smoke medical cannabis.

6 Sec. 18. NEW SECTION. 124E.13 Use of medical cannabis ----  
7 affirmative defenses.

8 1. A health care practitioner, including any authorized  
9 agent or employee thereof, shall not be subject to  
10 prosecution for the unlawful certification, possession, or  
11 administration of marijuana under the laws of this state for  
12 activities arising directly out of or directly related to the  
13 certification or use of medical cannabis in the treatment of  
14 a patient diagnosed with a debilitating medical condition as  
15 authorized by this chapter.

16 2. A medical cannabis manufacturer, including any  
17 authorized agent or employee thereof, shall not be subject  
18 to prosecution for manufacturing, possessing, cultivating,  
19 harvesting, packaging, processing, transporting, or supplying  
20 medical cannabis pursuant to this chapter.

21 3. A medical cannabis dispensary, including any authorized  
22 agent or employee thereof, shall not be subject to prosecution  
23 for transporting, supplying, or dispensing medical cannabis  
24 pursuant to this chapter.

25 a. In a prosecution for the unlawful possession of marijuana  
26 under the laws of this state, including but not limited to  
27 chapters 124 and 453B, it is an affirmative and complete  
28 defense to the prosecution that the patient has been diagnosed  
29 with a debilitating medical condition, used or possessed  
30 medical cannabis pursuant to a certification by a health care  
31 practitioner as authorized under this chapter, and, for a  
32 patient eighteen years of age or older, is in possession of a  
33 valid medical cannabis registration card.

34 b. In a prosecution for the unlawful possession of marijuana  
35 under the laws of this state, including but not limited to



1 chapters 124 and 453B, it is an affirmative and complete  
2 defense to the prosecution that the person possessed medical  
3 cannabis because the person is a primary caregiver of a patient  
4 who has been diagnosed with a debilitating medical condition  
5 and is in possession of a valid medical cannabis registration  
6 card, and where the primary caregiver's possession of the  
7 medical cannabis is on behalf of the patient and for the  
8 patient's use only as authorized under this chapter.

9 c. If a patient or primary caregiver is charged with the  
10 commission of a crime and is not in possession of the person's  
11 medical cannabis registration card, any charge or charges filed  
12 against the person shall be dismissed by the court if the  
13 person produces to the court prior to or at the person's trial  
14 a medical cannabis registration card issued to that person and  
15 valid at the time the person was charged.

16 4. An agency of this state or a political subdivision  
17 thereof, including any law enforcement agency, shall not remove  
18 or initiate proceedings to remove a patient under the age  
19 of eighteen from the home of a parent based solely upon the  
20 parent's or patient's possession or use of medical cannabis as  
21 authorized under this chapter.

22 Sec. 19. NEW SECTION. 124E.14 Penalties.

23 1. A person who knowingly or intentionally possesses or  
24 uses medical cannabis in violation of the requirements of this  
25 chapter is subject to the penalties provided under chapters 124  
26 and 453B.

27 2. A medical cannabis manufacturer or a medical cannabis  
28 dispensary shall be assessed a civil penalty of up to one  
29 thousand dollars per violation for any violation of this  
30 chapter in addition to any other applicable penalties.

31 Sec. 20. NEW SECTION. 124E.15 Use of medical cannabis ----  
32 smoking prohibited.

33 A patient shall not consume medical cannabis possessed  
34 or used as authorized under this chapter by smoking medical  
35 cannabis.

1 Sec. 21. NEW SECTION. 124E.16 Employment.

2 1. An employer in this state may retain, create, reinstate,  
3 or enforce a written zero tolerance policy prohibiting the  
4 possession or use of medical cannabis or any derivative  
5 thereof including cannabidiol by an employee in the employer's  
6 workplace, including but not limited to a policy prohibiting  
7 an employee from having any detectable amount of medical  
8 cannabis or any derivative thereof including cannabidiol in the  
9 employee's body while at work.

10 2. An employer's prohibition of the possession or use  
11 of medical cannabis or any derivative thereof including  
12 cannabidiol under this section shall not be considered to be  
13 an unfair or discriminatory employment practice under section  
14 216.6.

15 Sec. 22. Section 730.5, subsection 11, Code 2017, is amended  
16 by adding the following new paragraph:

17 NEW PARAGRAPH. f. Testing or taking action against an  
18 individual with a confirmed positive test result due to the  
19 individual's use of medical cannabis as authorized under  
20 chapter 124E.

21 Sec. 23. REPEAL. Chapter 124D, Code 2017, is repealed.

22 Sec. 24. EMERGENCY RULES. The department may adopt  
23 emergency rules under section 17A.4, subsection 3, and section  
24 17A.5, subsection 2, paragraph "b", to implement the provisions  
25 of this Act and the rules shall be effective immediately upon  
26 filing unless a later date is specified in the rules. Any  
27 rules adopted in accordance with this section shall also be  
28 published as a notice of intended action as provided in section  
29 17A.4.

30 Sec. 25. TRANSITION PROVISIONS. A medical cannabidiol  
31 registration card issued under chapter 124D prior to the  
32 effective date of this Act, remains effective and continues  
33 in effect as issued for the twelve-month period following its  
34 issuance. This Act does not preclude a medical cannabidiol  
35 registration card holder from seeking to renew the registration

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1 card under this Act prior to the expiration of the twelve-month  
2 period.

3 Sec. 26. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
4 of immediate importance, takes effect upon enactment.>

5 \_\_\_\_\_. Title page, by striking lines 1 through 4 and inserting  
6 <An Act concerning the medical use of cannabis including the  
7 establishment of the compassionate use of medical cannabis Act  
8 and the scheduling of a cannabidiol investigational product  
9 approved as a prescription drug medication under federal law,  
10 reclassifying marijuana, including tetrahydrocannabinols, from  
11 a schedule I controlled substance to a schedule II controlled  
12 substance, providing for civil and criminal penalties and fees,  
13 and including effective date provisions.>>

By M. SMITH of Marshall

HOUSE FILE 296

H-1425

1 Amend the Senate amendment, H-1417, to House File 296, as  
2 amended, passed, and reprinted by the House, as follows:

3 1. Page 1, after line 20 by inserting:

4 <DIVISION \_\_\_\_\_  
5 DRUG OVERDOSE PREVENTION AND CRIME VICTIM ASSISTANCE --  
6 IMMUNITY

7 Sec. \_\_\_\_\_. Section 123.46, Code 2017, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. 7. A person shall not be charged or  
10 prosecuted for a violation of this section if the person is  
11 immune from charge or prosecution pursuant to section 701.12.

12 Sec. \_\_\_\_\_. Section 123.47, Code 2017, is amended by adding  
13 the following new subsection:

14 NEW SUBSECTION. 9. A person shall not be charged or  
15 prosecuted for a violation of subsection 3 or 4 if the person  
16 is immune from charge or prosecution pursuant to section  
17 701.12.

18 Sec. \_\_\_\_\_. Section 124.401, Code 2017, is amended by adding  
19 the following new subsection:

20 NEW SUBSECTION. 6. A person shall not be charged or  
21 prosecuted for a violation of subsection 5 if the person is  
22 immune from charge or prosecution pursuant to section 701.12.

23 Sec. \_\_\_\_\_. Section 124.414, Code 2017, is amended by adding  
24 the following new subsection:

25 NEW SUBSECTION. 4. A person shall not be charged or  
26 prosecuted for a violation of this section if the person is  
27 immune from charge or prosecution pursuant to section 701.12.

28 Sec. \_\_\_\_\_. NEW SECTION. 701.12 Persons seeking emergency  
29 assistance for overdose or crime victims ---- immunity.

30 1. A person shall not be charged or prosecuted for the  
31 violation of any of the following offenses if the evidence  
32 for the charge was obtained as a result of the person in good  
33 faith seeking emergency assistance for the person or another  
34 person due to an alcohol or drug-related overdose or because  
35 the person or other person is a victim of a crime prohibited by

H-1425

- 1 chapter 708, 709, or 710A:
- 2 a. Section 123.46.
- 3 b. Section 123.47, subsection 3 or 4.
- 4 c. Section 124.401, subsection 5.
- 5 d. Section 124.414.
- 6 2. To be eligible for immunity under this section, the
- 7 reporting person, or persons acting in concert, must do all of
- 8 the following:
- 9 a. Be the first person to seek emergency assistance.
- 10 b. Provide the reporting person's name and contact
- 11 information to medical or law enforcement personnel.
- 12 c. Remain on the scene until assistance arrives or is
- 13 provided.
- 14 d. Cooperate with medical and law enforcement personnel.
- 15 3. The person for whom emergency assistance was sought as
- 16 described in subsection 1 shall not be charged or prosecuted
- 17 for an offense listed in subsection 1.>>
- 18 2. Page 1, line 22, after <prescriptions,> by inserting
- 19 <granting immunity from certain prosecutions,>
- 20 3. By renumbering as necessary.

**By** ISENHART of Dubuque  
ABDUL-SAMAD of Polk

HOUSE FILE 463

H-1421

1 Amend the Senate amendment, H-1295, to House File 463, as  
2 amended, passed, and reprinted by the House, as follows:

3 1. By striking page 1, line 6, through page 2, line 7, and  
4 inserting:

5 <1. The department may designate by resolution certain of  
6 its employees upon each of whom there is ~~hereby~~ conferred the  
7 authority of a peace officer to ~~control and direct traffic and~~  
8 ~~weigh vehicles, and to make arrests for violations of enforce~~  
9 all laws of the state including but not limited to the rules  
10 and regulations of the department. Employees designated as  
11 peace officers pursuant to this section shall have the same  
12 powers conferred by law on peace officers for the enforcement  
13 of all laws of this state and the apprehension of violators.

14 2. Employees designated as peace officers pursuant to this  
15 section who are assigned to the supervision of the highways  
16 of this state shall spend the preponderance of their time  
17 conducting enforcement activities that assure the safe and  
18 lawful movement and operation of commercial motor vehicles and  
19 vehicles transporting loads, including but not limited to the  
20 enforcement of motor vehicle laws relating to the operating  
21 authority, registration, size, weight, and load of motor  
22 vehicles and trailers, and registration of a motor carrier's  
23 interstate transportation service with the department.

24 3. Employees designated as peace officers pursuant to  
25 this section shall not exercise the general powers of a peace  
26 officer within the limits of any city, except as follows:

27 a. When so ordered by the direction of the governor.  
28 b. When request is made by the mayor of any city, with the  
29 approval of the director.

30 c. When request is made by the sheriff or county attorney of  
31 any county, with the approval of the director.

32 d. While in the pursuit of law violators or in investigating  
33 law violations.

34 e. While making any inspection provided by this chapter, or  
35 any additional inspection ordered by the director.

H-1421

1 f. When engaged in the investigation and enforcement of laws  
2 relating to narcotic, counterfeit, stimulant, and depressant  
3 drugs.

4 4. The limitations specified in subsection 3 shall in no  
5 way be construed as a limitation on the power of employees  
6 designated as peace officers pursuant to this section when a  
7 public offense is being committed in their presence.

8 5. The department shall submit a report to the general  
9 assembly on or before December 1 of each year that details the  
10 nature and scope of enforcement activities conducted in the  
11 previous fiscal year by employees designated as peace officers  
12 pursuant to this section who are assigned to the supervision  
13 of the highways of this state. The report shall include a  
14 comparison of commercial and noncommercial motor vehicle  
15 enforcement activities conducted by such employees.

16 6. The maximum age for a person employed as a peace officer  
17 pursuant to this section is sixty-five years of age.>>

18 2. Page 2, by striking lines 8 through 10.

19 3. By renumbering as necessary.

**By** CARLSON of Muscatine

HOUSE FILE 463

H-1424

1 Amend the Senate amendment, H-1295, to House File 463, as  
2 amended, passed, and reprinted by the House, as follows:

3 1. By striking page 1, line 6, through page 2, line 7, and  
4 inserting:

5 <1. The department may designate by resolution certain of  
6 its employees upon each of whom there is ~~hereby~~ conferred the  
7 authority of a peace officer to ~~control and direct traffic and~~  
8 ~~weigh vehicles, and to make arrests for violations of enforce~~  
9 all laws of the state including but not limited to the rules  
10 and regulations of the department. Employees designated as  
11 peace officers pursuant to this section shall have the same  
12 powers conferred by law on peace officers for the enforcement  
13 of all laws of this state and the apprehension of violators.

14 2. Employees designated as peace officers pursuant to this  
15 section who are assigned to the supervision of the highways  
16 of this state shall spend the preponderance of their time  
17 conducting enforcement activities that assure the safe and  
18 lawful movement and operation of commercial motor vehicles and  
19 vehicles transporting loads, including but not limited to the  
20 enforcement of motor vehicle laws relating to the operating  
21 authority, registration, size, weight, and load of motor  
22 vehicles and trailers, and registration of a motor carrier's  
23 interstate transportation service with the department.

24 3. Employees designated as peace officers pursuant to  
25 this section shall not exercise the general powers of a peace  
26 officer within the limits of any city, except as follows:

27 a. When so ordered by the direction of the governor.

28 b. When request is made by the mayor of any city, with the  
29 approval of the director.

30 c. When request is made by the sheriff or county attorney of  
31 any county, with the approval of the director.

32 d. While in the pursuit of law violators or in investigating  
33 law violations.

34 e. While making any inspection provided by this chapter, or  
35 any additional inspection ordered by the director.

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1 f. When engaged in the investigation and enforcement of laws  
2 relating to narcotic, counterfeit, stimulant, and depressant  
3 drugs.

4 4. The limitations specified in subsection 3 shall in no  
5 way be construed as a limitation on the power of employees  
6 designated as peace officers pursuant to this section when a  
7 public offense is being committed in their presence.

8 5. The department shall submit a report to the general  
9 assembly on or before December 1 of each year that details the  
10 nature and scope of enforcement activities conducted in the  
11 previous fiscal year by employees designated as peace officers  
12 pursuant to this section who are assigned to the supervision  
13 of the highways of this state. The report shall include a  
14 comparison of commercial and noncommercial motor vehicle  
15 enforcement activities conducted by such employees.

16 6. The maximum age for a person employed as a peace officer  
17 pursuant to this section is sixty-five years of age.>>

18 2. By renumbering as necessary.

**By** CARLSON of Muscatine



**Senate Amendment to**  
**HOUSE FILE 478**

**H-1438**

1 Amend House File 478, as amended, passed, and reprinted by  
2 the House, as follows:

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

5 <Section 1. Section 331.559, subsection 20, Code 2017, is  
6 amended to read as follows:

7 20. Apportion and collect the costs assessed by the district  
8 court against the board of review or any taxing ~~body~~ district  
9 resulting from an appeal of property assessments as provided  
10 in section 441.40.

11 Sec. 2. Section 428.4, subsection 1, Code 2017, is amended  
12 to read as follows:

13 1. Property shall be assessed for taxation each year.  
14 Real estate shall be listed and assessed in 1981 and every  
15 two years thereafter. The assessment of real estate shall  
16 be the value of the real estate as of January 1 of the year  
17 of the assessment. The year 1981 and each odd-numbered year  
18 thereafter shall be a reassessment year. In any year, after  
19 the year in which an assessment has been made of all the real  
20 estate in an assessing jurisdiction, the assessor shall value  
21 and assess or revalue and reassess, as the case may require,  
22 any real estate that the assessor finds was incorrectly valued  
23 or assessed, or was not listed, valued, and assessed, in the  
24 assessment year immediately preceding, also any real estate  
25 the assessor finds has changed in value subsequent to January  
26 1 of the preceding real estate assessment year. However, a  
27 percentage increase on a class of property shall not be made  
28 in a year not subject to an equalization order unless ordered  
29 by the department of revenue. The assessor shall determine  
30 the actual value and compute the taxable value thereof as of  
31 January 1 of the year of the revaluation and reassessment. The  
32 assessment shall be completed as specified in section 441.28,  
33 but no reduction or increase in actual value shall be made for  
34 prior years. If an assessor makes a change in the valuation  
35 of the real estate as provided for, sections 441.23, 441.37,

**H-1438**

1 441.37A, 441.37B, and ~~441.38~~, and ~~441.39~~ apply.

2 Sec. 3. Section 441.5, subsection 3, Code 2017, is amended  
3 to read as follows:

4 3. Only individuals who possess a high school diploma  
5 or its equivalent and who have completed the preliminary  
6 education requirements established under subsection 3A are  
7 eligible to take the examination. A person desiring to take  
8 the examination shall complete an application prior to the  
9 administration of the examination. Evidence of successful  
10 completion of the preliminary education requirements under  
11 subsection 3A shall be included with the application.

12 Sec. 4. Section 441.5, Code 2017, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 3A. The director of revenue shall  
15 prescribe by rule preliminary education requirements, including  
16 a preliminary course of study, that each individual must  
17 successfully complete in order to be eligible to take the  
18 examination. The course of study prescribed by the director of  
19 revenue may include those subjects covered by the examination  
20 and listed under subsection 2 and any other subjects or  
21 courses the director of revenue deems relevant, including those  
22 courses offered and standards established by the international  
23 association of assessing officers.

24 Sec. 5. Section 441.9, Code 2017, is amended to read as  
25 follows:

26 441.9 Removal of assessor.

27 The assessor may be removed by a majority vote of the  
28 conference board, after charges of misconduct, nonfeasance,  
29 malfeasance, or misfeasance in office shall have been  
30 substantiated at a public hearing, if same is demanded by the  
31 assessor by written notice served upon the chairperson of the  
32 conference board. For purposes of this section, "misconduct"  
33 includes but is not limited to knowingly engaging in assessment  
34 methods, practices, or conduct that contravene any applicable  
35 law, administrative rule, or order of any court or other

1 government authority.

2 Sec. 6. Section 441.10, Code 2017, is amended by adding the  
3 following new subsection:

4 NEW SUBSECTION. 1A. The director of revenue shall prescribe  
5 by rule deputy assessor preliminary education requirements,  
6 including a preliminary course of study, that each individual  
7 must successfully complete in order to be eligible to take the  
8 deputy assessor examination. The course of study prescribed by  
9 the director of revenue may include those subjects covered by  
10 the examination and any other subjects or courses the director  
11 of revenue deems relevant, including those courses offered  
12 and standards established by the international association  
13 of assessing officers. Evidence of successful completion of  
14 the deputy assessor preliminary education requirements shall  
15 be included with the application to take the deputy assessor  
16 examination.

17 Sec. 7. Section 441.19, subsection 1, paragraph a, Code  
18 2017, is amended to read as follows:

19 a. Supplemental and optional to the procedure for the  
20 assessment of property by the assessor as provided in this  
21 chapter, the assessor may require from all persons required  
22 to list their property for taxation as provided by sections  
23 428.1 and 428.2, a supplemental return to be prescribed by  
24 the director of revenue upon which the person shall list  
25 the person's property. The supplemental return shall be in  
26 substantially the same form as now prescribed by law for  
27 the assessment rolls used in the listing of property by the  
28 assessors. However, for assessment years beginning on or after  
29 January 1, 2018, and unless otherwise required for property  
30 valued by the department of revenue pursuant to chapters 428,  
31 433, 437, and 438, a supplemental return shall not request,  
32 and a person shall not be otherwise required to provide to the  
33 assessor for property assessment purposes, sales or receipts  
34 data, expense data, balance sheets, bank account information,  
35 or other data related to the financial condition of a business

1 operating in whole or in part on the property if the property  
2 is both classified as commercial or industrial property and  
3 owned and used by the owner of the business. Every person  
4 required to list property for taxation shall make a complete  
5 listing of the property upon supplemental forms and return the  
6 listing to the assessor as promptly as possible. The return  
7 shall be verified over the signature of the person making the  
8 return and section 441.25 applies to any person making such  
9 a return. The assessor shall make supplemental return forms  
10 available as soon as practicable after the first day of January  
11 of each year. The assessor shall make supplemental return  
12 forms available to the taxpayer by mail, or at a designated  
13 place within the taxing district.

14 Sec. 8. Section 441.21, subsection 2, Code 2017, is amended  
15 to read as follows:

16 2. In the event market value of the property being assessed  
17 cannot be readily established in the foregoing manner, then  
18 the assessor may determine the value of the property using the  
19 other uniform and recognized appraisal methods including its  
20 productive and earning capacity, if any, industrial conditions,  
21 its cost, physical and functional depreciation and obsolescence  
22 and replacement cost, and all other factors which would assist  
23 in determining the fair and reasonable market value of the  
24 property but the actual value shall not be determined by use  
25 of only one such factor. The following shall not be taken into  
26 consideration: Special value or use value of the property to  
27 its present owner, and the goodwill or value of a business  
28 which uses the property as distinguished from the value of  
29 the property as property. In addition, for assessment years  
30 beginning on or after January 1, 2018, and unless otherwise  
31 required for property valued by the department of revenue  
32 pursuant to chapters 428, 433, 437, and 438, the assessor  
33 shall not take into consideration and shall not request from  
34 any person sales or receipts data, expense data, balance  
35 sheets, bank account information, or other data related to

1 the financial condition of a business operating in whole or  
2 in part on the property if the property is both classified as  
3 commercial or industrial property and owned and used by the  
4 owner of the business. However, in assessing property that  
5 is rented or leased to low-income individuals and families  
6 as authorized by section 42 of the Internal Revenue Code,  
7 as amended, and which section limits the amount that the  
8 individual or family pays for the rental or lease of units  
9 in the property, the assessor shall, unless the owner elects  
10 to withdraw the property from the assessment procedures for  
11 section 42 property, use the productive and earning capacity  
12 from the actual rents received as a method of appraisal and  
13 shall take into account the extent to which that use and  
14 limitation reduces the market value of the property. The  
15 assessor shall not consider any tax credit equity or other  
16 subsidized financing as income provided to the property in  
17 determining the assessed value. The property owner shall  
18 notify the assessor when property is withdrawn from section 42  
19 eligibility under the Internal Revenue Code or if the owner  
20 elects to withdraw the property from the assessment procedures  
21 for section 42 property under this subsection. The property  
22 shall not be subject to section 42 assessment procedures  
23 for the assessment year for which section 42 eligibility is  
24 withdrawn or an election is made. This notification must  
25 be provided to the assessor no later than March 1 of the  
26 assessment year or the owner will be subject to a penalty of  
27 five hundred dollars for that assessment year. The penalty  
28 shall be collected at the same time and in the same manner  
29 as regular property taxes. An election to withdraw from the  
30 assessment procedures for section 42 property is irrevocable.  
31 Property that is withdrawn from the assessment procedures  
32 for section 42 property shall be classified and assessed as  
33 multiresidential property unless the property otherwise fails  
34 to meet the requirements of section 441.21, subsection 13.  
35 Upon adoption of uniform rules by the department of revenue

1 or succeeding authority covering assessments and valuations  
2 of such properties, the valuation on such properties shall be  
3 determined in accordance with such rules and in accordance with  
4 forms and guidelines contained in the real property appraisal  
5 manual prepared by the department as updated from time to time  
6 for assessment purposes to assure uniformity, but such rules,  
7 forms, and guidelines shall not be inconsistent with or change  
8 the foregoing means of determining the actual, market, taxable  
9 and assessed values.

10 Sec. 9. Section 441.21, subsection 3, paragraph b, Code  
11 2017, is amended to read as follows:

12 b. (1) The For assessment years beginning before January  
13 1, 2018, the burden of proof shall be upon any complainant  
14 attacking such valuation as excessive, inadequate, inequitable,  
15 or capricious; however. However, in protest or appeal  
16 proceedings when the complainant offers competent evidence by  
17 at least two disinterested witnesses that the market value of  
18 the property is less than the market value determined by the  
19 assessor, the burden of proof thereafter shall be upon the  
20 officials or persons seeking to uphold such valuation to be  
21 assessed.

22 (2) For assessment years beginning on or after January  
23 1, 2018, the burden of proof shall be upon any complainant  
24 attacking such valuation as excessive, inadequate, inequitable,  
25 or capricious. However, in protest or appeal proceedings when  
26 the complainant offers competent evidence that the market value  
27 of the property is different than the market value determined  
28 by the assessor, the burden of proof thereafter shall be upon  
29 the officials or persons seeking to uphold such valuation to  
30 be assessed.

31 (3) If the classification of a property has been previously  
32 adjudicated by the property assessment appeal board or a  
33 court as part of an appeal under this chapter, there is a  
34 presumption that the classification of the property has not  
35 changed for each of the four subsequent assessment years,

1 unless a subsequent such adjudication of the classification of  
2 the property has occurred, and the burden of demonstrating a  
3 change in use shall be upon the person asserting a change to  
4 the property's classification.

5 Sec. 10. Section 441.30, subsections 1 and 2, Code 2017, are  
6 amended to read as follows:

7 1. Any property owner or aggrieved taxpayer who is  
8 dissatisfied with the owner's or taxpayer's assessment may  
9 contact the assessor by telephone or in writing by paper  
10 or electronic medium on or after April 2, to and including  
11 April 25, of the year of the assessment to inquire about the  
12 specifics and accuracy of the assessment. Such an inquiry may  
13 also include a request for an informal review of the assessment  
14 by the assessor under one or more of the grounds for protest  
15 authorized under section 441.37~~for the same assessment year.~~

16 2. In response to an inquiry under subsection 1, if the  
17 assessor, following an informal review, determines that the  
18 assessment was incorrect under one or more of the grounds for  
19 protest authorized under section 441.37~~for the same assessment~~  
20 ~~year~~, the assessor may, on or before April 25, recommend that  
21 the property owner or aggrieved taxpayer file a protest with  
22 the local board of review and may file a recommendation with  
23 the local board of review related to the informal review, or  
24 may enter into a signed written agreement with the property  
25 owner or aggrieved taxpayer authorizing the assessor to correct  
26 or modify the assessment according to the agreement of the  
27 parties.

28 Sec. 11. Section 441.37, subsection 1, paragraph a,  
29 unnumbered paragraph 1, Code 2017, is amended to read as  
30 follows:

31 Any property owner or aggrieved taxpayer who is dissatisfied  
32 with the owner's or taxpayer's assessment may file a protest  
33 against such assessment with the board of review on or  
34 after April 2, to and including April 30, of the year of the  
35 assessment. In any county which has been declared to be a

1 disaster area by proper federal authorities after March 1 and  
2 prior to May 20 of said year of assessment, the board of review  
3 shall be authorized to remain in session until June 15 and the  
4 time for filing a protest shall be extended to and include the  
5 period from May 25 to June 5 of such year. The protest shall  
6 be in writing on forms prescribed by the director of revenue  
7 and, except as provided in subsection 3, signed by the one  
8 protesting or by the protester's duly authorized agent. The  
9 taxpayer may have an oral hearing on the protest if the request  
10 for the oral hearing is made in writing at the time of filing  
11 the protest. The protest must be confined to one or more of the  
12 following grounds:

13 Sec. 12. Section 441.37, subsection 1, paragraph a,  
14 subparagraph (1), Code 2017, is amended to read as follows:

15 ~~-(1) For odd-numbered assessment years and for even-numbered~~  
16 ~~assessment years for property that was reassessed in such~~  
17 ~~even-numbered assessment year:~~

18 ~~-(a) (1) That said assessment is not equitable as compared~~  
19 ~~with assessments of other like property in the taxing district.~~  
20 ~~When this ground is relied upon as the basis of a protest the~~  
21 ~~legal description and assessments of a representative number of~~  
22 ~~comparable properties, as described by the aggrieved taxpayer~~  
23 ~~shall be listed on the protest, otherwise said protest shall~~  
24 ~~not be considered on this ground.~~

25 ~~-(b) (2) That the property is assessed for more than the~~  
26 ~~value authorized by law. When this ground is relied upon, the~~  
27 ~~protesting party shall state the specific amount which the~~  
28 ~~protesting party believes the property to be overassessed, and~~  
29 ~~the amount which the party considers to be its actual value and~~  
30 ~~fair assessment.~~

31 ~~-(c) (3) That the property is not assessable, is exempt~~  
32 ~~from taxes, or is misclassified and stating the reasons for the~~  
33 ~~protest.~~

34 ~~-(d) (4) That there is an error in the assessment and state~~  
35 ~~the specific alleged error. When this ground is relied upon,~~



1 ~~the error may include but is not limited to listing errors,~~  
2 ~~clerical or mathematical errors, or other errors that result~~  
3 ~~in an error in the assessment.~~

4 ~~-(e) (5) That there is fraud or misconduct in the assessment~~  
5 ~~which shall be specifically stated. For purposes of this~~  
6 ~~section, "misconduct" means the same as defined in section~~  
7 ~~441.9. If the local board of review, property assessment~~  
8 ~~appeal board, or district court decides in favor of the~~  
9 ~~property owner or aggrieved taxpayer and finds that there was~~  
10 ~~fraud or misconduct in the assessment, the property owner's or~~  
11 ~~aggrieved taxpayer's reasonable costs incurred in bringing the~~  
12 ~~protest or appeal shall be paid from the assessment expense~~  
13 ~~fund under section 441.16. For purposes of this section, costs~~  
14 ~~include but are not limited to legal fees, appraisal fees, and~~  
15 ~~witness fees.~~

16 Sec. 13. Section 441.37, subsection 1, paragraph a,  
17 subparagraph (2), Code 2017, is amended by striking the  
18 subparagraph.

19 Sec. 14. Section 441.37A, subsection 1, Code 2017, is  
20 amended to read as follows:

21 1. a. ~~For the assessment year beginning January 1, 2007,~~  
22 ~~and all subsequent assessment years beginning before January 1,~~  
23 ~~2021, appeals~~ Appeals may be taken from the action of the board  
24 of review with reference to protests of assessment, valuation,  
25 or application of an equalization order to the property  
26 assessment appeal board created in section 421.1A. However, a  
27 property owner or aggrieved taxpayer or an appellant described  
28 in section 441.42 may bypass the property assessment appeal  
29 board and appeal the decision of the local board of review to  
30 the district court pursuant to section 441.38.

31 b. For an appeal to the property assessment appeal board to  
32 be valid, ~~written notice must be filed by the party appealing~~  
33 ~~the decision with the secretary of the property assessment~~  
34 ~~appeal board~~ a party must file an appeal with the board within  
35 twenty days after the date of adjournment of the local board

1 of review or May 31, whichever is later. The ~~written notice~~  
2 ~~of~~ appeal shall include ~~a petition setting forth~~ the basis  
3 of the appeal and the relief sought. ~~No new~~ New grounds in  
4 addition to those set out in the protest to the local board of  
5 review, as provided in section 441.37~~ean~~, may be pleaded, ~~but~~  
6 and additional evidence to sustain those grounds set out in the  
7 protest to the local board of review may be introduced. The  
8 assessor shall have the same right to appeal to the assessment  
9 appeal board as an individual taxpayer, public body, or other  
10 public officer as provided in section 441.42. An appeal to the  
11 board is a contested case under chapter 17A.

12 c. Filing of the ~~written notice of appeal and petition~~  
13 with the ~~secretary of the~~ property assessment appeal board  
14 shall preserve all rights of appeal of the appellant, except as  
15 otherwise provided in subsection 2. ~~A copy of the appellant's~~  
16 ~~written notice of appeal and petition shall be mailed by the~~  
17 ~~secretary of the property assessment appeal board to the local~~  
18 ~~board of review whose decision is being appealed.~~

19 d. ~~In all cases where a change in assessed valuation of one~~  
20 ~~hundred thousand dollars or more is petitioned for, the local~~  
21 ~~board of review shall mail a copy of the written notice of~~  
22 ~~appeal and petition to all affected taxing districts as shown~~  
23 ~~on the last available tax list. A copy of the appellant's~~  
24 appeal shall be sent by the property assessment appeal board to  
25 the local board of review whose decision is being appealed.

26 e. The property assessment appeal board may, by rule,  
27 provide for the filing of ~~a notice of appeal and petition with~~  
28 ~~the secretary of the board~~ an appeal by electronic means. All  
29 requirements of this section for an appeal to the board shall  
30 apply to an appeal filed electronically.

31 Sec. 15. Section 441.37A, subsection 2, paragraph b, Code  
32 2017, is amended to read as follows:

33 b. Each appeal may be considered by one or more members of  
34 the board, and the chairperson of the board may assign members  
35 to consider appeals. If a hearing is requested, it shall be

1 open to the public and shall be conducted in accordance with  
2 the rules of practice and procedure adopted by the board. The  
3 board may provide by rule for participation in such hearings  
4 by telephone or other means of electronic communication.  
5 However, any deliberation of the board or of board members  
6 considering the appeal in reaching a decision on any appeal  
7 shall be confidential. Any deliberation of the board or of  
8 board members to rule on procedural motions in a pending appeal  
9 or to deliberate on the decision to be reached in an appeal  
10 is exempt from the provisions of chapter 21. The property  
11 assessment appeal board or any member of the board considering  
12 the appeal may require the production of any books, records,  
13 papers, or documents as evidence in any matter pending before  
14 the board that may be material, relevant, or necessary for the  
15 making of a just decision. Any books, records, papers, or  
16 documents produced as evidence shall become part of the record  
17 of the appeal. Any testimony given relating to the appeal  
18 shall be ~~transcribed~~ electronically recorded and made a part of  
19 the record of the appeal.

20 Sec. 16. Section 441.37A, subsection 3, Code 2017, is  
21 amended to read as follows:

22 3. a. The burden of proof for all appeals before the  
23 board shall be as stated in section 441.21, subsection 3. The  
24 board members considering the appeal shall determine anew all  
25 questions arising before the local board of review ~~which~~ that  
26 relate to the liability of the property to assessment or the  
27 amount ~~thereof~~ of the assessment. All of the evidence shall  
28 be considered and there shall be no presumption as to the  
29 correctness of the valuation of assessment appealed from. ~~The~~  
30 ~~property assessment appeal board shall issue a decision in each~~  
31 ~~appeal filed with the board.~~ If the appeal is considered by  
32 less than the full membership of the board, the determination  
33 made by such members shall be forwarded to the full board  
34 for approval, rejection, or modification. If the initial  
35 determination is rejected by the board, it shall be returned

1 for reconsideration to the board members making the initial  
2 determination. ~~Any deliberation of the board regarding an~~  
3 ~~initial determination shall be confidential.~~

4 b. The decision of the board shall be considered the final  
5 agency action ~~for purposes of further appeal,~~ and is subject  
6 to judicial review as provided in section 441.37B, except as  
7 otherwise provided in section 441.49. ~~The decision shall be~~  
8 ~~final unless appealed to district court as provided in section~~  
9 ~~441.38.~~ A decision of the board modifying an assessment shall  
10 be sent to the county auditor and the assessor, who shall  
11 correct the assessment books accordingly. An appeal of the  
12 board's decision under section 441.37B shall not itself stay  
13 execution or enforcement of the board's decision.

14 c. The levy of taxes on any assessment appealed to the board  
15 shall not be delayed by any proceeding before the board, and  
16 if the assessment appealed from is reduced by the decision of  
17 the board, any taxes levied upon that portion of the assessment  
18 reduced shall be abated or, if already paid, shall, by order  
19 of the board, be refunded or credited against future property  
20 taxes levied against the property at the option of the property  
21 owner or aggrieved taxpayer.

22 d. If the subject of an appeal is the application of an  
23 equalization order, the property assessment appeal board shall  
24 not order a reduction in assessment greater than the amount  
25 that the assessment was increased due to application of the  
26 equalization order.

27 e. Each party to the appeal shall be responsible for the  
28 costs of the appeal incurred by that party.

29 Sec. 17. NEW SECTION. 441.37B Appeal to district court from  
30 property assessment appeal board.

31 1. A party who is aggrieved or adversely affected by a  
32 final action of the property assessment appeal board may seek  
33 judicial review of the action as provided in chapter 17A.  
34 Notwithstanding section 17A.19, subsection 2, a petition for  
35 judicial review of the action of the property assessment appeal

1 board shall be filed in the district court of the county where  
2 the property that is subject to the appeal is located.

3 2. Notwithstanding any provision of chapter 17A to the  
4 contrary, for appeals taken from the property assessment appeal  
5 board to district court, new grounds in addition to those set  
6 out in the appeal to the property assessment appeal board shall  
7 not be pleaded.

8 3. Notwithstanding any provision of chapter 17A to the  
9 contrary, additional evidence to sustain those grounds set out  
10 in the appeal to the property assessment appeal board may not  
11 be introduced in an appeal to the district court.

12 4. A decision of the district court modifying an assessment  
13 shall be sent to the county auditor and the assessor, who shall  
14 correct the assessment books accordingly.

15 Sec. 18. Section 441.38, Code 2017, is amended to read as  
16 follows:

17 441.38 Appeal to district court from local board of review.

18 1. Appeals may be taken from the action of the local board  
19 of review with reference to protests of assessment, to the  
20 district court of the county in which the board holds its  
21 sessions within twenty days after ~~its~~ the board's adjournment  
22 or May 31, whichever date is later. ~~Appeals may be taken from~~  
23 ~~the action of the property assessment appeal board to the~~  
24 ~~district court of the county where the property which is the~~  
25 ~~subject of the appeal is located within twenty days after the~~  
26 ~~letter of disposition of the appeal by the property assessment~~  
27 ~~appeal board is postmarked to the appellant. No new grounds~~  
28 ~~in addition to those set out in the protest to the local board~~  
29 ~~of review as provided in section 441.37, or in addition to~~  
30 ~~those set out in the appeal to the property assessment appeal~~  
31 ~~board, if applicable, can be pleaded. For appeals taken from~~  
32 the local board of review directly to district court, new  
33 grounds in addition to those set out in the protest to the  
34 local board of review, as provided in section 441.37, may be  
35 pleaded. ~~Additional~~ For appeals taken from the local board of

1 review directly to district court, additional evidence to  
2 sustain those grounds set out in the protest to the local board  
3 of review may be introduced in an appeal from the local board  
4 of review to the district court. However, no new evidence to  
5 sustain those grounds may be introduced in an appeal from the  
6 property assessment appeal board to the district court. The  
7 assessor shall have the same right to appeal and in the same  
8 manner as an individual taxpayer, public body, or other public  
9 officer as provided in section 441.42. Appeals shall be taken  
10 by filing a written notice of appeal with the clerk of district  
11 court. Filing of the written notice of appeal shall preserve  
12 all rights of appeal of the appellant.

13 2. ~~If the appeal to district court is taken from the action~~  
14 ~~of the local board of review, notice~~ Notice of appeal shall  
15 be served as an original notice on the chairperson, presiding  
16 officer, or clerk of the board of review after the filing of  
17 notice under subsection 1 with the clerk of district court. ~~If~~  
18 ~~the appeal to district court is taken from the action of the~~  
19 ~~property assessment appeal board, notice of appeal shall be~~  
20 ~~served as an original notice on the secretary of the property~~  
21 ~~assessment appeal board after the filing of notice under~~  
22 ~~subsection 1 with the clerk of district court.~~

23 3. The court shall hear the appeal in equity and determine  
24 anew all questions arising before the board of review that  
25 relate to the liability of the property to assessment or  
26 the amount of the assessment. The court shall consider all  
27 of the evidence and there shall be no presumption as to the  
28 correctness of the valuation or assessment appealed from. The  
29 court's decision shall be certified by the clerk of the court  
30 to the county auditor and the assessor, who shall correct the  
31 assessment books accordingly.

32 Sec. 19. Section 441.39, Code 2017, is amended by striking  
33 the section and inserting in lieu thereof the following:

34 441.39 Notice of assessment protests and appeals to taxing  
35 districts.

1 1. If a property owner or aggrieved taxpayer appeals a  
2 decision of the board of review to the property assessment  
3 appeal board or to district court and requests an adjustment in  
4 valuation of one hundred thousand dollars or more, the assessor  
5 shall notify all affected taxing districts as shown on the last  
6 available tax list.

7 2. In addition to any other requirement for providing  
8 of notice, if a property owner or aggrieved taxpayer files  
9 a protest against the assessment of property valued by the  
10 assessor at five million dollars or more or files an appeal  
11 to the property assessment appeal board or the district court  
12 with regard to such property, the assessor shall provide notice  
13 to the school district in which such property is located  
14 within ten days of the filing of the protest or the appeal, as  
15 applicable.

16 Sec. 20. Section 441.40, Code 2017, is amended to read as  
17 follows:

18 441.40 Costs, fees, and expenses apportioned.

19 The clerk of the court shall likewise certify to the county  
20 treasurer the costs assessed by the court on any appeal from a  
21 board of review to the district court, in all cases where ~~said~~  
22 the costs are taxed against the board of review or any taxing  
23 ~~body~~ district. Thereupon the county treasurer shall compute  
24 and apportion the ~~said~~ costs between the various taxing ~~bodies~~  
25 districts participating in the proceeds of the collection of  
26 the taxes involved in any such appeal, and ~~said~~ the treasurer  
27 shall so compute and apportion the various amounts which ~~said~~  
28 the taxing ~~bodies~~ districts are required to pay in proportion  
29 to the amount of taxes each of ~~said~~ the taxing ~~bodies~~ districts  
30 is entitled to receive from the whole amount of taxes involved  
31 in each of such appeals. The ~~said~~ county treasurer shall  
32 deduct from the proceeds of all general taxes collected the  
33 amount of costs so computed and apportioned by the treasurer  
34 from the moneys due to each taxing ~~body~~ district from general  
35 taxes collected. The amount ~~so~~ deducted shall be certified to

1 each taxing ~~body~~ district in lieu of moneys collected. ~~Said~~  
2 The county treasurer shall pay to the clerk of the district  
3 court the amount of ~~said~~ the costs so computed, apportioned,  
4 and collected by the treasurer in all cases now on file or  
5 hereafter filed in which ~~said~~ the costs have not been paid.

6 Sec. 21. Section 441.41, Code 2017, is amended to read as  
7 follows:

8 441.41 Legal counsel.

9 In the case of cities having an assessor, the city legal  
10 department shall represent the assessor and board of review  
11 in all litigation dealing with assessments. In the case of  
12 counties, the county attorney shall represent the assessor and  
13 board of review in all litigation dealing with assessments.  
14 Any taxing ~~body~~ district interested in the taxes received from  
15 such assessments may be represented by an attorney and shall  
16 be required to appear by attorney upon written request of the  
17 assessor to the presiding officer of any such taxing ~~body~~  
18 district. The conference board may employ special counsel to  
19 assist the city legal department or county attorney as the case  
20 may be.

21 Sec. 22. Section 441.44, Code 2017, is amended to read as  
22 follows:

23 441.44 Notice of voluntary settlement.

24 1. The property assessment appeal board may adopt rules  
25 establishing requirements for notices of voluntary settlements  
26 in appeals before the board to be served upon affected taxing  
27 districts.

28 2. ~~No~~ A voluntary court settlement of an assessment appeal  
29 shall not be valid unless written notice ~~thereof~~ of the  
30 settlement shall first be served upon each of the affected  
31 ~~taxing bodies interested in the taxes derived from such~~  
32 assessment districts.

33 Sec. 23. Section 443.11, Code 2017, is amended to read as  
34 follows:

35 443.11 Procedure on appeal.



1 The appeal provided for in section 443.8 shall be taken  
2 within ten days from the time of the final action of the  
3 assessor or auditor, by a written notice to that effect to the  
4 assessor or auditor, and served as an original notice. The  
5 court on appeal shall hear and determine the rights of the  
6 parties in the same manner as appeals from the board of review,  
7 as prescribed in sections ~~441.39~~ 441.38 and 441.43.

8 Sec. 24. Section 602.8102, subsection 61, Code 2017, is  
9 amended to read as follows:

10 61. Certify the final decision of the district court  
11 in an appeal of the tax assessments as provided in section  
12 ~~441.39~~ 441.37B or 441.38. Costs of the appeal to be assessed  
13 against the board of review or a taxing ~~body~~ district shall be  
14 certified to the treasurer as provided in section 441.40.

15 Sec. 25. REPEAL. 2005 Iowa Acts, chapter 150, section 134,  
16 as amended by 2013 Iowa Acts, chapter 123, section 62, and 2015  
17 Iowa Acts, chapter 109, section 1, is repealed.

18 Sec. 26. REPEAL. Sections 441.38A and 441.38B, Code 2017,  
19 are repealed.

20 Sec. 27. ASSESSOR CONTINUING EDUCATION STUDY ---- REPORT.

21 1. The department of revenue shall study the current system  
22 of continuing education for assessors and deputy assessors  
23 under chapter 441 and make recommendations for changes.

24 2. The department of revenue shall prepare and file a report  
25 detailing recommendations for changes to the current system of  
26 assessor and deputy assessor continuing education requirements.  
27 The report shall be filed by the department of revenue with  
28 the chairpersons and ranking members of the ways and means  
29 committees of the senate and the house of representatives and  
30 with the legislative services agency by December 15, 2017.

31 Sec. 28. EFFECTIVE UPON ENACTMENT. The following  
32 provisions of this Act, being deemed of immediate importance,  
33 take effect upon enactment:

34 1. The section of this Act amending section 441.9.

35 2. The section of this Act amending section 441.21,

1 subsection 3, paragraph "b".

2 Sec. 29. APPLICABILITY. Except as otherwise provided in  
3 this Act, this Act applies to assessment years beginning on or  
4 after January 1, 2018.

5 Sec. 30. APPLICABILITY. The following provisions of this  
6 Act apply beginning January 1, 2018, for the appointment of  
7 assessors and deputy assessors that are not reappointments  
8 occurring on or after that date:

9 1. The section of this Act amending section 441.5,  
10 subsection 3.

11 2. The section of this Act enacting section 441.5,  
12 subsection 3A.

13 3. The section of this Act enacting section 441.10,  
14 subsection 1A.

15 Sec. 31. RETROACTIVE APPLICABILITY. The following  
16 provision of this Act applies retroactively to January 1, 2017,  
17 for assessment years beginning on or after that date:

18 1. The portion of the section of this Act enacting section  
19 441.21, subsection 3, paragraph "b", subparagraph (3).>

20 2. Title page, by striking line 6 and inserting <the board,  
21 modifying requirements for assessors and deputy assessors,  
22 and including effective date, applicability, and retroactive  
23 applicability provisions.>

RECEIVED FROM THE SENATE

HOUSE FILE 478

H-1445

1 Amend the Senate amendment, H-1438, to House File 478, as  
2 amended, passed, and reprinted by the House, as follows:

3 1. By striking page 1, line 11, through page 2, line 1, and  
4 inserting:

5 <Sec. \_\_\_\_\_. Section 428.4, subsection 1, Code 2017, is  
6 amended to read as follows:

7 1. Property shall be assessed for taxation each year.  
8 Real estate shall be listed and assessed in 1981 and every  
9 two years thereafter. The assessment of real estate shall  
10 be the value of the real estate as of January 1 of the year  
11 of the assessment. The year 1981 and each odd-numbered year  
12 thereafter shall be a reassessment year. In any even-numbered  
13 year, after the year in which an assessment has been made  
14 of all the real estate in an assessing jurisdiction, the  
15 assessor shall value and assess or revalue and reassess, as  
16 the case may require, any individual real estate parcel that  
17 the assessor finds was incorrectly valued or assessed for more  
18 than the value authorized by law, or was not listed, valued,  
19 and assessed, in the assessment year immediately preceding,  
20 also any real estate the assessor finds has changed in value  
21 subsequent to January 1 of the preceding real estate assessment  
22 year in accordance with subsection 3. However, a percentage  
23 increase on a class of property shall not be made in a year  
24 not subject to an equalization order unless ordered by the  
25 department of revenue, and any such increase must apply to  
26 all property within the class. A percentage increase for an  
27 even-numbered year shall be applied to all property within the  
28 class and shall not be applied only to a subset of the class  
29 unless approved by the department of revenue. The assessor  
30 shall determine the actual value and compute the taxable value  
31 thereof as of January 1 of the year of the revaluation and  
32 reassessment of all real estate. The assessment shall be  
33 completed as specified in section 441.28, but no reduction or  
34 increase in actual value shall be made for prior years. If an  
35 assessor makes a change in the valuation of the real estate as

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1 provided for, sections 441.23, 441.37, 441.37A, 441.37B, and  
2 441.38, and 441.39 apply.>

3 2. By striking page 6, line 10, through page 7, line 4, and  
4 inserting:

5 <Sec. \_\_\_\_\_. Section 441.21, subsection 3, paragraph b, Code  
6 2017, is amended to read as follows:

7 b. (1) The For assessment years beginning before January  
8 1, 2018, the burden of proof shall be upon any complainant  
9 attacking such valuation as excessive, inadequate, inequitable,  
10 or capricious; however. However, in protest or appeal  
11 proceedings when the complainant offers competent evidence by  
12 at least two disinterested witnesses that the market value of  
13 the property is less than the market value determined by the  
14 assessor, the burden of proof thereafter shall be upon the  
15 officials or persons seeking to uphold such valuation to be  
16 assessed.

17 (2) For assessment years beginning on or after January 1,  
18 2018, when a valuation is attacked by a complainant, the burden  
19 of proof shall be upon the office of assessor to demonstrate  
20 that such valuation is not excessive, inadequate, inequitable,  
21 or capricious.>

22 3. Page 12, line 27, by striking <Each> and inserting <Each  
23 Except as provided in section 441.40A, each>

24 4. Page 16, after line 5 by inserting:

25 <Sec. \_\_\_\_\_. NEW SECTION. 441.40A Reimbursement of owner or  
26 taxpayer reasonable costs.

27 1. a. If the amount of a property's assessment following  
28 disposition of all protests or appeals for an assessment year  
29 is less than the amount of the assessment specified on the  
30 assessment roll provided to the owner or taxpayer under section  
31 441.26, the office of assessor shall reimburse a percentage of  
32 the property owner's or aggrieved taxpayer's reasonable costs  
33 incurred in all such protests or appeals, excluding those costs  
34 apportioned to the board of review or a taxing body pursuant to  
35 section 441.40, if any, equal to the percentage by which the

1 assessment is reduced.

2 b. The property owner or aggrieved taxpayer may request  
3 reimbursement from the office of assessor for such reasonable  
4 costs on a form prescribed by the department of revenue. Upon  
5 receipt of a reimbursement request under this section, such  
6 reimbursement amounts shall be paid from the assessment expense  
7 fund under section 441.16.

8 2. For purposes of this section, costs include but are not  
9 limited to legal fees, appraisal fees, and witness fees.

10 3. The requirement to reimburse a percentage of a property  
11 owner's or aggrieved taxpayer's reasonable costs shall not  
12 apply to costs incurred by the property owner or aggrieved  
13 taxpayer for the first assessment year beginning on or after  
14 January 1, 2018, for which the owner or taxpayer protests or  
15 appeals the assessment of the property and a reduction in the  
16 assessment occurs as provided in subsection 1.>

17 5. Page 16, by striking lines 6 through 20 and inserting:  
18 <Sec. \_\_\_\_ . Section 441.41, Code 2017, is amended to read as  
19 follows:

20 441.41 Legal counsel.

21 In the case of cities having an assessor, the city legal  
22 department shall represent the assessor and board of review  
23 in all litigation dealing with assessments. In the case of  
24 counties, the county attorney shall represent the assessor and  
25 board of review in all litigation dealing with assessments.  
26 Any taxing ~~body~~ district interested in the taxes received  
27 from such assessments may be represented by an attorney and  
28 shall be required to appear by attorney upon written request  
29 of the assessor to the presiding officer of any such taxing  
30 ~~body~~ district. The Subject to review and approval by the  
31 city legal department or the county attorney, as applicable,  
32 the conference board may employ special counsel to assist  
33 the city legal department or county attorney as the case may  
34 be, including employing special counsel if the city legal  
35 department or county attorney is disqualified because of a

1 conflict of interest.>

2 6. By striking page 17, line 31, through page 18, line 1,  
3 and inserting:

4 <Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. The following  
5 provision of this Act, being deemed of immediate importance,  
6 takes effect upon enactment:

7 1. The section of this Act amending section 441.9.>

8 7. Page 18, by striking lines 15 through 19.

9 8. Page 18, by striking lines 20 through 23 and inserting:

10 <\_\_\_\_. Title page, by striking lines 1 through 6 and  
11 inserting <An Act relating to property tax assessments  
12 by modifying requirements for the determination of value,  
13 modifying provisions related to property assessment protests  
14 and appeals, modifying requirements for assessors and deputy  
15 assessors, striking the future repeal of provisions relating to  
16 the property assessment appeal board, and including effective  
17 date and applicability provisions.>>

18 9. By renumbering as necessary.

**By** NUNN of Polk

HOUSE FILE 478

H-1447

1 Amend the amendment, H-1445, to the Senate amendment,  
2 H-1438, to House File 478, as amended, passed, and reprinted by  
3 the House, as follows:

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

5 <Sec. \_\_\_\_\_. Section 404.2, subsection 2, Code 2017, is  
6 amended by adding the following new paragraph:

7 NEW PARAGRAPH. 0j. (1) For cities that have designated  
8 twenty-five percent or more of the city's incorporated area  
9 as one or more urban revitalization areas, a list of each  
10 property tax levy imposed by the designating city from which  
11 qualified real estate will be exempt. A property tax exemption  
12 authorized by such a designating city under this chapter  
13 shall only apply to those property tax levies imposed by the  
14 designating city and identified by the city in the plan adopted  
15 under this section and shall not apply to any property tax levy  
16 imposed or certified for levy by a taxing jurisdiction other  
17 than the designating city.

18 (2) This paragraph applies to revitalization areas  
19 established on or after the effective date of this Act and to  
20 exemption applications filed on or after the effective date of  
21 this Act for revitalization areas in existence on the effective  
22 date of this Act. A city with an existing revitalization area  
23 subject to this paragraph shall amend the city's plan for the  
24 revitalization area to identify each property tax levy imposed  
25 by the city from which applicable qualified real estate is  
26 exempt.

27 (3) For purposes of this chapter, "taxing jurisdiction"  
28 means a political subdivision of the state with the authority  
29 to levy property taxes. "Taxing jurisdiction" includes but is  
30 not limited to a city, a county, a school district, a township,  
31 or a special purpose district.

32 Sec. \_\_\_\_\_. Section 404.2, subsection 6, Code 2017, is amended  
33 to read as follows:

34 6. a. The city or county has adopted the proposed or  
35 amended plan for the revitalization area after the requisite

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1 number of hearings. The city or county may subsequently amend  
2 this plan after a hearing. Notice of the hearing shall be  
3 published as provided in section 362.3 or 331.305, except  
4 that at least seven days' notice must be given and the public  
5 hearing shall not be held earlier than the next regularly  
6 scheduled city council or board of supervisors meeting  
7 following the published notice.

8 b. For purposes of an urban revitalization area subject to  
9 subsection 2, paragraph "0j", at any time following adoption  
10 of the ordinance designating the revitalization area, the list  
11 of property tax levies imposed by the designating city from  
12 which qualified real estate will be exempt may be modified  
13 by amending the plan. However, an amendment to remove a  
14 property tax levy from the list shall only apply to exemption  
15 applications filed on or after the effective date of the  
16 amendment removing the levy from the list.

17 c. A city which has adopted a plan for a revitalization area  
18 which covers all property within the city limits may amend that  
19 plan at any time, pursuant to this section, to include property  
20 which has been or will be annexed to the city. The provisions  
21 of the original plan shall be applicable to the property which  
22 is annexed and the property shall be considered to have been  
23 part of the revitalization area as of the effective date of its  
24 annexation to the city.>

25 2. Page 4, by striking lines 4 through 7 and inserting:  
26 <Sec. \_\_\_\_ . EFFECTIVE UPON ENACTMENT. The following  
27 provisions of this Act, being deemed of immediate importance,  
28 take effect upon enactment:

- 29 1. The sections of this Act amending section 404.2.
- 30 2. The section of this Act amending section 441.9.>
- 31 3. By renumbering, redesignating, and correcting internal  
32 references as necessary.

**By** WATTS of Dallas



**Senate Amendment to**  
**HOUSE FILE 573**

**H-1443**

1 Amend House File 573, as passed by the House, as follows:  
2 1. Page 1, line 11, by striking <levy> and inserting <do any  
3 of the following:  
4 a. Levy>  
5 2. Page 1, after line 12 by inserting:  
6 <b. Charge elementary and secondary school students or  
7 the students' families a mandatory fee except as expressly  
8 authorized by the general assembly.  
9 c. Adopt or enforce a policy that would unreasonably  
10 interfere with the duties and responsibilities of a local,  
11 state, or federal law enforcement agency.>  
12 3. Page 1, after line 16 by inserting:  
13 <\_\_\_\_. If the power or authority of a school district  
14 conflicts with the power and authority of a municipal  
15 corporation, county, or joint county-municipal corporation  
16 government, the power and authority exercised by a municipal  
17 corporation, county, or joint county-municipal corporation  
18 government shall prevail within its jurisdiction.>  
19 4. By renumbering, redesignating, and correcting internal  
20 references as necessary.

RECEIVED FROM THE SENATE

**H-1443** FILED APRIL 20, 2017

HOUSE FILE 612

H-1439

1 Amend House File 612 as follows:

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

4 <Section 1. Section 8.57, subsection 5, paragraph f,  
5 subparagraph (1), Code 2017, is amended by adding the following  
6 new subparagraph division:

7 NEW SUBPARAGRAPH DIVISION. (0c) (i) For each fiscal year  
8 of the period beginning July 1, 2020, and ending June 30, 2029,  
9 of the wagering tax receipts received pursuant to sections  
10 99D.17 and 99F.11, the next fifteen million dollars shall be  
11 deposited in the water quality infrastructure fund created in  
12 section 8.57B.

13 (ii) Notwithstanding subparagraph subdivision (i), this  
14 subparagraph division (0c) is repealed on one of the following  
15 dates, whichever is earlier:

16 (A) On July 1 following the enactment date that the tax  
17 rate for the sales tax imposed upon the retail sales price of  
18 tangible personal property and the furnishing of enumerated  
19 services sold in this state in effect on July 1, 2016, is  
20 increased.

21 (B) On July 1, 2029.

22 Sec. 2. Section 8.57, subsection 5, paragraph f,  
23 subparagraph (1), subparagraph division (d), Code 2017, is  
24 amended to read as follows:

25 (d) For the fiscal year beginning July 1, 2013, and for  
26 each fiscal year thereafter, the total moneys in excess of the  
27 moneys deposited under this paragraph "f" in the revenue bonds  
28 debt service fund, the revenue bonds federal subsidy holdback  
29 fund, the vision Iowa fund, the water quality infrastructure  
30 fund, and the Iowa skilled worker and job creation fund shall  
31 be deposited in the rebuild Iowa infrastructure fund and shall  
32 be used as provided in this section, notwithstanding section  
33 8.60.

34 Sec. 3. NEW SECTION. 8.57B Water quality infrastructure  
35 fund ---- creation ---- appropriations.

H-1439

1 1. A water quality infrastructure fund is created within  
2 the division of soil conservation and water quality of the  
3 department of agriculture and land stewardship. The fund  
4 shall consist of moneys transferred pursuant to section 8.57,  
5 subsection 5, paragraph "f", subparagraph (1), subparagraph  
6 division (0c), moneys transferred to the fund pursuant to  
7 section 423G.6, and appropriations made to the fund and  
8 transfers of interest, earnings, and moneys from other funds  
9 as provided by law.

10 2. The fund shall be separate from the general fund of the  
11 state and the balance in the fund shall not be considered part  
12 of the balance of the general fund of the state. However, the  
13 fund shall be considered a special account for the purposes  
14 of section 8.53, relating to generally accepted accounting  
15 principles.

16 3. Moneys in the fund are appropriated to the division  
17 of soil conservation and water quality of the department of  
18 agriculture and land stewardship for the exclusive purpose of  
19 supporting water quality agriculture infrastructure programs  
20 created in section 466B.43.

21 4. Notwithstanding section 8.33, moneys in the fund  
22 that remain unencumbered or unobligated at the close of a  
23 fiscal year shall not revert but shall remain available for  
24 expenditure for the purposes designated. Notwithstanding  
25 section 12C.7, subsection 2, interest or earnings on moneys in  
26 the fund shall be credited to the fund.

27 Sec. 4. Section 16.134, Code 2017, is amended to read as  
28 follows:

29 16.134 Wastewater and drinking water treatment financial  
30 assistance program.

31 1. The Iowa finance authority shall establish and  
32 administer a wastewater and drinking water treatment financial  
33 assistance program. The purpose of the program shall be to  
34 provide financial assistance to enhance water quality. The  
35 program shall be administered in accordance with rules adopted

1 by the authority pursuant to chapter 17A. For purposes of  
2 this section, "program" means the wastewater and drinking water  
3 treatment financial assistance program and "committee" means the  
4 water quality financing review committee created in subsection  
5 9.

6 2. A wastewater and drinking water treatment financial  
7 assistance fund is created and shall consist of appropriations  
8 made to the fund and transfers of interest, earnings, and  
9 moneys from other funds as provided by law. Moneys transferred  
10 to the fund pursuant to section 16.134A are appropriated to the  
11 authority for purposes of the program. Moneys in the fund are  
12 not subject to section 8.33. Notwithstanding section 12C.7,  
13 subsection 2, interest or earnings on moneys in the fund shall  
14 be credited to the fund.

15 3. Financial assistance under the program shall be used  
16 to install or upgrade wastewater treatment facilities and  
17 systems and drinking water treatment facilities and systems,  
18 including source water protection projects, and for engineering  
19 or technical assistance for facility planning and design.

20 4. The authority committee shall ~~distribute~~ approve  
21 financial assistance ~~in~~ from the fund in accordance with the  
22 following:

23 ~~a. The goal of the program shall be to base awards on the~~  
24 ~~impact of the grant combined with other sources of financing to~~  
25 ~~ensure that sewer rates do not exceed one and one-half percent~~  
26 ~~of a community's median household income.~~

27 ~~b. a. Communities shall be eligible for financial~~  
28 ~~assistance by qualifying as Priority shall be given for~~  
29 ~~projects in which a disadvantaged community and is seeking~~  
30 ~~financial assistance for the installation or upgrade of~~  
31 ~~wastewater treatment facilities due to regulatory activity~~  
32 ~~by the department of natural resources and drinking water~~  
33 ~~treatment facilities.~~ For purposes of this section, the term  
34 "disadvantaged community" means the same as defined by the  
35 department.

1 ~~e.~~ b. Priority shall be given to projects ~~in which the~~  
2 meeting criteria established in section 455B.199B in which the  
3 applicant seeks financial assistance is to be used to obtain  
4 with financing under the water pollution control works and  
5 drinking water facilities financing program pursuant to section  
6 16.131 or other federal, ~~or~~ state, or private financing.

7 ~~d.~~ c. Priority shall also be given to projects whose  
8 completion will provide significant improvement to water  
9 quality in the relevant watershed.

10 ~~e.~~ d. Priority shall also be given to communities that  
11 employ an alternative wastewater treatment technology pursuant  
12 to section 455B.199C.

13 ~~f.~~ e. Priority shall ~~be~~ also be given to those communities  
14 where sewer or water rates are the highest as a percentage of  
15 that community's median household income.

16 f. Priority shall also be given to communities that employ  
17 technology to address the latest version of the "Iowa Nutrient  
18 Reduction Strategy" initially presented in November 2012 by the  
19 department of agriculture and land stewardship, the department  
20 of natural resources, and Iowa state university of science and  
21 technology.

22 g. Financial assistance in the form of grants shall be  
23 issued on an annual basis.

24 h. An applicant shall not receive a grant that exceeds five  
25 hundred thousand dollars.

26 4A. A utility management organization formed under chapter  
27 28E or operated by a rural water system organized under chapter  
28 357A or chapter 504 shall be considered eligible for financial  
29 assistance under the program.

30 5. The authority in cooperation with the department of  
31 natural resources shall ~~share~~ provide information and resources  
32 to the committee when the committee is determining the  
33 qualifications of a community for financial assistance from the  
34 fund.

35 6. The authority shall enter into agreements with financial

1 assistance recipients and distribute moneys under the program  
2 pursuant to financial assistance determinations made by the  
3 committee. The authority may use an amount of not more than  
4 ~~four~~ one percent of any moneys appropriated for deposit in the  
5 fund for administration purposes.

6 7. By October 1 of each year, the authority shall submit  
7 a report to the governor and the general assembly itemizing  
8 expenditures under the program during the previous fiscal year,  
9 if any.

10 8. a. Beginning September 1, 2027, and every ten years  
11 thereafter, a program review committee is established for  
12 purposes of reviewing the wastewater and drinking water  
13 treatment financial assistance program. By December 1 of the  
14 same year, the program review committee shall file a report  
15 with the governor and the general assembly that reviews the  
16 effectiveness of the program during the prior ten fiscal years.

17 b. The program review committee shall consist of the  
18 following members:

19 (1) The governor or the governor's designee.

20 (2) The secretary of agriculture or the secretary's  
21 designee.

22 (3) The executive director of the authority or the executive  
23 director's designee.

24 (4) The director of the department of natural resources or  
25 the director's designee.

26 (5) Four members of the general assembly, with two from the  
27 senate and two from the house of representatives and not more  
28 than one member from each chamber being from the same political  
29 party. The two senators shall be designated one member each  
30 by the president of the senate, after consultation with the  
31 majority leader of the senate, and by the minority leader of  
32 the senate. The two representatives shall be designated one  
33 member each by the speaker of the house of representatives,  
34 after consultation with the majority leader of the house of  
35 representatives, and by the minority leader of the house of

1 representatives.

2 c. Staffing services shall be provided by the authority.

3 9. a. A water quality financing review committee is  
4 created consisting of the secretary of agriculture or the  
5 secretary's designee, the executive director of the authority  
6 or the executive director's designee, and the director of the  
7 department of natural resources or the director's designee.

8 b. The committee shall review and approve or deny  
9 applications for financial assistance under the wastewater  
10 and drinking water treatment financial assistance program  
11 established in this section.

12 Sec. 5. NEW SECTION. 16.134A Water quality financial  
13 assistance fund.

14 1. A water quality financial assistance fund is created in  
15 the state treasury as a revolving fund.

16 2. The fund shall consist of all of the following:

17 a. (1) Moneys transferred to the fund pursuant to section  
18 423G.6.

19 (2) This paragraph "a" is repealed on January 1, 2030.

20 b. Appropriations made to the fund and transfers of  
21 interest, earnings, and moneys from other funds as provided by  
22 law.

23 3. For each fiscal year in the fiscal period beginning  
24 July 1, 2018, and ending June 30, 2029, there is appropriated  
25 the following percentages of the balance of the fund for the  
26 following purposes:

27 a. Forty percent to the Iowa finance authority to support  
28 the wastewater and drinking water treatment financial  
29 assistance program created in section 16.134.

30 b. Forty-five percent to the Iowa finance authority to be  
31 credited to the water quality financing program fund created  
32 pursuant to section 16.144.

33 c. Fifteen percent to the division of soil conservation  
34 and water quality of the department of agriculture and land  
35 stewardship to support the water quality urban infrastructure

1 program created in section 466B.44.

2 4. Moneys in the fund are not subject to section 8.33.

3 Notwithstanding section 12C.7, subsection 2, interest or  
4 earnings on moneys in the fund shall be credited to the fund.

5 Sec. 6. NEW SECTION. 16.142 Definitions.

6 As used in this part, unless the context otherwise requires:

7 1. "Cost" means all costs, charges, expenses, or other  
8 indebtedness incurred by a loan recipient and determined by  
9 the authority as reasonable and necessary for carrying out  
10 all works and undertakings necessary or incidental to the  
11 accomplishment of any project.

12 2. "Eligible entity" means a municipality or a landowner,  
13 as determined by the authority, a public utility as defined  
14 in section 476.1, or a rural water district or rural water  
15 association as defined in section 357A.1.

16 3. "Loan recipient" means an eligible entity that has  
17 received a loan under the program.

18 4. "Municipality" means a governmental body such as a state  
19 agency or a political subdivision of the state. Municipality  
20 includes but is not limited to a city, city utility, county,  
21 soil and water conservation district, sanitary district, a  
22 subdistrict of any of the foregoing districts, a state agency,  
23 or other governmental body or corporation empowered to provide  
24 sewage collection and treatment services or drinking water, or  
25 any entity jointly exercising governmental powers pursuant to  
26 chapter 28E or 28F, or any other combination of two or more  
27 governmental bodies or corporations acting jointly under the  
28 laws of this state in connection with a project.

29 5. "Program" means the water quality financing program  
30 created in this part.

31 6. "Project" means any combination of improvements,  
32 structures, developments, tasks, actions, constructions,  
33 modifications, operations, or practices designed to improve  
34 water quality that are proposed by an eligible entity and  
35 approved by the authority. "Project" includes but is not



1 limited to any of the following:

2 a. A project meeting the requirements of part 2 of this  
3 subchapter.

4 b. A project, operation, or practice undertaken or carried  
5 out to address watershed protection, flood prevention, or water  
6 quality improvement.

7 c. A project meeting the requirements of a sponsor project  
8 under section 455B.199.

9 Sec. 7. NEW SECTION. 16.143 Water quality financing  
10 program.

11 1. The authority, in cooperation with the department of  
12 natural resources and the department of agriculture and land  
13 stewardship, shall establish and administer a water quality  
14 financing program. The purpose of the program shall be to  
15 provide financial assistance to enhance the quality of surface  
16 water and groundwater, particularly by providing financial  
17 assistance for projects designed to improve water quality  
18 by addressing point and nonpoint sources, with a higher  
19 prioritization provided to collaborative efforts.

20 2. The authority shall determine the interest rate  
21 and repayment terms for loans made under the program, in  
22 cooperation with the department of natural resources and  
23 the department of agriculture and land stewardship, and the  
24 authority shall enter into loan agreements with eligible  
25 entities in compliance with and subject to the terms and  
26 conditions of the program as described in this part.

27 3. The authority may charge loan recipients fees and assess  
28 costs against such recipients necessary for the continued  
29 operation of the program. Such fees and costs shall not exceed  
30 the costs directly associated with the administration of the  
31 program. Fees and costs collected pursuant to this subsection  
32 shall be deposited in the appropriate fund or account created  
33 in section 16.144.

34 4. The program shall be administered by the authority in  
35 accordance with rules adopted by the authority pursuant to

1 chapter 17A.

2 Sec. 8. NEW SECTION. 16.144 Water quality financing program  
3 fund ---- appropriation ---- other funds.

4 1. a. A water quality financing program fund is created  
5 and shall consist of appropriations made to the fund, moneys  
6 credited to the fund pursuant to section 16.134A, and transfers  
7 of interest, earnings, and moneys from other funds as provided  
8 by law. The fund shall be administered by the authority as  
9 a revolving fund. Moneys in the fund are appropriated to  
10 the authority for purposes of the program. Notwithstanding  
11 section 8.33, moneys in the fund that remain unencumbered or  
12 unobligated at the close of a fiscal year shall not revert  
13 but shall remain available for expenditure for the purposes  
14 designated. Notwithstanding section 12C.7, subsection 2,  
15 interest or earnings on moneys in the fund shall be credited  
16 to the fund.

17 b. The authority shall use the moneys in the fund to provide  
18 financial assistance to eligible entities under the program.  
19 The authority may provide financial assistance in the form  
20 deemed most convenient for the efficient financing of projects,  
21 including loans, forgivable loans, or grants. The authority  
22 shall administer the fund and the program in such a manner  
23 as to provide a permanent source of water quality project  
24 financial assistance to eligible entities.

25 c. The authority may annually use an amount of not more  
26 than one percent of the moneys in the fund for administrative  
27 purposes.

28 2. a. The authority may establish and maintain other  
29 funds and accounts determined to be necessary to carry out the  
30 purposes of the program and shall provide for the funding,  
31 administration, investment, restrictions, and disposition of  
32 the funds and accounts.

33 b. Moneys appropriated to and used by the authority for  
34 purposes of paying the costs and expenses associated with  
35 the administration of the program shall be administered as

1 determined by the authority.

2 c. All moneys transferred to the authority for purposes of  
3 the program shall be deposited and held in a fund or account  
4 established and maintained pursuant to this section.

5 3. The funds or accounts held by the authority, or a trustee  
6 acting on behalf of the authority pursuant to a trust agreement  
7 related to the program, shall not be considered part of the  
8 general fund of the state, are not subject to appropriation for  
9 any other purpose by the general assembly, and in determining  
10 a general fund balance shall not be included in the general  
11 fund of the state, but shall remain in the funds and accounts  
12 maintained by the authority or trustee pursuant to a trust  
13 agreement. Funds and accounts held by the authority, or a  
14 trustee acting on behalf of the authority pursuant to a trust  
15 agreement related to the program, are separate dedicated funds  
16 and accounts under the administration and control of the  
17 authority and subject to section 16.31.

18 4. By October 1, 2018, and by October 1 of each year  
19 thereafter, the authority shall submit a report to the governor  
20 and the general assembly itemizing expenditures from the fund,  
21 if any, during the previous fiscal year.

22 Sec. 9. NEW SECTION. 16.145 Eligible entities ---- agreements  
23 required.

24 1. An eligible entity may apply to the authority for  
25 financial assistance under the program by submitting a plan  
26 that meets the following requirements:

27 a. The plan includes one or more projects that improve  
28 water quality in the local area or watershed. Projects shall  
29 use practices identified in the latest version of the document  
30 entitled "Iowa Nutrient Reduction Strategy" initially presented  
31 in November 2012 by the department of agriculture and land  
32 stewardship, the department of natural resources, and Iowa  
33 state university of science and technology. A drainage or  
34 levee district established under chapter 468 shall utilize the  
35 installation of edge-of-field infrastructure as described in

1 section 466B.43.

2 b. The plan describes in detail the manner in which the  
3 projects will be financed and undertaken, including, as  
4 applicable, the sources of revenue directed to financing the  
5 improvements as well as the eligible entities that will be  
6 receiving the revenues and how such revenues will be spent on  
7 the projects.

8 2. The authority shall review and approve or deny  
9 applications for financial assistance. The provision of  
10 financial assistance under the program shall take into account,  
11 as applicable, the number of municipalities, landowners, public  
12 utilities, rural water districts, or rural water associations  
13 comprising an eligible entity and the eligible entity's  
14 financing capacity. The authority shall score applications  
15 for financial assistance according to rules adopted pursuant  
16 to this part. The authority shall only provide financial  
17 assistance to eligible entities that have sufficient financing  
18 capacity and that submit an appropriate plan designed to  
19 improve water quality.

20 3. An approved eligible entity shall enter into an agreement  
21 with the authority for the provision of financial assistance.  
22 The agreement shall include standard terms for the receipt  
23 of program moneys and any other terms the authority deems  
24 necessary or convenient for the efficient administration of the  
25 program.

26 Sec. 10. Section 423.3, Code 2017, is amended by adding the  
27 following new subsection:

28 NEW SUBSECTION. 103. a. The sales price from the sale or  
29 furnishing by a water utility of a water service in the state  
30 to consumers or users.

31 b. For purposes of this subsection:

32 (1) "Water service" means the delivery of water by piped  
33 distribution system.

34 (2) "Water utility" means a public utility as defined in  
35 section 476.1 that furnishes water by piped distribution system

1 to the public for compensation.

2 Sec. 11. NEW SECTION. 423G.1 Short title.

3 This chapter may be cited as the "Water Service Tax Act".

4 Sec. 12. NEW SECTION. 423G.2 Definitions.

5 1. All words and phrases used in this chapter and defined in  
6 section 423.1 have the same meaning given them by section 423.1  
7 for purposes of this chapter.

8 2. As used in this chapter, "water service" and "water  
9 utility" mean the same as defined in section 423.3, subsection  
10 103.

11 Sec. 13. NEW SECTION. 423G.3 Water service tax.

12 An excise tax at the rate of six percent is imposed on the  
13 sales price from the sale or furnishing by a water utility of a  
14 water service in the state to consumers or users.

15 Sec. 14. NEW SECTION. 423G.4 Exemptions.

16 The sales price from transactions exempt from state sales  
17 tax under section 423.3, except section 423.3, subsection 103,  
18 is also exempt from the tax imposed by this chapter.

19 Sec. 15. NEW SECTION. 423G.5 Administration by director.

20 1. The director of revenue shall administer the water  
21 service tax as nearly as possible in conjunction with the  
22 administration of the state sales and use tax law, except that  
23 portion of the law that implements the streamlined sales and  
24 use tax agreement. The director shall provide appropriate  
25 forms, or provide on the regular state tax forms, for reporting  
26 water service tax liability.

27 2. The director may require all persons who are engaged  
28 in the business of deriving any sales price or purchase  
29 price subject to tax under this chapter to register with  
30 the department. The director may also require a tax permit  
31 applicable only to this chapter for any retailer not  
32 collecting, or any user not paying, taxes under chapter 423.

33 3. Section 422.25, subsection 4, sections 422.30, 422.67,  
34 and 422.68, section 422.69, subsection 1, sections 422.70,  
35 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection

1 1, and sections 423.23, 423.24, 423.25, 423.31 through  
2 423.35, 423.37 through 423.42, and 423.47, consistent with the  
3 provisions of this chapter, shall apply with respect to the tax  
4 authorized under this chapter, in the same manner and with the  
5 same effect as if the excise taxes on the sale or furnishing of  
6 a water service were retail sales taxes within the meaning of  
7 those statutes. Notwithstanding this subsection, the director  
8 shall provide for quarterly filing of returns and for other  
9 than quarterly filing of returns both as prescribed in section  
10 423.31. All taxes collected under this chapter by a retailer  
11 or any user are deemed to be held in trust for the state of  
12 Iowa.

13 Sec. 16. NEW SECTION. 423G.6 Deposit of revenues.

14 1. All moneys received and all refunds shall be deposited in  
15 or withdrawn from the general fund of the state.

16 2. Subsequent to the deposit in the general fund of the  
17 state, the department shall transfer the following amounts to  
18 the following funds:

19 a. For revenues collected on or after July 1, 2018, but  
20 before August 1, 2019, one-twelfth of the revenues to the  
21 water quality infrastructure fund created in section 8.57B,  
22 and one-twelfth of the revenues to the water quality financial  
23 assistance fund created in section 16.134A.

24 b. For revenues collected on or after August 1, 2019,  
25 but before August 1, 2020, one-sixth of the revenues to the  
26 water quality infrastructure fund created in section 8.57B,  
27 and one-sixth of the revenues to the water quality financial  
28 assistance fund created in section 16.134A.

29 c. For revenues collected on or after August 1, 2020,  
30 one-half of the revenues to the water quality financial  
31 assistance fund created in section 16.134A.

32 Sec. 17. NEW SECTION. 423G.7 Future repeal.

33 This chapter is repealed upon the occurrence of one of the  
34 following, whichever is earlier:

35 1. The enactment date that the tax rate for the sales

1 tax imposed upon the retail sales price of tangible personal  
2 property and the furnishing of enumerated services sold in this  
3 state in effect on July 1, 2016, is increased.

4 2. July 1, 2029.

5 Sec. 18. Section 455B.171, Code 2017, is amended by adding  
6 the following new subsections:

7 NEW SUBSECTION. 10A. "Iowa nutrient reduction strategy"  
8 means a water quality initiative developed and updated by the  
9 department of agriculture and land stewardship, the department  
10 of natural resources, and the college of agriculture and life  
11 sciences at Iowa state university of science and technology in  
12 order to assess and reduce nutrients in this state's watersheds  
13 that utilize a pragmatic, strategic, and coordinated approach  
14 with the goal of accomplishing reductions over time.

15 NEW SUBSECTION. 15A. "Nutrient" means total nitrogen and  
16 total phosphorus.

17 Sec. 19. Section 455B.171, subsection 19, Code 2017, is  
18 amended to read as follows:

19 19. "Point source" means any discernible, confined, and  
20 discrete conveyance, including but not limited to any pipe,  
21 ditch, channel, tunnel, conduit, well, discrete fissure,  
22 container, rolling stock, concentrated animal feeding  
23 operation, or vessel or other floating craft, from which  
24 pollutants are or may be discharged. "Point source" does not  
25 include agricultural storm water discharge and return flows  
26 from irrigated agriculture.

27 Sec. 20. Section 455B.177, Code 2017, is amended by adding  
28 the following new subsection:

29 NEW SUBSECTION. 3. The general assembly further finds  
30 and declares that it is in the interest of the people of Iowa  
31 to assess and reduce nutrients in surface waters over time by  
32 implementing the Iowa nutrient reduction strategy. To evaluate  
33 the progress achieved over time toward the goals of the Iowa  
34 nutrient reduction strategy and the United States environmental  
35 protection agency gulf hypoxia action plan, the baseline

1 condition shall be calculated for the time period from 1980 to  
2 1996.

3 Sec. 21. Section 466B.3, subsection 3, paragraph c, Code  
4 2017, is amended to read as follows:

5 c. Whether the funds, programs, and regulatory efforts  
6 coordinated by the council eventually result in a long-term  
7 improvement to the quality of surface water in Iowa. To  
8 evaluate the progress achieved over time toward the goals of  
9 the Iowa nutrient reduction strategy, as defined in section  
10 455B.171, and the United States environmental protection agency  
11 gulf hypoxia action plan, the baseline condition shall be  
12 calculated for the time period from 1980 to 1996.

13 Sec. 22. Section 466B.42, Code 2017, is amended to read as  
14 follows:

15 466B.42 Water quality initiative.

16 The division shall establish a water quality initiative  
17 in order to assess and reduce nutrients in this state's  
18 watersheds, including subwatersheds, and regional watersheds,  
19 and for implementing its responsibilities under the Iowa  
20 nutrient reduction strategy as defined in section 455B.171.  
21 The division shall establish and administer projects to  
22 reduce nutrients in surface waters from nonpoint sources in  
23 a scientific, reasonable, and cost-effective manner. The  
24 division shall utilize a pragmatic, strategic, and coordinated  
25 approach with the goal of accomplishing reductions over time.  
26 To evaluate the progress achieved over time toward the goals  
27 of the Iowa nutrient reduction strategy and the United States  
28 environmental protection agency gulf hypoxia action plan, the  
29 baseline condition shall be calculated for the time period from  
30 1980 to 1996.

31 Sec. 23. NEW SECTION. 466B.43 Water quality agriculture  
32 infrastructure programs.

33 1. As part of the water quality initiative established  
34 pursuant to section 466B.42, the division shall administer  
35 water quality agriculture infrastructure programs created in



1 this section.

2 2. The purpose of the programs is to support projects for  
3 the installation of infrastructure, including conservation  
4 structures, practices, or other measures that reduce  
5 contributing nutrient loads, associated sediment, or  
6 contaminants from sources to surface waters. The programs  
7 shall be administered in a manner that is consistent with  
8 the latest version of the "Iowa Nutrient Reduction Strategy"  
9 initially presented in November 2012 by the department of  
10 agriculture and land stewardship, the department of natural  
11 resources, and Iowa state university of science and technology.

12 3. An edge-of-field infrastructure program is created.  
13 The program shall support projects located on agricultural  
14 land, which may include demonstration projects, that capture  
15 or filter nutrients entering into a surface water. The  
16 program's projects shall be limited to infrastructure designed  
17 and installed for use over multiple years, including but not  
18 limited to wetlands, bioreactor systems, saturated buffers,  
19 or land use changes. The program shall be financed on a  
20 cost-share basis.

21 4. An in-field infrastructure program is created. The  
22 program shall support projects located on agricultural land,  
23 which may include demonstration projects, that decrease erosion  
24 and precipitation-induced surface runoff, increase water  
25 infiltration rates, and increase soil sustainability. The  
26 program's projects shall be limited to infrastructure designed  
27 and installed for use over multiple years, including but not  
28 limited to structures, terraces, and waterways located on  
29 cropland or pastureland, and including but not limited to soil  
30 conservation or erosion control structures or managed drainage  
31 systems. The program shall be financed on a cost-share basis.

32 5. Any state moneys used to finance a project under a  
33 water quality agriculture infrastructure program shall be  
34 administered according to an agreement entered into by the  
35 division and the owner of the land where the infrastructure

1 is to be installed. The agreement shall include standard  
2 terms and conditions for the receipt of program moneys and  
3 any other terms and conditions the division deems necessary  
4 or convenient for the efficient administration of the project  
5 or program. The division may support multiple installations  
6 of infrastructure on a single parcel of land. The division  
7 may also combine programs if cost effective. The division  
8 may annually use an amount of not more than four percent of  
9 the moneys used to support each program for administrative  
10 purposes.

11 6. By October 1, 2018, and each October 1, thereafter, the  
12 division shall submit a report to the governor and the general  
13 assembly itemizing expenditures, by hydrologic unit code  
14 watershed, under the programs during the previous fiscal year,  
15 if any.

16 7. Any information obtained by the division identifying  
17 a person holding a legal interest in agricultural land or  
18 specific agricultural land shall be a confidential record under  
19 section 22.7.

20 Sec. 24. NEW SECTION. 466B.44 Water quality urban  
21 infrastructure program.

22 1. As part of the water quality initiative established  
23 pursuant to section 466B.42, the division shall administer a  
24 water quality urban infrastructure program.

25 2. The purpose of the program is to support watershed  
26 projects and advance implementation of the latest version of  
27 the "Iowa Nutrient Reduction Strategy" initially presented  
28 in November 2012 by the department of agriculture and land  
29 stewardship, the department of natural resources, and Iowa  
30 state university of science and technology, which program  
31 support may include demonstration projects that decrease  
32 erosion, precipitation-induced surface runoff, and storm  
33 water discharges and that increase water infiltration rates.  
34 The program's projects shall be based on Iowa's storm water  
35 management manual published by the department of natural

1 resources.

2 3. The program shall be financed on a cost-share basis or  
3 through cooperative agreements with watershed projects funded  
4 through section 455B.199 whose project activities fall outside  
5 the territorial boundaries of a city.

6 4. Any state moneys used to finance a project under a water  
7 quality urban infrastructure program shall be administered  
8 according to an agreement entered into by the division and the  
9 owner of the land where the infrastructure is to be installed.  
10 The agreement shall include standard terms and conditions  
11 for the receipt of program moneys and any other terms and  
12 conditions the division deems necessary or convenient for  
13 the efficient administration of the project or program. The  
14 division may support multiple installations of infrastructure  
15 on a single parcel of land. The division may annually use an  
16 amount of not more than four percent of the moneys used to  
17 support the program for administrative purposes.

18 5. Notwithstanding any other provision in this section  
19 to the contrary, beginning on July 1, 2018, the division may  
20 use any amount available to support the water quality urban  
21 infrastructure program to instead extend and support the  
22 three-year data collection of in-field agricultural practices  
23 project as enacted in 2015 Iowa Acts, ch. 132, {18.

24 6. Notwithstanding any other provision of this section  
25 to the contrary, the division may use any amount available  
26 to support the water quality urban infrastructure program to  
27 develop and maintain an online resource displaying measurable  
28 indicators of desirable change in water quality within the  
29 state's watersheds. These measurable indicators may include  
30 but are not limited to public and private funding inputs,  
31 involvement in water quality projects, and improvements, land  
32 use, practice adoption, calculated load reduction, and measured  
33 loads at existing monitoring stations.

34 7. By October 1, 2018, and by October 1 of each year  
35 thereafter, the division shall submit a report to the governor

1 and the general assembly itemizing expenditures under the  
2 program, if any, during the previous fiscal year.

3 8. Any information obtained by the division identifying a  
4 person holding a legal interest in land or specific land shall  
5 be a confidential record under section 22.7.

6 Sec. 25. INTERIM STUDY COMMITTEE ON SMALL CITIES AND CLEAN  
7 WATER STANDARDS.

8 1. The legislative council is requested to establish a study  
9 committee for the 2017 interim to identify and comprehensively  
10 review the financial and other challenges faced by small  
11 cities in complying with the various state and federal clean  
12 water standards, and to consider options for addressing those  
13 challenges.

14 2. The interim committee's review shall include an  
15 evaluation of the future effectiveness of the wastewater  
16 and drinking water treatment financial assistance program  
17 created in this Act in section 16.134 and the water quality  
18 financing program created in sections 16.142 through 16.145,  
19 and may include evaluations of other existing or proposed  
20 state programs as desired. The committee shall seek input  
21 and may request information or assistance from public and  
22 private stakeholders and experts, including utility management  
23 organizations, the Iowa association of business and industry,  
24 the department of natural resources, the Iowa finance  
25 authority, the department of agriculture and land stewardship,  
26 the economic development authority, the Iowa chamber alliance,  
27 the Iowa league of cities, and the Iowa state association of  
28 counties.

29 3. The interim committee shall submit its findings and  
30 recommendations to the general assembly for consideration  
31 during the 2018 legislative session.

32 Sec. 26. LEGISLATIVE INTENT. It is the intent of the  
33 general assembly that the amendment in this Act to the  
34 definition of point source in section 455B.171, subsection  
35 19, is a conforming amendment consistent with current state

1 and federal law, and that the amendment does not change the  
2 application of current law but instead reflects current law  
3 both before and after the enactment of this Act.

4 Sec. 27. EFFECTIVE DATE. The following provision or  
5 provisions of this Act take effect July 1, 2018:

6 1. The section of this Act enacting section 423.3,  
7 subsection 103.

8 2. The sections of this Act enacting sections 423G.1,  
9 423G.2, 423G.3, 423G.4, 423G.5, 423G.6, and 423G.7.>

10 2. Title page, by striking lines 1 through 9 and inserting  
11 <An Act relating to water quality by amending the wastewater  
12 treatment financial assistance program, creating a water  
13 quality infrastructure fund, establishing a water quality  
14 financing program, providing for cost-share programs for  
15 infrastructure on agricultural and urban land under the  
16 water quality initiative, creating a water service excise  
17 tax and a related sales tax exemption, making transfers and  
18 appropriations and other changes properly related to water  
19 quality, and including effective date provisions.>

**By** BALTIMORE of Boone

HOUSE FILE 649

H-1422

1 Amend House File 649 as follows:  
2 1. Page 1, before line 1 by inserting:  
3 <Section 1. Section 135.22, subsection 2, Code 2017, is  
4 amended to read as follows:  
5 2. The director shall establish and maintain a central  
6 registry of persons with brain or spinal cord injuries in  
7 order to facilitate prevention strategies and the provision  
8 of appropriate rehabilitative services to the persons by the  
9 department and other state agencies. Hospitals shall report  
10 patients who are admitted with a brain or spinal cord injury  
11 and their diagnoses to the director no later than forty-five  
12 days after the close of a quarter in which the patient was  
13 discharged. The report shall contain the ~~name, age, and~~  
14 ~~residence of the person, the date, type, and cause of the~~  
15 ~~brain or spinal cord injury, and additional information as the~~  
16 ~~director requires,~~ except that where available, hospitals shall  
17 report the Glasgow coma scale. ~~The director shall consult~~  
18 ~~with health care providers concerning the availability of~~  
19 ~~additional relevant information.~~ The department shall maintain  
20 the confidentiality of all information which would identify any  
21 person named in a report. However, the identifying information  
22 may be released ~~for bona fide research purposes if the~~  
23 ~~confidentiality of the identifying information is maintained by~~  
24 ~~the researchers, or the identifying information may be released~~  
25 ~~by the person with the brain or spinal cord injury or by the~~  
26 ~~person's guardian or, if the person is a minor, by the person's~~  
27 ~~parent or guardian.>~~  
28 2. Title page, line 2, after <records> by inserting <, the  
29 central registry for brain and spinal cord injuries,>  
30 3. By renumbering as necessary.

By JONES of Clay

H-1422 FILED APRIL 20, 2017

HOUSE FILE 649

H-1444

1 Amend House File 649 as follows:  
2 1. Page 1, by striking lines 8 through 15.  
3 2. Title page, lines 1 and 2, by striking <certain records  
4 and data including activities relating to vital statistics  
5 records and>  
6 3. By renumbering as necessary.

By JONES of Clay

H-1444 FILED APRIL 20, 2017

HOUSE FILE 655

H-1426

1 Amend House File 655 as follows:  
2 1. Page 2, by striking lines 29 through 31 and inserting  
3 <of four hundred thousand or a county with a population of at  
4 least>

By MASCHER of Johnson

H-1426 FILED APRIL 20, 2017

HOUSE FILE 655

H-1427

1 Amend House File 655 as follows:  
2 1. Page 13, line 24, by striking <fifty> and inserting  
3 <seventy-five>

By MASCHER of Johnson

H-1427 FILED APRIL 20, 2017

HOUSE FILE 655

H-1428

1 Amend House File 655 as follows:  
2 1. Page 13, line 24, by striking <not less than fifty> and  
3 inserting <one hundred>

By MASCHER of Johnson

H-1428 FILED APRIL 20, 2017

HOUSE FILE 655

H-1429

1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for public transit services and  
6 improvements.>

By MASCHER of Johnson

H-1429 FILED APRIL 20, 2017

HOUSE FILE 655

H-1430

1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for public libraries.>

By MASCHER of Johnson

H-1430 FILED APRIL 20, 2017

HOUSE FILE 655

H-1431

1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for public safety services including but  
6 not limited to police protection, fire protection, ambulance  
7 service, or hazardous materials response.>

By MASCHER of Johnson

H-1431 FILED APRIL 20, 2017

**HOUSE FILE 655**

**H-1432**

- 1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for public parks and trails.>

**By** MASCHER of Johnson

**H-1432** FILED APRIL 20, 2017

**HOUSE FILE 655**

**H-1433**

- 1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for recycling services.>

**By** MASCHER of Johnson

**H-1433** FILED APRIL 20, 2017

**HOUSE FILE 655**

**H-1434**

- 1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for water quality improvement projects.>

**By** MASCHER of Johnson

**H-1434** FILED APRIL 20, 2017

**HOUSE FILE 655**

**H-1435**

- 1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for cultural programs and attractions.>

**By** MASCHER of Johnson

**H-1435** FILED APRIL 20, 2017

**HOUSE FILE 655**

**H-1436**

- 1 Amend House File 655 as follows:  
2 1. Page 13, by striking lines 24 and 25 and inserting <the  
3 moneys received as follows:  
4 (1) Fifty percent for property tax relief.  
5 (2) Fifty percent for street, highway, and bridge projects  
6 or improvements.>

**By** MASCHER of Johnson

**H-1436** FILED APRIL 20, 2017



HOUSE FILE 655

H-1446

1 Amend House File 655 as follows:

2 1. By striking page 1, line 28, through page 2, line 24, and  
3 inserting:

4 <c. (1) If the tax is a local sales and services tax  
5 imposed by a county, it shall only apply to ~~those incorporated~~  
6 ~~areas and~~ the unincorporated area of that county ~~in which~~ if  
7 a majority of those voting in the area on the tax favors its  
8 imposition.

9 ~~(2) For purposes of the local sales and services tax, all~~  
10 ~~cities contiguous to each other shall be treated as part of~~  
11 ~~one incorporated area and the tax would be imposed in each of~~  
12 ~~those contiguous cities only if the majority of those voting~~  
13 ~~in the total area covered by the contiguous cities favors its~~  
14 ~~imposition. In the case of a local sales and services tax~~  
15 ~~submitted to the registered voters of two or more contiguous~~  
16 ~~counties as provided in subsection 4, paragraph "c", all cities~~  
17 ~~contiguous to each other shall be treated as part of one~~  
18 ~~incorporated area, even if the corporate boundaries of one or~~  
19 ~~more of the cities include areas of more than one county, and~~  
20 ~~the tax shall be imposed in each of those contiguous cities~~  
21 ~~only if a majority of those voting on the tax in the total area~~  
22 ~~covered by the contiguous cities favored its imposition. For~~  
23 ~~purposes of the local sales and services tax, a city is not~~  
24 ~~contiguous to another city if the only road access between~~  
25 ~~the two cities is through another state. If the tax is a~~  
26 local sales and services tax imposed by a city, other than a  
27 city under subsection 2, it shall only apply to the city if  
28 a majority of those voting in the city on the tax favors its  
29 imposition.>>

30 2. By striking page 2, line 25, through page 3, line 4.

31 3. Page 3, line 7, by striking < (1)>

32 4. By striking page 3, line 21, through page 5, line 34, and  
33 inserting:

34 <b. ~~The question of the imposition of a local sales and~~  
35 ~~services tax shall be submitted to the registered voters~~

H-1446

~~1 of the incorporated and unincorporated areas of the county  
2 upon receipt by the county commissioner of elections of the  
3 motion or motions, requesting such submission, adopted by  
4 the governing body or bodies of the city or cities located  
5 within the county or of the county, for the unincorporated  
6 areas of the county, representing at least one half of the  
7 population of the county. Upon adoption of such motion, the  
8 governing body of the city or county, for the unincorporated  
9 areas, shall submit the motion to the county commissioner of  
10 elections and in the case of the governing body of the city  
11 shall notify the board of supervisors of the adoption of the  
12 motion. The county commissioner of elections shall keep a file  
13 on all the motions received and, upon reaching the population  
14 requirements, shall publish notice of the ballot proposition  
15 concerning the imposition of the local sales and services tax.  
16 A motion ceases to be valid at the time of the holding of the  
17 regular election for the election of members of the governing  
18 body which adopted the motion. The county commissioner of  
19 elections shall eliminate from the file any motion that ceases  
20 to be valid. The manner provided under this paragraph for  
21 the submission of the question of imposition of a local sales  
22 and services tax is an alternative to the manner provided in  
23 paragraph "a". The county board of supervisors shall direct  
24 within thirty days the county commissioner of elections to  
25 submit the question of imposition of a local sales and services  
26 tax to the registered voters of a city or to the registered  
27 voters of the unincorporated area of the county upon receipt by  
28 the board of supervisors of a petition requesting imposition  
29 of a local sales and services tax, signed by eligible electors  
30 of the city or eligible electors of the unincorporated area of  
31 the county, as applicable, equal in number to five percent of  
32 the persons in the applicable city or unincorporated area of  
33 the county who voted at the last preceding general election.  
34 If more than one valid petition is received for a city or for  
35 the unincorporated area of the county, the earliest received~~

1 petition shall be used.  
2 c. ~~Upon receipt of petitions or motions calling for the~~  
3 ~~submission of the question of the imposition of a local sales~~  
4 ~~and services tax as described in paragraph "a" or "b", the~~  
5 ~~boards of supervisors of two or more contiguous counties in~~  
6 ~~which the question is to be submitted may enter into a joint~~  
7 ~~agreement providing that for purposes of this chapter, a~~  
8 ~~city whose corporate boundaries include areas of more than~~  
9 ~~one county shall be treated as part of the county in which~~  
10 ~~a majority of the residents of the city reside. In such~~  
11 ~~event, the county commissioners of elections from each such~~  
12 ~~county shall cooperate in the selection of a single date upon~~  
13 ~~which the election shall be held, and for all purposes of~~  
14 ~~this chapter relating to the imposition, repeal, change of~~  
15 ~~use, or collection of the tax, such a city shall be deemed to~~  
16 ~~be part of the county in which a majority of the residents~~  
17 ~~of the city reside. A copy of the joint agreement shall be~~  
18 ~~provided promptly to the director of revenue. The question~~  
19 ~~of the imposition of a local sales and services tax shall~~  
20 ~~be submitted to the registered voters of the city or to the~~  
21 ~~registered voters of the unincorporated area of the county~~  
22 ~~upon receipt by the county commissioner of elections of a~~  
23 ~~motion requesting such submission, adopted by the governing~~  
24 ~~body of a city located within the county or of the county~~  
25 ~~for the unincorporated area of the county. Upon adoption~~  
26 ~~of such motion, the governing body of the city or county~~  
27 ~~for the unincorporated area shall submit the motion to the~~  
28 ~~county commissioner of elections. The county commissioner~~  
29 ~~of elections shall publish notice of the ballot proposition~~  
30 ~~concerning the imposition of the local sales and services tax.~~  
31 ~~The manner provided under this paragraph for the submission of~~  
32 ~~the question of imposition of a local sales and services tax is~~  
33 ~~an alternative to the manner provided in paragraph "b".>~~  
34 5. Page 6, by striking lines 16 through 18 and inserting <If  
35 the ~~county~~ board of supervisors or city council, as applicable,

1 decides under>

2 6. Page 8, by striking lines 1 through 3 and inserting <or  
3 the city council, as applicable, may direct that the question  
4 contain a>

5 7. By striking page 8, line 19, through page 9, line 17, and  
6 inserting:

7 <9. a. ~~In a county that has imposed a local option~~  
8 ~~sales and services tax, the board of supervisors shall,~~  
9 ~~notwithstanding any contrary provision of this chapter, repeal~~  
10 ~~the local option sales and services tax in the unincorporated~~  
11 ~~areas or in an incorporated city area in which the tax has~~  
12 ~~been imposed upon adoption of its own motion for repeal in the~~  
13 ~~unincorporated areas or upon receipt of a motion adopted by~~  
14 ~~the governing body of that incorporated city area requesting~~  
15 ~~repeal. The board of supervisors shall repeal the local~~  
16 ~~option sales and services tax effective on the later of the~~  
17 ~~date of the adoption of the repeal motion or the earliest~~  
18 ~~date specified in section 423B.6, subsection 1. For purposes~~  
19 ~~of this subsection, incorporated city area includes an~~  
20 ~~incorporated city which is contiguous to another incorporated~~  
21 ~~city.~~ In a city that has imposed a local sales and services  
22 tax, the governing body of the city shall, notwithstanding any  
23 contrary provision of this chapter, repeal the local sales and  
24 services tax in the city upon adoption of its own motion for  
25 repeal. The governing body of the city shall repeal the local  
26 sales and services tax effective on the earliest date specified  
27 in section 423B.6, subsection 1, following adoption of the  
28 motion.

29 b. In the unincorporated area of the county where the  
30 local sales and services tax has been imposed, the board of  
31 supervisors shall, notwithstanding any contrary provision of  
32 this chapter, repeal the local sales and services tax in the  
33 unincorporated area of the county upon adoption of its own  
34 motion for repeal. The board of supervisors shall repeal the  
35 local sales and services tax effective on the earliest date

1 specified in section 423B.6, subsection 1, following adoption  
2 of the motion.>

3 8. Page 13, by striking lines 19 through 25 and inserting:

4 <b. Each city and each county for the unincorporated area  
5 for which the local sales and services tax was approved at  
6 election on or after the effective date of this Act shall use  
7 not less than fifty percent of the moneys received for property  
8 tax relief.>

9 9. Page 14, by striking lines 8 through 10 and inserting  
10 <until their repeal pursuant to chapter 423B.>

11 10. By renumbering, redesignating, and correcting internal  
12 references as necessary.

By LENSING of Johnson

SENATE FILE 220

H-1441

1 Amend Senate File 220, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. By striking page 5, line 22, through page 6, line 11, and  
4 inserting:

5 <h. (1) Prior to a local authority placing an automated  
6 traffic law enforcement system on a primary road, the local  
7 authority shall obtain approval from the department in  
8 accordance with rules adopted by the department. A local  
9 authority shall submit to the department any information  
10 requested by the department during the approval process. If  
11 the local authority's use of the system is approved by the  
12 department, the local authority shall follow the requirements  
13 set forth in rules adopted by the department. The department  
14 may modify its rules relating to automated traffic law  
15 enforcement systems to the extent necessary to ensure automated  
16 traffic law enforcement systems are operated in a safe and  
17 equitable manner. The department may annually review all  
18 automated traffic law enforcement systems placed on primary  
19 roads and may require the removal or modification of such  
20 systems. This subparagraph (1) shall not apply to an automated  
21 traffic law enforcement system approved or allowed to operate  
22 in accordance with rules adopted by the department and in  
23 operation prior to January 1, 2017. A local authority may  
24 continue to operate such a system in the same manner as the  
25 system was operated prior to January 1, 2017. However, after a  
26 local authority discontinues operation or alters the manner of  
27 operation of such a system, any new manner of operation or new  
28 system operated by the local authority shall comply with this  
29 subparagraph (1).

30 (2) On or before July 1, 2019, a local authority, or  
31 another entity on a local authority's behalf, operating an  
32 automated traffic law enforcement system on a primary road  
33 shall discontinue operating the system and remove the system  
34 equipment. On and after July 1, 2019, a local authority shall  
35 not place, cause to be placed, operate, maintain, or employ the

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1 use of an automated traffic law enforcement system on a primary  
2 road.>

3 2. Page 8, after line 6 by inserting:

4 <Sec. \_\_\_\_\_. LOCAL ORDINANCES VOID ---- VALIDITY OF PRIOR  
5 NOTICES AND CITATIONS. On and after July 1, 2017, all local  
6 ordinances governing automated traffic law enforcement systems  
7 inconsistent with this Act are void. However, any notice of  
8 violation mailed or any citation issued pursuant to such an  
9 ordinance prior to July 1, 2017, shall not be invalidated by  
10 the enactment of this Act and shall be processed according to  
11 the provisions of the law under which it was authorized.

12 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The section of this Act  
13 relating to the validity of prior notices and citations, being  
14 deemed of immediate importance, takes effect upon enactment.>

15 3. Title page, line 2, by striking <and providing a penalty>  
16 and inserting <providing a penalty, and including effective  
17 date provisions>

18 4. By renumbering as necessary.

**By** LANDON of Polk

SENATE FILE 475

H-1437

1 Amend Senate File 475, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. Page 13, after line 16 by inserting:

4 <DIVISION \_\_\_\_\_

5 SCHOOL MEALS ---- PROHIBITIONS AND RESPONSIBILITIES

6 Sec. \_\_\_\_ . NEW SECTION. 283A.11 Participation by students ----  
7 school prohibitions and responsibilities.

8 1. For purposes of this section, unless the context  
9 otherwise requires, "school" includes a school district, a  
10 school district attendance center, or an accredited nonpublic  
11 school.

12 2. A school shall provide notice, at least twice annually,  
13 to the parents or guardians of all enrolled students regarding  
14 the availability of applications for free or reduced-fee meals  
15 for categorically eligible students under the federal Richard  
16 B. Russell National School Lunch Act of 1966, 42 U.S.C. {1751  
17 et seq., and the federal Child Nutrition Act of 1966, 42 U.S.C.  
18 {1771 et seq. Notice may be provided via letter or electronic  
19 communication.

20 3. If a student owes money for five or more meals, a school  
21 principal, assistant principal, or designated meal program  
22 staff person may contact the student's parent or guardian to  
23 provide information regarding the application for free or  
24 reduced-fee meals pursuant to the federal Richard B. Russell  
25 National School Lunch Act of 1966, 42 U.S.C. {1751 et seq.,  
26 and the federal Child Nutrition Act of 1966, 42 U.S.C. {1771  
27 et seq.; or provide information on other options or assistance  
28 available.

29 4. a. A school is prohibited from engaging in any of the  
30 following acts:

31 (1) Publicly identifying or stigmatizing a student who  
32 cannot pay for a meal or who owes a meal debt, including but not  
33 limited to requiring such a student to consume the meal at a  
34 table set aside for such purpose.

35 (2) Requiring a student who cannot pay for a meal or

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1 who owes a meal debt to do chores or other work to pay for  
2 meals, unless chores or other work is required of all students  
3 regardless of a meal debt. However, a student may volunteer to  
4 perform chores or other work at the school.

5 b. A school shall direct communications about a student's  
6 meal debt to a parent or guardian and not to the student. This  
7 paragraph does not prohibit a school from sending a letter home  
8 with a student addressed to the student's parent or guardian,  
9 or from contacting the parent or guardian via phone or other  
10 electronic means.

11 5. The department of education shall, in consultation with  
12 schools, develop and establish best practices, guidance, and  
13 policies to assist schools to reach the goal of ensuring that  
14 all students have access to nutritionally adequate meals, as  
15 defined in section 283A.1, at school.>

16 2. By renumbering as necessary.

**By** HINSON of Linn

RUNNING-MARQUARDT of Linn



SENATE FILE 512

H-1440

1 Amend Senate File 512, as amended, passed, and reprinted by  
2 the Senate, as follows:

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

5 <Section 1. NEW SECTION. 8.57B Water quality  
6 infrastructure fund ---- creation ---- appropriations.

7 1. A water quality infrastructure fund is created within  
8 the division of soil conservation and water quality of the  
9 department of agriculture and land stewardship. The fund shall  
10 consist of all of the following:

11 a. (1) Moneys transferred to the fund pursuant to section  
12 423G.6.

13 (2) This paragraph "a" is repealed upon the date on which  
14 chapter 423G is repealed pursuant to section 423G.7.

15 b. Appropriations made to the fund and transfers of  
16 interest, earnings, and moneys from other funds as provided by  
17 law.

18 2. The fund shall be separate from the general fund of the  
19 state and the balance in the fund shall not be considered part  
20 of the balance of the general fund of the state. However, the  
21 fund shall be considered a special account for the purposes  
22 of section 8.53, relating to generally accepted accounting  
23 principles.

24 3. Moneys in the fund are appropriated to the division  
25 of soil conservation and water quality of the department of  
26 agriculture and land stewardship for the exclusive purpose of  
27 supporting water quality agriculture infrastructure programs  
28 created in section 466B.43.

29 4. Notwithstanding section 8.33, moneys in the fund  
30 that remain unencumbered or unobligated at the close of a  
31 fiscal year shall not revert but shall remain available for  
32 expenditure for the purposes designated. Notwithstanding  
33 section 12C.7, subsection 2, interest or earnings on moneys in  
34 the fund shall be credited to the fund.

35 Sec. 2. NEW SECTION. 16.140 Water quality protection and

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1 wastewater treatment grant program ---- fund.

2 1. As used in this section, unless the context otherwise  
3 requires:

4 a. "Clean Water Act" means the same as defined in section  
5 16.131A.

6 b. "Eligible entity" means either of the following:

7 (1) An entity engaged in an industry identified in the Iowa  
8 nutrient reduction strategy, as determined by the authority,  
9 which industry is or will be required pursuant to the Iowa  
10 nutrient reduction strategy to collect data on the source,  
11 concentration, and mass of total nitrogen or total phosphorus  
12 in its effluent, and to evaluate alternatives for reducing the  
13 amount of nutrients in its discharge.

14 (2) An entity implementing technology or operational  
15 improvements to reduce nutrients in its discharge.

16 c. "Iowa nutrient reduction strategy" means a water  
17 quality initiative developed and updated by the department of  
18 agriculture and land stewardship, the department of natural  
19 resources, and the college of agriculture and life sciences at  
20 Iowa state university of science and technology in order to  
21 assess and reduce nutrients in this state's watersheds that  
22 utilizes a pragmatic, strategic, and coordinated approach with  
23 the goal of accomplishing reductions over time.

24 d. "Municipality" means a city or a rural water district or  
25 association empowered by law to provide sewage collection and  
26 treatment services or drinking water, or a public utility as  
27 defined in section 476.1.

28 e. "Program" means the water quality protection and  
29 wastewater treatment grant program created in this section.

30 f. "Safe Drinking Water Act" means the same as defined in  
31 section 16.131A.

32 g. "Source water protection project" means a project or  
33 activity designed to prevent pollutants from entering public  
34 drinking water sources.

35 h. "Wastewater infrastructure improvement" includes

1 the acquisition, construction, reconstruction, extension,  
2 equipping, improvement, or rehabilitation of any works or  
3 facilities useful for the collection, treatment, and disposal  
4 of sewage or industrial waste in a sanitary manner, including  
5 treatment works as defined in section 212 of the Clean Water  
6 Act, and including the implementation and development of  
7 sponsor projects under section 455B.199.

8 i. "Water infrastructure improvement" includes the  
9 acquisition, construction, reconstruction, extending,  
10 remodeling, improving, repairing, or equipping of waterworks,  
11 water mains, extensions, or treatment facilities useful  
12 for providing potable water to residents served by a water  
13 system, including the acquisition of real property needed  
14 for such purposes, and such other purposes and programs as  
15 may be authorized under the Safe Drinking Water Act. "Water  
16 infrastructure improvement" does not include the acquisition of  
17 real property through the use of eminent domain.

18 2. The Iowa finance authority shall establish and  
19 administer a water quality protection and wastewater treatment  
20 grant program for the purpose of providing financial assistance  
21 in the form of grants to enhance water quality, upgrade water  
22 and wastewater infrastructure, and to implement the Iowa  
23 nutrient reduction strategy. The program shall be administered  
24 in accordance with rules adopted by the authority pursuant to  
25 chapter 17A.

26 3. a. A water quality protection and wastewater treatment  
27 grant fund is created in the state treasury and shall consist  
28 of appropriations made to the fund, transfers of interest,  
29 earnings, moneys from other funds as provided by law, and  
30 moneys accepted by the authority for deposit in the fund  
31 from other public or private sources. Moneys credited  
32 or transferred to the fund pursuant to section 16.198 are  
33 appropriated to the authority for purposes of the program.  
34 Moneys in the fund shall be used exclusively for purposes of  
35 the program.

1 b. Notwithstanding section 8.33, moneys in the fund  
2 that remain unencumbered or unobligated at the close of a  
3 fiscal year shall not revert but shall remain available for  
4 expenditure for the purposes designated. Notwithstanding  
5 section 12C.7, subsection 2, interest or earnings on moneys in  
6 the fund shall be credited to the fund.

7 4. Grants may be awarded under the program for any of the  
8 following:

9 a. To a municipality or an eligible entity participating in  
10 a nutrient reduction exchange, for the purpose of purchasing  
11 nutrient reduction credits or for implementing water quality  
12 practices as described in the Iowa nutrient reduction strategy.  
13 For purposes of this paragraph, "nutrient reduction credit" and  
14 "nutrient reduction exchange" both mean the same as defined in  
15 section 16.206, section 1, paragraph "d".

16 b. To a municipality or an eligible entity for up to fifty  
17 percent of the costs associated with conducting economic and  
18 technical feasibility studies or developing implementation  
19 plans and reports required by the Iowa nutrient reduction  
20 strategy.

21 c. To a municipality for a source water protection project.

22 d. To a municipality or an eligible entity for water  
23 infrastructure improvements or for wastewater infrastructure  
24 improvements.

25 5. Priority for grants shall be given to projects or  
26 activities that will provide improvement to water quality in  
27 the relevant watershed.

28 6. Priority for grants shall be given to projects or  
29 activities that also have private financing, or financing  
30 pursuant to section 16.131 under the water pollution control  
31 works and drinking water facilities financing program created  
32 pursuant to section 455B.294, or other federal or state  
33 financing.

34 7. Priority for grants shall be given to projects or  
35 activities that are part of a project receiving financing under

1 the water quality project financial assistance program under  
2 sections 16.201 through 16.206.

3 8. Grants awarded under the program shall not exceed five  
4 hundred thousand dollars per recipient.

5 9. By October 1 of each year, the authority shall submit  
6 a report to the governor and the general assembly itemizing  
7 expenditures under the program during the previous fiscal year,  
8 if any.

9 10. a. Beginning September 1, 2027, and every ten years  
10 thereafter, a program review committee is established for  
11 purposes of reviewing the program. By December 1 of the  
12 same year, the review committee shall file a report with  
13 the governor and the general assembly that reviews the  
14 effectiveness of the program during the previous ten fiscal  
15 years.

16 b. The program review committee shall consist of the  
17 following members:

18 (1) The governor or the governor's designee.

19 (2) The secretary of agriculture or the secretary's  
20 designee.

21 (3) The executive director of the authority or the executive  
22 director's designee.

23 (4) The director of the department of natural resources or  
24 the director's designee.

25 (5) Four members of the general assembly, with two from the  
26 senate and two from the house of representatives and not more  
27 than one member from each chamber being from the same political  
28 party. The two senators shall be designated one member each  
29 by the president of the senate, after consultation with the  
30 majority leader of the senate, and by the minority leader of  
31 the senate. The two representatives shall be designated one  
32 member each by the speaker of the house of representatives,  
33 after consultation with the majority leader of the house of  
34 representatives, and by the minority leader of the house of  
35 representatives.

1 c. Staffing services shall be provided by the authority.

2 Sec. 3. NEW SECTION. 16.198 Water quality financial

3 assistance fund.

4 1. A water quality financial assistance fund is created in  
5 the state treasury.

6 2. The fund shall consist of all of the following:

7 a. (1) Moneys transferred to the fund pursuant to section

8 423G.6.

9 (2) This paragraph "a" is repealed upon the date on which  
10 chapter 423G is repealed pursuant to section 423G.7.

11 b. Appropriations made to the fund and transfers of  
12 interest, earnings, and moneys from other funds as provided by  
13 law.

14 3. For each fiscal year in the period beginning July 1,  
15 2018, and ending when chapter 423G is repealed pursuant to  
16 section 423G.7, there is appropriated the following amounts of  
17 the balance of the fund for the following purposes:

18 a. One-sixth of the balance of the fund to the Iowa finance  
19 authority to be credited to the water quality protection and  
20 wastewater treatment grant fund created pursuant to section  
21 16.140, subsection 3.

22 b. Five-sixths of the balance of the fund to the Iowa  
23 finance authority to be credited to the water quality project  
24 financial assistance fund created pursuant to section 16.204.

25 4. Moneys in the fund are not subject to section 8.33.  
26 Notwithstanding section 12C.7, subsection 2, interest or  
27 earnings on moneys in the fund shall be credited to the fund.

28 Sec. 4. NEW SECTION. 16.201 Definitions.

29 As used in this part, unless the context otherwise requires:

30 1. "Committee" means the water quality project financing  
31 committee created in section 16.205, subsection 4.

32 2. "Eligible entity" means a financing entity meeting the  
33 requirements of section 16.206, as determined by the committee.

34 3. "Financing entity" means two or more persons that have  
35 entered into an agreement for purposes of joint financing of a

1 project under the program. A financing entity may include but  
2 is not limited to a governmental body such as a state agency or  
3 a political subdivision of the state, a city or a city utility,  
4 a public utility as defined in section 476.1 that furnishes  
5 drinking water, sanitary sewage, or storm water services to the  
6 public for compensation, a county, a rural water district or  
7 association, a soil and water conservation district, a sanitary  
8 district, a subdistrict of any of the foregoing districts, a  
9 governmental body or corporation empowered to provide sewage  
10 collection and treatment services or drinking water, an entity  
11 jointly exercising governmental powers pursuant to chapter 28E  
12 or 28F, or any other combination of two or more public agencies  
13 or private agencies as defined in section 28E.2, acting jointly  
14 under Iowa law in connection with a project.

15 4. "Iowa nutrient reduction strategy" means a water  
16 quality initiative developed and updated by the department of  
17 agriculture and land stewardship, the department of natural  
18 resources, and the college of agriculture and life sciences at  
19 Iowa state university of science and technology in order to  
20 assess and reduce nutrients in this state's watersheds that  
21 utilizes a pragmatic, strategic, and coordinated approach with  
22 the goal of accomplishing reductions over time.

23 5. "Loan recipient" means an eligible entity that has  
24 received a loan under the program.

25 6. "Program" means the water quality project financial  
26 assistance program created in this part.

27 7. "Project" means any combination of works, facilities,  
28 improvements, structures, developments, tasks, activities,  
29 constructions, modifications, operations, or practices designed  
30 to improve water quality or water resource management that are  
31 proposed by an eligible entity and approved by the committee.

32 "Project" includes but is not limited to the following:

33 a. A project meeting the requirements of part 2 of this  
34 subchapter.

35 b. A project, operation, or practice undertaken or carried

1 out pursuant to chapter 161A, 161C, 161E, or 161F.

2 c. A project meeting the requirements of a sponsor project  
3 under section 455B.199.

4 d. Other water resource restoration projects as defined in  
5 section 384.80, including ones financed pursuant to section  
6 28F.1.

7 e. An agricultural nonpoint source project eligible for a  
8 water quality agriculture infrastructure program under section  
9 466B.43.

10 8. "Revolving fund" means the fund created in section  
11 16.204.

12 Sec. 5. NEW SECTION. 16.202 Water quality project financial  
13 assistance program ---- funding ---- bonds and notes.

14 1. The authority shall cooperate with the department of  
15 natural resources and the department of agriculture and land  
16 stewardship in the creation, administration, and financing of  
17 the program established in this part.

18 2. The authority may issue its bonds and notes until June  
19 30, 2042, for the purposes of this part, including for the  
20 purposes of funding the program established under section  
21 16.205 and of funding any fund or account created under section  
22 16.204.

23 3. The authority may enter into one or more loan agreements  
24 or purchase agreements with one or more bondholders or  
25 noteholders containing the terms and conditions of the  
26 repayment of and the security for the bonds or notes. The  
27 authority and the bondholders or noteholders or a trustee  
28 agent designated by the authority may enter into agreements to  
29 provide for any of the following:

30 a. That the proceeds of the bonds and notes and the  
31 investments of the proceeds may be received, held, and  
32 disbursed by the authority or by a trustee or agent designated  
33 by the authority.

34 b. That the bondholders or noteholders or a trustee or  
35 agent designated by the authority may collect, invest, and



1 apply the amount payable under the loan agreements or any  
2 other instruments securing the debt obligations under the loan  
3 agreements.

4 c. That the bondholders or noteholders may enforce the  
5 remedies provided in the loan agreements or other instruments  
6 on their own behalf without the appointment or designation of a  
7 trustee. If there is a default in the principal of or interest  
8 on the bonds or notes or in the performance of any agreement  
9 contained in the loan agreements or other instruments, the  
10 payment or performance may be enforced in accordance with the  
11 loan agreement or other instrument.

12 d. Other terms and conditions as deemed necessary or  
13 appropriate by the authority.

14 4. The powers granted the authority under this section  
15 are in addition to other powers contained in this chapter.  
16 All other provisions of this chapter, except section 16.28,  
17 subsection 4, apply to bonds or notes issued and powers granted  
18 to the authority under this section except to the extent they  
19 are inconsistent with this section.

20 5. All bonds or notes issued by the authority in connection  
21 with the program are exempt from taxation by this state and the  
22 interest on the bonds or notes is exempt from state income tax.

23 Sec. 6. NEW SECTION. 16.203 Security ---- reserve funds ----  
24 pledges ---- nonliability ---- irrevocable contracts.

25 1. The authority may provide in the resolution, trust  
26 agreement, or other instrument authorizing the issuance of its  
27 bonds or notes pursuant to section 16.202 that the principal  
28 of, premium, and interest on the bonds or notes are payable  
29 from any of the following and may pledge the same to its bonds  
30 and notes:

31 a. The income and receipts or other moneys derived from the  
32 projects financed with the proceeds of the bonds or notes.

33 b. The income and receipts or other moneys derived from  
34 designated projects whether or not the projects are financed in  
35 whole or in part with the proceeds of the bonds or notes.

1 c. The amounts on deposit in the revolving fund.

2 d. The amounts payable to the authority by eligible entities  
3 pursuant to loan agreements with eligible entities.

4 e. Any other funds or accounts established by the authority  
5 in connection with the program or the sale and issuance of its  
6 bonds or notes.

7 2. The authority may establish reserve funds to secure  
8 one or more issues of its bonds or notes. The authority may  
9 deposit in a reserve fund established under this subsection the  
10 proceeds of the sale of its bonds or notes and other moneys  
11 that are made available from any other source.

12 3. It is the intention of the general assembly that a pledge  
13 made in respect of bonds or notes issued under this part shall  
14 be valid and binding from the time the pledge is made, that the  
15 moneys or property so pledged and received after the pledge  
16 by the authority shall immediately be subject to the lien of  
17 the pledge without physical delivery or further act, and that  
18 the lien of the pledge shall be valid and binding as against  
19 all parties having claims of any kind in tort, contract, or  
20 otherwise against the authority whether or not the parties have  
21 notice of the lien. Neither the resolution, trust agreement,  
22 nor any other instrument by which a pledge is created needs to  
23 be recorded or filed under the Iowa uniform commercial code,  
24 chapter 554, to be valid, binding, or effective against the  
25 parties.

26 4. Neither the members of the authority nor persons  
27 executing the bonds or notes are liable personally on the bonds  
28 or notes or are subject to personal liability or accountability  
29 by reason of the issuance of the bonds or notes.

30 5. The bonds or notes issued by the authority are not  
31 an indebtedness or other liability of the state or of a  
32 political subdivision of the state within the meaning of  
33 any constitutional or statutory debt limitations but are  
34 special obligations of the authority, and are payable solely  
35 from the income and receipts or other funds or property of

1 the authority, and the amounts on deposit in the revolving  
2 fund, and the amounts payable to the authority under its loan  
3 agreements with eligible entities to the extent that the  
4 amounts are designated in the resolution, trust agreement, or  
5 other instrument of the authority authorizing the issuance of  
6 the bonds or notes as being available as security for such  
7 bonds or notes. The authority shall not pledge the faith or  
8 credit of the state or of a political subdivision of the state  
9 to the payment of any bonds or notes. The issuance of any bonds  
10 or notes by the authority does not directly, indirectly, or  
11 contingently obligate the state or a political subdivision of  
12 the state to apply moneys from, or levy or pledge any form of  
13 taxation whatever to, the payment of the bonds or notes.

14 6. It is the intent of the general assembly, and the state  
15 hereby pledges to the holders of bonds or notes issued under  
16 this part, that the state will not limit or alter the rights  
17 and powers vested in the authority to fulfill the terms of a  
18 contract made by the authority with respect to the bonds or  
19 notes, or in any way impair the rights and remedies of the  
20 holders until the bonds or notes, together with the interest on  
21 the bonds or notes, including interest on unpaid installments  
22 of interest, and all costs and expenses in connection with an  
23 action or proceeding by or on behalf of the holders, are fully  
24 met and discharged. The authority is authorized to include  
25 this pledge and agreement of the state, as it refers to holders  
26 of bonds or notes of the authority, in a contract with the  
27 holders.

28 Sec. 7. NEW SECTION. 16.204 Water quality project financial  
29 assistance fund ---- other funds and accounts.

30 1. a. A water quality project financial assistance  
31 fund is created in the state treasury and shall consist of  
32 appropriations made to the fund, moneys credited or transferred  
33 to the fund pursuant to section 16.198, and transfers of  
34 interest, earnings, and moneys from other funds as provided  
35 by law. The fund shall be administered by the authority as a

1 revolving fund.

2 b. Moneys in the fund are not subject to section 8.33.

3 Notwithstanding section 12C.7, subsection 2, interest or  
4 earnings on moneys in the fund shall be credited to the fund.

5 c. The authority shall use the moneys in the fund to provide  
6 financial assistance to eligible entities under the program  
7 pursuant to section 16.205.

8 d. The authority may use an amount of not more than one  
9 percent of the moneys in the fund for administrative purposes.

10 2. The authority may establish and maintain other funds  
11 and accounts determined to be necessary to carry out the  
12 purposes of the program and shall provide for the funding,  
13 administration, investment, restrictions, and disposition of  
14 the funds and accounts.

15 3. Moneys appropriated to and used by the authority for  
16 purposes of paying the costs and expenses associated with  
17 the administration of the program shall be administered as  
18 determined by the authority.

19 4. The funds or accounts held by the authority, or a trustee  
20 acting on behalf of the authority pursuant to a trust agreement  
21 related to the program, shall not be considered part of the  
22 general fund of the state, are not subject to appropriation for  
23 any other purpose by the general assembly, and in determining  
24 a general fund balance shall not be included in the general  
25 fund of the state, but shall remain in the funds and accounts  
26 maintained by the authority or trustee pursuant to a trust  
27 agreement. Funds and accounts held by the authority, or a  
28 trustee acting on behalf of the authority pursuant to a trust  
29 agreement related to the program, are separate dedicated funds  
30 and accounts under the administration and control of the  
31 authority and subject to section 16.31.

32 Sec. 8. NEW SECTION. 16.205 Water quality project financial  
33 assistance program ---- committee created ---- rules ---- use of funds.

34 1. The authority, in cooperation with the department of  
35 natural resources and the department of agriculture and land

1 stewardship, shall establish and administer a water quality  
2 project financial assistance program. The purpose of the  
3 program shall be to provide financial assistance to enhance  
4 the quality of surface water and groundwater, particularly  
5 by providing financial assistance for projects designed to  
6 improve water quality through collaboration between point  
7 and nonpoint sources. The authority may provide financial  
8 assistance in the form deemed most convenient for the efficient  
9 financing of projects, including loans, forgivable loans, and  
10 grants. However, the authority shall administer the fund and  
11 the program in such a manner as to provide a permanent source  
12 of water quality project financial assistance to eligible  
13 entities.

14 2. The program shall be administered by the authority  
15 in accordance with rules adopted by the authority pursuant  
16 to chapter 17A. In adopting such rules, the authority shall  
17 consult with the department of natural resources and the  
18 department of agriculture and land stewardship.

19 3. The authority shall process and review financial  
20 assistance applications and make recommendations to the  
21 committee.

22 4. a. A water quality project financing committee is  
23 created to consider applications for financial assistance from  
24 eligible entities and approve awards of financial assistance  
25 under the program. The committee shall consist of three  
26 members, one appointed by the executive director of the  
27 authority, one appointed by the director of the department  
28 of natural resources, and one appointed by the secretary of  
29 agriculture.

30 b. The committee shall review project plans submitted  
31 pursuant to section 16.206, negotiate project details with  
32 eligible entities, and make financial assistance awards. The  
33 provision of financial assistance under the program shall take  
34 into account the number of persons comprising an eligible  
35 entity and the eligible entity's financing capacity as well as

1 the extent to which the proposed projects will improve water  
2 quality.

3 c. The committee shall score applications for financial  
4 assistance according to rules adopted pursuant to this part.  
5 The committee shall only provide financial assistance to  
6 eligible entities that have sufficient financing capacity and  
7 that propose a plan likely to make progress toward achieving  
8 the goals for agricultural and nonpoint sources described in  
9 the Iowa nutrient reduction strategy.

10 5. The authority shall determine the interest rate  
11 and repayment terms for loans made under the program, in  
12 cooperation with the department of natural resources and  
13 the department of agriculture and land stewardship, and the  
14 authority shall enter into loan agreements with eligible  
15 entities in compliance with and subject to the terms and  
16 conditions of the program.

17 6. The authority shall adopt rules relating to the  
18 proportional liability, if any, of members of an eligible  
19 entity when such eligible entity enters into a loan agreement  
20 under the program.

21 7. The authority may charge loan recipients fees and assess  
22 costs against such recipients necessary for the continued  
23 operation of the program. Such fees and costs shall not exceed  
24 the costs directly associated with the administration of the  
25 program. Fees and costs collected pursuant to this subsection  
26 shall be deposited in the appropriate fund or account created  
27 in section 16.204.

28 8. Financial assistance under the program shall be used by  
29 eligible entities to fund projects designed to improve water  
30 quality.

31 9. Notwithstanding any other provision in this part to the  
32 contrary, beginning on July 1, 2018, the authority may use any  
33 amount available to support the water quality project financial  
34 assistance program to instead extend and support the three-year  
35 data collection of in-field agricultural practices project as

1 enacted in 2015 Iowa Acts, ch. 132, {18.

2 Sec. 9. NEW SECTION. 16.206 Eligible entities ---- project  
3 plans ---- agreements required.

4 1. A financing entity may apply to the authority for  
5 financial assistance under the program. To be eligible, a  
6 financing entity shall meet the following requirements:

7 a. The financing entity shall include two or more entities  
8 acting jointly to propose a project plan designed to improve  
9 water quality in a local area or watershed.

10 b. The plan shall include one or more projects that  
11 substantially improve water quality in the local area or  
12 watershed. Preference shall be given to projects that will  
13 have the greatest impact on achieving the goals of the Iowa  
14 nutrient reduction strategy, and plans designed to achieve  
15 those goals shall be presumed to substantially improve water  
16 quality in the local area or watershed.

17 c. The plan shall describe in detail the manner in which  
18 the projects will be financed and undertaken, including the  
19 sources of financing for the projects as well as the public or  
20 private entities that will be receiving the revenues and how  
21 such revenues will be spent on the projects. In describing the  
22 projects and financing, the plan should attempt to quantify  
23 the amount of nutrient reduction to be achieved under the  
24 plan and should provide a reasonable means for verification  
25 of the amount of nutrient reduction after the projects have  
26 been financed and completed. Preference shall be given to  
27 a financing entity that has had its plan evaluated by the  
28 Iowa nutrient research center established in section 466B.47.  
29 Preference shall also be given to a financing entity that has  
30 contracted with the Iowa nutrient research center to verify  
31 the amount of nutrient reduction achieved by the project upon  
32 project completion.

33 d. (1) The plan may include a nutrient reduction exchange  
34 between two or more members of the financing entity. A plan  
35 that includes a nutrient reduction exchange shall be presumed

1 to substantially improve water quality in the local area or  
2 watershed.

3 (2) For purposes of this paragraph:

4 (a) "Nutrient reduction" means a reduction in nitrogen or  
5 phosphorus as measured against standards or goals established  
6 or adopted by the committee.

7 (b) "Nutrient reduction credit" means an amount of nutrient  
8 reduction expressed as a unit of measurement that is calculated  
9 using research-based modeling or other methods established or  
10 adopted by the committee.

11 (c) "Nutrient reduction exchange" means an agreement between  
12 one or more point source or nonpoint source contributors  
13 and one or more other parties whereby nutrient reduction  
14 credits are purchased, sold, traded, or exchanged for legal  
15 consideration through a trading system approved by the  
16 department of natural resources and approved in an Act of the  
17 general assembly.

18 2. Any eligible entity receiving financial assistance under  
19 the program shall enter into an agreement with the authority.  
20 The agreement shall include standard terms for the receipt of  
21 program funds and any other terms the authority deems necessary  
22 and convenient for the efficient administration of the program.

23 Sec. 10. Section 28F.1, subsection 1, Code 2017, is amended  
24 to read as follows:

25 1. This chapter provides a means for the joint financing  
26 by public agencies of works or facilities useful and necessary  
27 for the collection, treatment, purification, and disposal  
28 in a sanitary manner of liquid and solid waste, sewage, and  
29 industrial waste, facilities used for the conversion of solid  
30 waste to energy, facilities, improvements, or projects in a  
31 watershed useful for flood control, erosion control, or water  
32 quality restoration by a water utility, wastewater utility,  
33 or storm water utility, whether located within or without the  
34 corporate boundaries of a municipal corporation, and also  
35 electric power facilities constructed within the state of



1 Iowa, except that hydroelectric power facilities may also be  
2 located in the waters and on the dams of or on land adjacent  
3 to either side of the Mississippi or Missouri river bordering  
4 the state of Iowa, water supply systems, swimming pools  
5 or golf courses. This chapter applies to the acquisition,  
6 construction, reconstruction, ownership, operation, repair,  
7 extension, or improvement of such works or facilities, by a  
8 separate administrative or legal entity created pursuant to  
9 chapter 28E or chapter 389. When the legal entity created  
10 under this chapter is comprised solely of cities, counties,  
11 and sanitary districts established under chapter 358, or any  
12 combination thereof or any combination of the foregoing with  
13 other public agencies, the entity shall be both a corporation  
14 and a political subdivision with the name under which it was  
15 organized. The legal entity may sue and be sued, contract,  
16 acquire and hold real and personal property necessary for  
17 corporate purposes, adopt a corporate seal and alter the seal  
18 at pleasure, and execute all the powers conferred in this  
19 chapter. This section shall not be construed or interpreted to  
20 create or expand the authority to acquire real property through  
21 the use of eminent domain.

22 Sec. 11. Section 161A.7, subsection 1, paragraph d, Code  
23 2017, is amended to read as follows:

24 d. To cooperate, or enter into agreements with, and within  
25 the limits of appropriations duly made available to it by law,  
26 to furnish financial or other aid to any agency, governmental  
27 or otherwise, or any owner or occupier of lands within the  
28 district, in the carrying on of erosion-control and watershed  
29 protection and flood prevention operations, or in the carrying  
30 out of projects pursuant to paragraph "q", within the district,  
31 subject to such conditions as the commissioners may deem  
32 necessary to advance the purposes of this chapter.

33 Sec. 12. Section 161A.7, subsection 1, Code 2017, is amended  
34 by adding the following new paragraphs:

35 NEW PARAGRAPH. p. To apply for financial assistance under

1 the water quality project financial assistance program under  
2 sections 16.201 through 16.206.

3 NEW PARAGRAPH. q. To carry out soil erosion control,  
4 watershed protection or improvement, flood prevention, and  
5 water quality protection projects and operations within the  
6 district, including but not limited to projects and operations  
7 to support water protection practices, to protect this  
8 state's groundwater and surface water from point and nonpoint  
9 sources of pollution, including but not limited to pollution  
10 by agricultural drainage wells, sinkholes, sedimentation,  
11 or chemical pollutants, to reduce or remove nutrients and  
12 pollution in or from surface water and groundwater, to reduce  
13 or eliminate nutrient loads to surface water and groundwater  
14 from both point and nonpoint sources, to maintain, protect,  
15 and improve the quality of surface water and groundwater, and  
16 to achieve or further any of the goals and targets described  
17 in the Iowa nutrient reduction strategy as defined in section  
18 16.201.

19 Sec. 13. Section 161C.1, Code 2017, is amended by adding the  
20 following new subsection:

21 NEW SUBSECTION. 4A. "Financing entity" means the same as  
22 defined in section 16.201.

23 Sec. 14. Section 161C.2, subsection 1, paragraph a, Code  
24 2017, is amended to read as follows:

25 a. Each soil and water conservation district, alone and  
26 whenever practical in conjunction with other districts, ~~shall~~  
27 financing entities, or political subdivisions of the state,  
28 or other local agencies, may carry out district-wide and  
29 multiple-district projects to support soil erosion control,  
30 water resource restoration projects, watershed protection,  
31 flood prevention, and water quality protection practices,  
32 projects, and operations in the district or districts,  
33 including but not limited to projects carried out in order to  
34 protect this state's groundwater and surface water from point  
35 and nonpoint sources of ~~contamination~~ pollution, including but

1 not limited to ~~contamination~~ pollution by agricultural drainage  
2 wells, sinkholes, sedimentation, or chemical pollutants, as  
3 described in the Iowa nutrient reduction strategy as defined  
4 in section 16.201.

5 Sec. 15. Section 161C.3, Code 2017, is amended to read as  
6 follows:

7 161C.3 Cooperation with other agencies.

8 Soil and water conservation districts may enter into  
9 agreements with the United States, as provided by state law,  
10 or with the state of Iowa or any agency of the state, any  
11 other soil and water conservation district, or other political  
12 subdivision of this state, or any financing entity, or other  
13 local agency, for cooperation in preventing, controlling, or  
14 attempting to prevent or control ~~contamination~~ pollution of  
15 groundwater or surface water by point and nonpoint sources  
16 of pollution. Soil and water conservation districts may  
17 accept, as provided by state law, any money disbursed for water  
18 quality preservation purposes by the federal government or any  
19 agency of the federal government, and expend the money for the  
20 purposes for which it was received.

21 Sec. 16. Section 161E.1, Code 2017, is amended to read as  
22 follows:

23 161E.1 Authority of board.

24 1. If a county, soil and water conservation district,  
25 subdistrict of a soil and water conservation district,  
26 financing entity, or political subdivision of the state, or  
27 other local agency engages or participates in or carries out  
28 a project for flood or soil erosion control, a water resource  
29 restoration project, watershed protection or improvement  
30 project, flood prevention, water quality protection project or  
31 operation, including but not limited to a project or operation  
32 described in the Iowa nutrient reduction strategy as defined  
33 in section 16.201, within a county, or engages or participates  
34 in the conservation, development, utilization, and disposal  
35 of water, in cooperation with the federal government, or a

1 department or agency of the federal government, in cooperation  
2 with other districts, subdistricts, financing entities,  
3 political subdivisions, or other local agencies, the counties  
4 in which the project is carried on may, through the board of  
5 supervisors or through an intergovernmental agreement under  
6 chapter 28E or chapter 28F, construct, operate, and maintain  
7 the project on lands under the control or jurisdiction of the  
8 county dedicated to county use, or furnish financial and other  
9 assistance in connection with the projects or operations.  
10 Flood control, soil erosion control, watershed protection  
11 projects, flood prevention, water quality improvement projects,  
12 water resource restoration projects, and watershed improvement  
13 projects and operations, including but not limited to projects  
14 or operations described in the Iowa nutrient reduction strategy  
15 as defined in section 16.201, are presumed to be for the  
16 protection of the tax base of the county, for the protection of  
17 public roads and lands, and for the protection of the public  
18 health, sanitation, safety, and general welfare.

19 2. For purposes of this chapter, "financing entity" means  
20 the same as defined in section 16.201.

21 Sec. 17. Section 161E.2, Code 2017, is amended to read as  
22 follows:

23 161E.2 Federal aid.

24 A county may, in accordance with this chapter, accept  
25 federal funds for aid in a project for flood or soil erosion  
26 control, flood prevention, or the conservation, development,  
27 utilization, and disposal of water, and may cooperate with  
28 the federal government or a department or agency of the  
29 federal government, a soil and water conservation district,  
30 subdistrict of a soil and water conservation district,  
31 political subdivision of the state, or other local agency, or  
32 a financing entity, and the county may assume a proportion of  
33 the cost of the project as deemed appropriate, and may assume  
34 the maintenance cost of the project on lands under the control  
35 or jurisdiction of the county which will not be discharged by

1 federal aid or grant.

2 Sec. 18. Section 161E.3, Code 2017, is amended to read as  
3 follows:

4 161E.3 Cooperation.

5 The counties, soil and water conservation districts,  
6 and subdistricts of soil and water conservation districts  
7 concerned, shall advise and consult with each other, upon the  
8 request of any of them or any affected landowners, and may  
9 cooperate with each other or with other state subdivisions or  
10 instrumentalities, and affected landowners, as well as with the  
11 federal government or a department or agency of the federal  
12 government, or a financing entity or other local agency, to  
13 construct, operate, and maintain suitable projects for flood  
14 or soil erosion control, water resource restoration projects,  
15 watershed protection or improvement projects, flood prevention,  
16 water quality protection or improvement projects, or the  
17 conservation, development, utilization, and disposal of water  
18 on public roads or other public lands or other land granted  
19 county use.

20 Sec. 19. Section 161E.5, Code 2017, is amended to read as  
21 follows:

22 161E.5 Maintenance cost.

23 If construction of projects has been completed by the soil  
24 and water conservation district, subdistricts of soil and  
25 water conservation districts, political subdivisions of the  
26 state, or other local agencies, or the federal government, or a  
27 department or agency of the federal government, or a financing  
28 entity on private lands under the easement granted to the  
29 county, only the cost of maintenance may be assumed by the  
30 county.

31 Sec. 20. Section 161E.9, Code 2017, is amended to read as  
32 follows:

33 161E.9 Tax levy.

34 The county board of supervisors may annually levy a tax not  
35 to exceed six and three-fourths cents per thousand dollars of

1 assessed value of all agricultural lands in the county, to  
2 be used for flood and soil erosion control, water resource  
3 restoration projects, watershed protection or improvement  
4 projects, flood prevention and water quality protection  
5 projects and operations within a county, including but not  
6 limited to projects or operations described in the Iowa  
7 nutrient reduction strategy as defined in section 16.201, and  
8 including acquisition of land or interests in land, and repair,  
9 alteration, maintenance, and operation of works of improvement  
10 on lands under the control or jurisdiction of the county as  
11 provided in this chapter, or to furnish financial assistance in  
12 connection with such projects and operations.

13 Sec. 21. Section 161E.10, Code 2017, is amended to read as  
14 follows:

15 161E.10 Assumption of obligations.

16 This chapter contemplates that actual direction of the  
17 project, or projects, and the actual work done in connection  
18 with ~~them~~ the projects, will be assumed by the soil and water  
19 conservation district, a subdistrict of a soil and water  
20 conservation district, or the federal government, and that the  
21 county or other state subdivisions or instrumentalities or  
22 financing entities jointly will meet the obligation required  
23 for federal cooperation and may make proper commitment for  
24 the care and maintenance of the project after its completion  
25 for the general welfare of the public and residents of the  
26 respective counties.

27 Sec. 22. Section 161F.1, Code 2017, is amended to read as  
28 follows:

29 161F.1 Presumption of benefit ---- definitions.

30 1. The conservation of the soil resources of the state  
31 of Iowa, the improvement of water quality through projects,  
32 the proper control of water resources of the state and the  
33 prevention of damage to property and lands through the control  
34 of floods, the drainage of surface waters or the protection of  
35 lands from overflow shall be presumed to be a public benefit

1 and conducive to the public health, convenience and welfare and  
2 essential to the economic well-being of the state.

3 2. For purposes of this chapter, "financing entity" and  
4 "project" both mean the same as defined in section 16.201.

5 Sec. 23. Section 161F.2, Code 2017, is amended to read as  
6 follows:

7 161F.2 Board of supervisors to establish districts ---- strip  
8 coal mining.

9 1. The board of supervisors of any county shall have  
10 jurisdiction, power and authority at any regular, special or  
11 adjourned session to establish, subject to the provisions  
12 of this chapter, districts having for their purpose soil  
13 conservation and the control of flood waters, or the  
14 improvement of water quality, and to cause to be constructed  
15 as hereinafter provided, such improvements, projects, and  
16 facilities as shall be deemed essential for the accomplishment  
17 of the purpose of soil conservation and flood control, or of  
18 water quality improvement.

19 2. ~~Such~~ The board of supervisors shall also have  
20 jurisdiction, power, and authority at any regular, special,  
21 or adjourned session to establish, in the same manner that  
22 the districts hereinabove referred to in subsection 1  
23 are established, districts having for their purpose soil  
24 conservation in mining areas within the county, and provide  
25 that anyone engaged in removing the surface soil over any  
26 bed or strata of coal in such district for the purpose of  
27 obtaining ~~such~~ coal shall replace the surface soil as nearly  
28 as practicable to its original position, and provide that,  
29 upon abandonment of such removal operation, all surface soil  
30 shall be so replaced. This ~~section~~ subsection shall apply only  
31 to surface soil so removed after July 4, 1949, and then only  
32 if it is essential for the accomplishment of the purpose of  
33 soil conservation and flood control within the purview of this  
34 chapter.

35 Sec. 24. Section 161F.3, Code 2017, is amended to read as

1 follows:

2 161F.3 Combination of functions.

3 Such districts shall have the power to combine in their  
4 functions activities affecting soil conservation, flood control  
5 and drainage, water quality improvement, or any of these  
6 objects, singly or in combination with another district or  
7 financing entity under the provisions of an intergovernmental  
8 agreement pursuant to chapter 28E or 28F.

9 Sec. 25. Section 161F.6, subsection 1, Code 2017, is amended  
10 to read as follows:

11 1. In the organization, operation, and financing of  
12 districts established under this chapter, the provisions of  
13 chapter 468 shall apply and any procedure provided under  
14 chapter 468 in connection with the organization, financing,  
15 and operation of any drainage district shall apply to the  
16 organization, financing, and operation of districts organized  
17 under this chapter. However, a district established under this  
18 chapter shall not be considered a drainage district established  
19 pursuant to chapter 468.

20 Sec. 26. Section 384.80, subsection 15, Code 2017, is  
21 amended to read as follows:

22 15. "Water resource restoration project" means the  
23 acquisition of real property or improvements, a project as  
24 defined in section 16.201, or any other activity or undertaking  
25 that will assist in improving flood control, erosion control,  
26 or the quality of the water in the watershed where a city  
27 water, storm water, or wastewater utility is located.

28 Sec. 27. Section 384.84, subsection 2, Code 2017, is amended  
29 to read as follows:

30 2. The governing body of a city water or wastewater utility  
31 may enter into an agreement with a qualified entity to use  
32 proceeds from revenue bonds for a water resource restoration  
33 project if the rate imposed is no greater than if there was not  
34 a water resource restoration project agreement. For purposes  
35 of this subsection, "qualified entity" is an entity created



1 pursuant to chapter 28E or chapter 28F or two entities that  
2 have entered into an agreement pursuant to chapter 28E or  
3 chapter 28F, whose purpose is to undertake a watershed project  
4 that has been approved for water quality improvements in the  
5 watershed.

6 Sec. 28. Section 422.7, subsection 2, Code 2017, is amended  
7 by adding the following new paragraph:

8 NEW PARAGRAPH. 0h. Iowa finance authority water quality  
9 project financial assistance program bonds or notes pursuant to  
10 section 16.202, subsection 5.

11 Sec. 29. Section 423.3, Code 2017, is amended by adding the  
12 following new subsection:

13 NEW SUBSECTION. 103. a. The sales price from the sale or  
14 furnishing by a water utility of a water service in the state  
15 to consumers or users.

16 b. For purposes of this subsection:

17 (1) "Water service" means the delivery of water by piped  
18 distribution system.

19 (2) "Water utility" means a public utility as defined in  
20 section 476.1 that furnishes water by piped distribution system  
21 to the public for compensation.

22 Sec. 30. NEW SECTION. 423G.1 Short title.

23 This chapter may be cited as the "Water Service Tax Act".

24 Sec. 31. NEW SECTION. 423G.2 Definitions.

25 1. All words and phrases used in this chapter and defined in  
26 section 423.1 have the same meaning given them by section 423.1  
27 for purposes of this chapter.

28 2. As used in this chapter, "water service" and "water  
29 utility" mean the same as defined in section 423.3, subsection  
30 103.

31 Sec. 32. NEW SECTION. 423G.3 Water service tax.

32 An excise tax at the rate of six percent is imposed on the  
33 sales price from the sale or furnishing by a water utility of a  
34 water service in the state to consumers or users.

35 Sec. 33. NEW SECTION. 423G.4 Exemptions.

1 The sales price from transactions exempt from state sales  
2 tax under section 423.3, except section 423.3, subsection 103,  
3 is also exempt from the tax imposed by this chapter.

4 Sec. 34. NEW SECTION. 423G.5 Administration by director.

5 1. The director of revenue shall administer the state  
6 water service tax as nearly as possible in conjunction with  
7 the administration of the state sales and use tax law, except  
8 that portion of the law that implements the streamlined sales  
9 and use tax agreement. The director shall provide appropriate  
10 forms, or provide on the regular state tax forms, for reporting  
11 state water service tax liability.

12 2. The director may require all persons who are engaged  
13 in the business of deriving any sales price or purchase  
14 price subject to tax under this chapter to register with  
15 the department. The director may also require a tax permit  
16 applicable only to this chapter for any retailer not  
17 collecting, or any user not paying, taxes under chapter 423.

18 3. Section 422.25, subsection 4, sections 422.30, 422.67,  
19 and 422.68, section 422.69, subsection 1, sections 422.70,  
20 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection  
21 1, and sections 423.23, 423.24, 423.25, 423.31 through  
22 423.35, 423.37 through 423.42, and 423.47, consistent with the  
23 provisions of this chapter, shall apply with respect to the tax  
24 authorized under this chapter in the same manner and with the  
25 same effect as if the excise taxes on the sale or furnishing of  
26 a water service were retail sales taxes within the meaning of  
27 those statutes. Notwithstanding this subsection, the director  
28 shall provide for quarterly filing of returns and for other  
29 than quarterly filing of returns both as prescribed in section  
30 423.31. All taxes collected under this chapter by a retailer  
31 or any user are deemed to be held in trust for the state of  
32 Iowa.

33 Sec. 35. NEW SECTION. 423G.6 Deposit of revenues.

34 1. All moneys received and all refunds shall be deposited in  
35 or withdrawn from the general fund of the state.

1 2. Subsequent to the deposit in the general fund of the  
2 state, the department shall transfer the following amounts of  
3 revenues collected as follows:

4 a. For revenues collected on or after July 1, 2018, but  
5 before August 1, 2019, one-sixth of the revenues to the water  
6 quality infrastructure fund created in section 8.57B, and  
7 one-sixth of the revenues to the water quality financial  
8 assistance fund created in section 16.198.

9 b. For revenues collected on or after August 1, 2019,  
10 but before August 1, 2020, one-sixth of the revenues to the  
11 water quality infrastructure fund created in section 8.57B,  
12 and one-third of the revenues to the water quality financial  
13 assistance fund created in section 16.198.

14 c. For revenues collected on or after August 1, 2020,  
15 but before August 1, 2021, one-sixth of the revenues to the  
16 water quality infrastructure fund created in section 8.57B,  
17 and one-half of the revenues to the water quality financial  
18 assistance fund created in section 16.198.

19 d. For revenues collected on or after August 1, 2021,  
20 but before August 1, 2022, one-sixth of the revenues to the  
21 water quality infrastructure fund created in section 8.57B,  
22 and two-thirds of the revenues to the water quality financial  
23 assistance fund created in section 16.198.

24 e. For revenues collected on or after August 1, 2022,  
25 one-sixth of the revenues to the water quality infrastructure  
26 fund created in section 8.57B, and five-sixths of the revenues  
27 to the water quality financial assistance fund created in  
28 section 16.198.

29 Sec. 36. NEW SECTION. 423G.7 Future repeal.

30 This chapter is repealed on the date on which all bonds,  
31 notes, or other debt instruments issued on or before June  
32 30, 2042, pursuant to section 16.202, are fully paid. The  
33 executive director of the Iowa finance authority shall notify  
34 the Iowa Code editor upon the occurrence of this condition.

35 Sec. 37. Section 455B.171, subsection 19, Code 2017, is

1 amended to read as follows:

2 19. "Point source" means any discernible, confined, and  
3 discrete conveyance, including but not limited to any pipe,  
4 ditch, channel, tunnel, conduit, well, discrete fissure,  
5 container, rolling stock, concentrated animal feeding  
6 operation, or vessel or other floating craft, from which  
7 pollutants are or may be discharged. "Point source" does not  
8 include agricultural storm water discharges and return flows  
9 from irrigated agriculture.

10 Sec. 38. Section 455B.176A, subsection 1, Code 2017, is  
11 amended by adding the following new paragraphs:

12 NEW PARAGRAPH. 0d. "Iowa nutrient reduction strategy" means  
13 the same as defined in section 16.201.

14 NEW PARAGRAPH. 00d. "Nutrient" means total nitrogen and  
15 total phosphorus.

16 Sec. 39. Section 455B.176A, subsection 5, Code 2017, is  
17 amended to read as follows:

18 5. a. The commission shall adopt rules designating water  
19 quality standards which shall be specific to each designated  
20 use adopted pursuant to subsection 4. The standards shall take  
21 into account the different characteristics of each designated  
22 use and shall provide for only the appropriate level of  
23 protection based upon that particular use. The standards shall  
24 not be identical for each designated use unless required for  
25 the appropriate level of protection. The appropriate level of  
26 protection and standards shall be determined on a scientific  
27 basis.

28 b. In the development process for the water quality  
29 standards, input shall be received from a water quality  
30 standards advisory committee convened by the department. The  
31 water quality standards advisory committee shall be comprised  
32 of experts in the scientific fields relating to water quality,  
33 such as environmental engineering, aquatic toxicology,  
34 fisheries biology, and other life sciences and experts in  
35 the development of the appropriate levels of aquatic life

1 protection and standards. The water quality standards shall be  
2 reviewed and revised by the department as new scientific data  
3 becomes available to support revision.

4 c. The department shall provide support to the department of  
5 agriculture and land stewardship in their efforts to implement  
6 their responsibilities under the Iowa nutrient reduction  
7 strategy.

8 Sec. 40. Section 455B.177, Code 2017, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 3. The general assembly further finds  
11 and declares that it is in the interest of the people of Iowa  
12 to assess and reduce nutrients in surface waters over time by  
13 implementing the Iowa nutrient reduction strategy, as defined  
14 in section 455B.176A. To evaluate the progress achieved over  
15 time toward the goals of the Iowa nutrient reduction strategy  
16 and the United States environmental protection agency gulf  
17 hypoxia action plan, the baseline condition shall be calculated  
18 for the time period from 1980 to 1996.

19 Sec. 41. Section 466B.3, subsection 3, paragraph c, Code  
20 2017, is amended to read as follows:

21 c. Whether the funds, programs, and regulatory efforts  
22 coordinated by the council eventually result in a long-term  
23 improvement to the quality of surface water in Iowa. To  
24 evaluate the progress achieved over time toward the goals of  
25 the Iowa nutrient reduction strategy, as defined in section  
26 455B.176A, and the United States environmental protection  
27 agency gulf hypoxia action plan, the baseline condition shall  
28 be calculated for the time period from 1980 to 1996.

29 Sec. 42. Section 466B.42, Code 2017, is amended to read as  
30 follows:

31 466B.42 Water quality initiative.

32 The division shall establish a water quality initiative  
33 in order to assess and reduce nutrients in this state's  
34 watersheds, including subwatersheds, and regional watersheds,  
35 and for implementing its responsibilities under the Iowa

1 nutrient reduction strategy as defined in section 455B.176A.  
2 The division shall establish and administer projects to  
3 reduce nutrients in surface waters from nonpoint sources in  
4 a scientific, reasonable, and cost-effective manner. The  
5 division shall utilize a pragmatic, strategic, and coordinated  
6 approach with the goal of accomplishing reductions over time.  
7 To evaluate the progress achieved over time toward the goals  
8 of the Iowa nutrient reduction strategy and the United States  
9 environmental protection agency gulf hypoxia action plan, the  
10 baseline condition shall be calculated for the time period from  
11 1980 to 1996.

12 Sec. 43. NEW SECTION. 466B.43 Water quality agriculture  
13 infrastructure programs.

14 1. As part of the water quality initiative established  
15 pursuant to section 466B.42, the division shall administer  
16 water quality agriculture infrastructure programs created in  
17 this section.

18 2. a. The purpose of the programs is to support projects  
19 for the installation of infrastructure, including conservation  
20 structures, practices, or other measures that reduce  
21 contributing nutrient loads, associated sediment, or pollutants  
22 from point and nonpoint sources to surface waters. The  
23 programs shall be administered in a manner that is consistent  
24 with the Iowa nutrient reduction strategy, as defined in  
25 section 16.201.

26 b. In making awards of financial assistance under the  
27 programs, the division shall attempt to complement the purposes  
28 of the water quality project financial assistance program  
29 under sections 16.201 through 16.206 and the water quality  
30 protection and wastewater treatment grant program under section  
31 16.140. Preference shall be given to landowners that are  
32 part of a financing entity participating in the water quality  
33 project financial assistance program and to landowners that are  
34 participating in the water quality protection and wastewater  
35 treatment grant program. The division, the Iowa finance

1 authority, landowners, and financing entities shall, when  
2 possible, coordinate financing between the programs created in  
3 this section, the water quality project financial assistance  
4 program, and the water quality protection and wastewater  
5 treatment grant program, in order to promote the most effective  
6 use of resources.

7 3. An edge-of-field infrastructure program is created.  
8 The program shall support projects located on agricultural  
9 land, which may include demonstration projects, that capture  
10 or filter nutrients entering into a surface water. The  
11 program's projects shall be limited to infrastructure designed  
12 and installed for use over multiple years, including but not  
13 limited to wetlands, bioreactor systems, saturated buffers,  
14 edge-of-stream buffers, or land use changes. The program shall  
15 be financed on a cost-share basis.

16 4. An in-field infrastructure program is created. The  
17 program shall support projects located on agricultural land,  
18 which may include demonstration projects, that decrease erosion  
19 and precipitation-induced surface runoff, increase water  
20 infiltration rates, and increase soil sustainability. The  
21 program's projects shall be limited to infrastructure designed  
22 and installed for use over multiple years, including but not  
23 limited to structures, terraces, and waterways located on  
24 cropland or pastureland, and including but not limited to soil  
25 conservation or erosion control structures, managed drainage  
26 systems, or edge-of-stream buffers. The program shall be  
27 financed on a cost-share basis.

28 5. Any state moneys used to finance a project under  
29 a water quality agriculture infrastructure program shall  
30 be administered according to an agreement entered into by  
31 the division and either the owner of the land where the  
32 infrastructure is to be installed or a financing entity  
33 participating in the water quality project financial assistance  
34 program under sections 16.201 through 16.206. The agreement  
35 shall include standard terms and conditions for the receipt of

1 program moneys and any other terms and conditions the division  
2 deems necessary or convenient for the efficient administration  
3 of the project or program. The division may support multiple  
4 installations of infrastructure on a single parcel of land.  
5 The division may also combine programs if cost effective.  
6 The division may annually use an amount of not more than  
7 four percent of the moneys used to support each program for  
8 administrative purposes.

9 6. By October 1, 2018, and each October 1, thereafter, the  
10 division shall submit a report to the governor and the general  
11 assembly itemizing expenditures, by hydrologic unit code 8  
12 watershed, under the programs during the previous fiscal year,  
13 if any.

14 7. Any information obtained by the division identifying  
15 a person holding a legal interest in agricultural land or  
16 specific agricultural land shall be a confidential record under  
17 section 22.7.

18 Sec. 44. LEGISLATIVE INTENT. It is the intent of the  
19 general assembly that the amendment in this Act to the  
20 definition of "point source" in section 455B.171, subsection  
21 19, is a conforming amendment consistent with current state  
22 and federal law, and that the amendment does not change the  
23 application of current law but instead reflects current law  
24 both before and after the enactment of this Act.

25 Sec. 45. EFFECTIVE DATE. The following provision or  
26 provisions of this Act take effect July 1, 2018:

27 1. The section of this Act enacting section 423.3,  
28 subsection 103.

29 2. The sections of this Act enacting sections 423G.1,  
30 423G.2, 423G.3, 423G.4, 423G.5, 423G.6, and 423G.7.

31 Sec. 46. RETROACTIVE APPLICABILITY. The following  
32 provision or provisions of this Act apply retroactively to  
33 January 1, 2017, for tax years beginning on or after that date:

34 1. The section of this Act enacting section 422.7,  
35 subsection 2, paragraph "0h".>

1 2. Title page, by striking lines 1 through 9 and  
2 inserting <An Act relating to water quality by providing for  
3 appropriations from the rebuild Iowa infrastructure fund,  
4 creating a water quality infrastructure fund, establishing new  
5 water quality programs, providing for cost-share programs for  
6 infrastructure on agricultural land under the water quality  
7 initiative, creating a state water service excise tax and a  
8 related sales tax exemption, making appropriations and other  
9 changes properly related to water quality, and including  
10 retroactive applicability provisions.>

**By** BALTIMORE of Boone



SENATE FILE 512

H-1442

1 Amend the amendment, H-1440, to Senate File 512, as amended,  
2 passed, and reprinted by the Senate, as follows:

3 1. Page 4, after line 24 by inserting:

4 <4A. Grants under the program shall be awarded subject to  
5 the satisfaction of all of the following conditions:

6 a. The Iowa nutrient reduction strategy is updated to  
7 include the interim goals and timelines of the gulf hypoxia  
8 Mississippi river task force that call for a twenty percent  
9 reduction in nitrates and phosphorus by calendar year 2025.

10 b. Each project shall require a comprehensive  
11 watershed-based assessment and planning process open to all  
12 landowners and other stakeholders, with an absolute preference  
13 for initiatives recommended or conducted by, or included in  
14 the plans of, a watershed management authority, with financial  
15 participation by local participants based on principles adopted  
16 according to the Iowa smart planning principles in chapter 18B.

17 c. Funding preference shall be given for projects that  
18 achieve one or more benefits in addition to nutrient reduction,  
19 including but not limited to soil health, erosion prevention,  
20 flood mitigation, reductions in other pollutants, wildlife  
21 habitat creation or preservation, and public recreational  
22 access. Program funds shall not be used for initiatives that  
23 are solely demonstration projects or initiatives under the Iowa  
24 nutrient reduction strategy.

25 d. The project establishes specific benchmarks, priorities,  
26 goals, timelines, and milestones, including regular ambient  
27 water quality measurements for the project, which are  
28 consistent with the goals and timelines of the Iowa nutrient  
29 reduction strategy, including but not limited to the changes  
30 required in paragraph "a".

31 e. The project has its performance evaluated by a competent  
32 and independent third-party entity at least once every two  
33 years starting from the beginning of the project and again at  
34 the conclusion of the project.

35 f. The project publicly reports participation, progress,

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1 and results at least once every two years, which reports shall  
2 include, at a minimum, measured changes in water quality.

3 g. The project shall require, at a minimum, at least a fifty  
4 percent cost share from landowners or other private entities or  
5 persons for improvements to private property, including both  
6 installation and maintenance, and including regular maintenance  
7 in accordance with public easements for a minimum of twenty  
8 years. Any public moneys awarded for improvements that are  
9 not maintained or that are removed shall be returned to the  
10 authority.>

11 2. Page 13, after line 13 by inserting:

12 <1A. Awards of financial assistance under the program shall  
13 be made subject to the satisfaction of all of the following  
14 conditions:

15 a. The Iowa nutrient reduction strategy is updated to  
16 include the interim goals and timelines of the gulf hypoxia  
17 Mississippi river task force that call for a twenty percent  
18 reduction in nitrates and phosphorus by calendar year 2025.

19 b. Each project shall require a comprehensive  
20 watershed-based assessment and planning process open to all  
21 landowners and other stakeholders, with an absolute preference  
22 for initiatives recommended or conducted by, or included in  
23 the plans of, a watershed management authority, with financial  
24 participation by local participants based on principles adopted  
25 according to the Iowa smart planning principles in chapter 18B.

26 c. Funding preference shall be given for projects that  
27 achieve one or more benefits in addition to nutrient reduction,  
28 including but not limited to soil health, erosion prevention,  
29 flood mitigation, reductions in other pollutants, wildlife  
30 habitat creation or preservation, and public recreational  
31 access. Program funds shall not be used for initiatives that  
32 are solely demonstration projects or initiatives under the Iowa  
33 nutrient reduction strategy.

34 d. The project establishes specific benchmarks, priorities,  
35 goals, timelines, and milestones, including regular ambient

1 water quality measurements for the project, which are  
2 consistent with the goals and timelines of the Iowa nutrient  
3 reduction strategy, including but not limited to the changes  
4 required in paragraph "a".

5 e. The project has its performance evaluated by a competent  
6 and independent third-party entity at least once every two  
7 years starting from the beginning of the project and again at  
8 the conclusion of the project.

9 f. The project publicly reports participation, progress,  
10 and results at least once every two years, which reports shall  
11 include, at a minimum, measured changes in water quality.

12 g. The project shall require, at a minimum, at least a fifty  
13 percent cost share from landowners or other private entities or  
14 persons for improvements to private property, including both  
15 installation and maintenance, and including regular maintenance  
16 in accordance with public easements for a minimum of twenty  
17 years. Any public moneys awarded for improvements that are  
18 not maintained or that are removed shall be returned to the  
19 authority.>

20 3. Page 31, after line 6 by inserting:

21 <2A. Awards of financial assistance under the programs  
22 shall be made subject to the satisfaction of all of the  
23 following conditions:

24 a. The Iowa nutrient reduction strategy is updated to  
25 include the interim goals and timelines of the gulf hypoxia  
26 Mississippi river task force that call for a twenty percent  
27 reduction in nitrates and phosphorus by calendar year 2025.

28 b. Each project shall require a comprehensive  
29 watershed-based assessment and planning process open to all  
30 landowners and other stakeholders, with an absolute preference  
31 for initiatives recommended or conducted by, or included in  
32 the plans of, a watershed management authority, with financial  
33 participation by local participants based on principles adopted  
34 according to the Iowa smart planning principles in chapter 18B.

35 c. Funding preference shall be given for projects that

1 achieve one or more benefits in addition to nutrient reduction,  
2 including but not limited to soil health, erosion prevention,  
3 flood mitigation, reductions in other pollutants, wildlife  
4 habitat creation or preservation, and public recreational  
5 access. Program funds shall not be used for initiatives that  
6 are solely demonstration projects or initiatives under the Iowa  
7 nutrient reduction strategy.

8 d. The project establishes specific benchmarks, priorities,  
9 goals, timelines, and milestones, including regular ambient  
10 water quality measurements for the project, which are  
11 consistent with the goals and timelines of the Iowa nutrient  
12 reduction strategy, including but not limited to the changes  
13 required in paragraph "a".

14 e. The project has its performance evaluated by a competent  
15 and independent third-party entity at least once every two  
16 years starting from the beginning of the project and again at  
17 the conclusion of the project.

18 f. The project publicly reports participation, progress,  
19 and results at least once every two years, which reports shall  
20 include, at a minimum, measured changes in water quality.

21 g. The project shall require, at a minimum, at least a fifty  
22 percent cost share from landowners or other private entities or  
23 persons for improvements to private property, including both  
24 installation and maintenance, and including regular maintenance  
25 in accordance with public easements for a minimum of twenty  
26 years. Any public moneys awarded for improvements that are  
27 not maintained or that are removed shall be returned to the  
28 division.>

29 4. By renumbering, redesignating, and correcting internal  
30 references as necessary.

**By** ISENHART of Dubuque

SENATE FILE 516

H-1448

1 Amend Senate File 516, as amended, passed, and reprinted by  
2 the Senate, as follows:

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

<DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS

7 Section 1. BUDGET PROCESS FOR FISCAL YEAR 2018-2019.

8 1. For the budget process applicable to the fiscal year  
9 beginning July 1, 2018, on or before October 1, 2017, in lieu  
10 of the information specified in section 8.23, subsection  
11 1, unnumbered paragraph 1, and section 8.23, subsection 1,  
12 paragraph "a", all departments and establishments of the  
13 government shall transmit to the director of the department  
14 of management, on blanks to be furnished by the director,  
15 estimates of their expenditure requirements, including every  
16 proposed expenditure, for the ensuing fiscal year, together  
17 with supporting data and explanations as called for by the  
18 director of the department of management after consultation  
19 with the legislative services agency.

20 2. The estimates of expenditure requirements shall be  
21 in a form specified by the director of the department of  
22 management, and the expenditure requirements shall include all  
23 proposed expenditures and shall be prioritized by program or  
24 the results to be achieved. The estimates shall be accompanied  
25 by performance measures for evaluating the effectiveness of the  
26 programs or results.

27 Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2019-2020.

28 1. For the budget process applicable to the fiscal year  
29 beginning July 1, 2019, on or before October 1, 2018, in lieu  
30 of the information specified in section 8.23, subsection  
31 1, unnumbered paragraph 1, and section 8.23, subsection 1,  
32 paragraph "a", all departments and establishments of the  
33 government shall transmit to the director of the department  
34 of management, on blanks to be furnished by the director,  
35 estimates of their expenditure requirements, including every

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1 proposed expenditure, for the ensuing fiscal year, together  
2 with supporting data and explanations as called for by the  
3 director of the department of management after consultation  
4 with the legislative services agency.

5 2. The estimates of expenditure requirements shall be  
6 in a form specified by the director of the department of  
7 management, and the expenditure requirements shall include all  
8 proposed expenditures and shall be prioritized by program or  
9 the results to be achieved. The estimates shall be accompanied  
10 by performance measures for evaluating the effectiveness of the  
11 programs or results.

12 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS ---- FY  
13 2017-2018. Notwithstanding the standing appropriations  
14 in the following designated sections for the fiscal year  
15 beginning July 1, 2017, and ending June 30, 2018, the amounts  
16 appropriated from the general fund of the state pursuant to  
17 these sections for the following designated purposes shall not  
18 exceed the following amounts:

19 1. For payment of claims for nonpublic school  
20 transportation under section 285.2:  
21 ..... \$ 8,197,091

22 If total approved claims for reimbursement for nonpublic  
23 school pupil transportation exceed the amount appropriated in  
24 accordance with this subsection, the department of education  
25 shall prorate the amount of each approved claim.

26 2. For distribution for the tribal council of the Sac and  
27 Fox Indian settlement for educating American Indian children  
28 under section 256.30:  
29 ..... \$ 95,750

30 Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS ---- FY  
31 2018-2019. Notwithstanding the standing appropriations  
32 in the following designated sections for the fiscal year  
33 beginning July 1, 2018, and ending June 30, 2019, the amounts  
34 appropriated from the general fund of the state pursuant to  
35 these sections for the following designated purposes shall not

1 exceed the following amounts:

2 1. For payment of claims for nonpublic school

3 transportation under section 285.2:

4 ..... \$ 8,197,091

5 If total approved claims for reimbursement for nonpublic

6 school pupil transportation exceed the amount appropriated in

7 accordance with this subsection, the department of education

8 shall prorate the amount of each approved claim.

9 2. For distribution for the tribal council of the Sac and

10 Fox Indian settlement for educating American Indian children

11 under section 256.30:

12 ..... \$ 95,750

13 Sec. 5. GENERAL ASSEMBLY.

14 1. The appropriations made pursuant to section 2.12 for the

15 expenses of the general assembly and legislative agencies for

16 the fiscal year beginning July 1, 2017, and ending June 30,

17 2018, are reduced by the following amount:

18 ..... \$ 400,000

19 2. The budgeted amounts for the general assembly and

20 legislative agencies for the fiscal year beginning July 1,

21 2017, may be adjusted to reflect the unexpended budgeted

22 amounts from the previous fiscal year.

23 3. Annual membership dues for organizations, associations,

24 and conferences shall not be paid from moneys appropriated

25 pursuant to section 2.12.

26 4. Costs for out-of-state travel and per diems for

27 out-of-state travel shall not be paid from moneys appropriated

28 pursuant to section 2.12.

29 Sec. 6. INSTRUCTIONAL SUPPORT STATE AID ---- FY 2017-2018. In

30 lieu of the appropriation provided in section 257.20,

31 subsection 2, the appropriation for the fiscal year

32 beginning July 1, 2017, and ending June 30, 2018, for paying

33 instructional support state aid under section 257.20 for such

34 fiscal years is zero.

35 Sec. 7. SPECIAL FUNDS ---- SALARY ADJUSTMENTS ---- FY 2017-2018

1 ---- FY 2018-2019. For the fiscal year beginning July 1, 2017,  
2 and ending June 30, 2018, and for the fiscal year beginning  
3 July 1, 2018, and ending June 30, 2019, salary adjustments may  
4 be funded using departmental revolving, trust, or special funds  
5 for which the general assembly has established an operating  
6 budget, provided that doing so does not exceed the operating  
7 budget established by the general assembly.

8 Sec. 8. OPERATIONAL APPROPRIATIONS ---- REVERSION ---- FY  
9 2016-2017. Notwithstanding section 8.62, at the close of  
10 the fiscal year beginning July 1, 2016, and ending June 30,  
11 2017, any balance of an operational appropriation that remains  
12 unexpended or unencumbered shall not be encumbered or deposited  
13 in the cash reserve fund as provided in section 8.62, but shall  
14 instead revert to the general fund of the state at the close of  
15 the fiscal year as provided in section 8.33.

16 Sec. 9. SPECIAL FUNDS ---- SALARY ADJUSTMENTS ----  
17 UNAPPROPRIATED MONEYS ---- FY 2017-2018 ---- FY 2018-2019. For the  
18 fiscal year beginning July 1, 2017, and ending June 30, 2018,  
19 and for the fiscal year beginning July 1, 2018, and ending  
20 June 30, 2019, salary adjustments otherwise provided may be  
21 funded as determined by the department of management using  
22 unappropriated moneys remaining in the department of commerce  
23 revolving fund, the gaming enforcement revolving fund, the  
24 gaming regulatory revolving fund, the primary road fund, the  
25 road use tax fund, the fish and game protection fund, the Iowa  
26 public employees' retirement fund, and in other departmental  
27 revolving, trust, or special funds for which the general  
28 assembly has not made an operating budget appropriation.

29 Sec. 10. SALARY MODEL ADMINISTRATOR. The salary model  
30 administrator shall work in conjunction with the legislative  
31 services agency to maintain the state's salary model used for  
32 analyzing, comparing, and projecting state employee salary  
33 and benefit information, including information relating to  
34 employees of the state board of regents. The department of  
35 revenue, the department of administrative services, the five



1 institutions under the jurisdiction of the state board of  
2 regents, the judicial district departments of correctional  
3 services, and the state department of transportation shall  
4 provide salary data to the department of management and the  
5 legislative services agency to operate the state's salary  
6 model. The format and frequency of provision of the salary  
7 data shall be determined by the department of management and  
8 the legislative services agency. The information shall be  
9 used in collective bargaining processes under chapter 20 and  
10 in calculating the funding needs contained within the annual  
11 salary adjustment legislation. A state employee organization  
12 as defined in section 20.3, subsection 4, may request  
13 information produced by the model, but the information provided  
14 shall not contain information attributable to individual  
15 employees.

16 Sec. 11. Section 257.35, Code 2017, is amended by adding the  
17 following new subsection:

18 NEW SUBSECTION. 11A. Notwithstanding subsection 1, and in  
19 addition to the reduction applicable pursuant to subsection  
20 2, the state aid for area education agencies and the portion  
21 of the combined district cost calculated for these agencies  
22 for the fiscal year beginning July 1, 2017, and ending June  
23 30, 2018, shall be reduced by the department of management by  
24 fifteen million dollars. The reduction for each area education  
25 agency shall be prorated based on the reduction that the agency  
26 received in the fiscal year beginning July 1, 2003.

27 Sec. 12. EFFECTIVE UPON ENACTMENT. The following provision  
28 or provisions of this division of this Act, being deemed of  
29 immediate importance, take effect upon enactment:

30 1. The section of this division of this Act reverting to  
31 the general fund any unexpended or unencumbered moneys from  
32 operational appropriations.

33

DIVISION II

34

MISCELLANEOUS APPROPRIATIONS

35

Sec. 13. TRANSFER FROM CASH RESERVE FUND. Notwithstanding

1 section 8.56, subsection 3 and subsection 4, paragraph "a",  
2 there is transferred from the cash reserve fund created in  
3 section 8.56 to the general fund of the state for the fiscal  
4 year beginning July 1, 2016, and ending June 30, 2017, the  
5 following amount:

6 ..... \$131,100,000

7 Sec. 14. CASH RESERVE FUND APPROPRIATION ---- FY  
8 2017-2018. There is appropriated from the general fund of the  
9 state to the cash reserve fund created in section 8.56 for the  
10 fiscal year beginning July 1, 2017, and ending June 30, 2018,  
11 the following amount:

12 ..... \$ 20,000,000

13 Sec. 15. CASH RESERVE FUND APPROPRIATION ---- FY  
14 2018-2019. There is appropriated from the general fund of the  
15 state to the cash reserve fund for the fiscal year beginning  
16 July 1, 2018, and ending June 30, 2019, the following amount:

17 ..... \$111,100,000

18 Sec. 16. SEXUAL ABUSE EVIDENCE COLLECTION KITS. There  
19 is appropriated from the general fund of the state to the  
20 department of public safety for the fiscal year beginning July  
21 1, 2017, and ending June 30, 2018, the following amount, or  
22 so much thereof as is necessary, to be used for the purposes  
23 designated:

24 For expediting the processing of sexual abuse evidence  
25 collection kits, including salaries, support, maintenance,  
26 miscellaneous purposes, and for not more than the following  
27 full-time equivalent positions:

28 ..... \$ 200,000

29 ..... FTEs 2.00

30 Sec. 17. DEPARTMENT OF EDUCATION ---- VOCATIONAL  
31 REHABILITATION SERVICES DIVISION.

32 1. There is appropriated from the general fund of the state  
33 to the department of education for the fiscal year beginning  
34 July 1, 2017, and ending June 30, 2018, the following amount,  
35 or so much thereof as is necessary, to be used for the purposes

1 designated:

2 For purposes of meeting federal maintenance of effort

3 requirements:

4 ..... \$ 106,705

5 2. Moneys appropriated in this section shall supplement,  
6 not supplant, moneys appropriated for the same purposes in 2017  
7 Iowa Acts, House File 642, section 5, subsection 3, paragraph  
8 "a".

9 Sec. 18. GUBERNATORIAL TRANSITION. There is appropriated  
10 from the general fund of the state to the offices of the  
11 governor and the lieutenant governor for the fiscal year  
12 beginning July 1, 2017, and ending June 30, 2018, the following  
13 amount, or so much thereof as is necessary, to be used for the  
14 purposes designated:

15 For expenses incurred during the gubernatorial transition:

16 ..... \$ 150,000

17 Sec. 19. EFFECTIVE UPON ENACTMENT. The following provision  
18 or provisions of this division of this Act, being deemed of  
19 immediate importance, take effect upon enactment:

20 1. The section of this division of this Act transferring  
21 moneys from the cash reserve fund to the general fund of the  
22 state for the fiscal year beginning July 1, 2016.

23 DIVISION III

24 MISCELLANEOUS PROVISIONS

25 Sec. 20. Section 2.43, unnumbered paragraph 1, Code 2017,  
26 is amended to read as follows:

27 The legislative council in cooperation with the officers of  
28 the senate and house shall have the duty and responsibility for  
29 preparing for each session of the general assembly. Pursuant  
30 to such duty and responsibility, the legislative council  
31 shall assign the use of areas in the state capitol except for  
32 the areas used by the governor as of January 1, 1986, ~~and by~~  
33 ~~the courts as of July 1, 2003,~~ and, in consultation with the  
34 director of the department of administrative services and the  
35 capitol planning commission, may assign areas in other state

1 office buildings for use of the general assembly or legislative  
2 agencies. The legislative council shall provide the courts  
3 with use of space in the state capitol for ceremonial purposes.

4 The legislative council may authorize the renovation,  
5 remodeling and preparation of the physical facilities used or  
6 to be used by the general assembly or legislative agencies  
7 subject to the jurisdiction of the legislative council and  
8 award contracts pursuant to such authority to carry out such  
9 preparation. The legislative council may purchase supplies and  
10 equipment deemed necessary for the proper functioning of the  
11 legislative branch of government.

12 Sec. 21. Section 8A.322, subsection 2, Code 2017, is amended  
13 to read as follows:

14 2. Except for buildings and grounds described in section  
15 216B.3, subsection 6; section 2.43, unnumbered paragraph 1; and  
16 any buildings under the custody and control of the Iowa public  
17 employees' retirement system, the director shall assign office  
18 space at the capitol, other state buildings, and elsewhere in  
19 the city of Des Moines, and the state laboratories facility  
20 in Ankeny, for all executive and judicial state agencies.  
21 Assignments may be changed at any time. The various officers  
22 to whom rooms have been so assigned may control the same while  
23 the assignment to them is in force. Official apartments shall  
24 be used only for the purpose of conducting the business of the  
25 state. The term "capitol" or "capitol building" as used in the  
26 Code shall be descriptive of all buildings upon the capitol  
27 grounds. The capitol building itself is reserved for the  
28 operations of the general assembly, and the governor, and, for  
29 ceremonial purposes, for the courts and the. The assignment  
30 and use of physical facilities for the general assembly shall  
31 be pursuant to section 2.43.

32 Sec. 22. Section 8C.7A, subsection 3, paragraph b,  
33 unnumbered paragraph 1, if enacted by 2017 Iowa Acts, Senate  
34 File 431, is amended to read as follows:

35 An authority shall not require a person to apply for or

1 enter into an individual license, franchise, or other agreement  
2 with the authority or any other entity for the siting of  
3 a small wireless facility on a utility pole located in a  
4 public right-of-way. However, an authority may, through the  
5 conditions set forth in a ~~building~~ permit obtained pursuant to  
6 this subsection, do any of the following:

7 Sec. 23. NEW SECTION. 9.4A Technology modernization fund.

8 1. A technology modernization fund is created in the state  
9 treasury under the control of the secretary of state. Moneys  
10 in the fund are appropriated to the secretary of state for  
11 purposes of modernizing technology used by the secretary of  
12 state to fulfill the duties of office.

13 2. On and after July 1, 2017, any increased fee amount  
14 collected by the secretary of state shall be credited to the  
15 technology modernization fund. From each fee collected, the  
16 amount credited to the fund equals the difference between the  
17 fee amount collected and the amount assessed for the same fee  
18 on June 30, 2017.

19 3. Each fiscal year, not more than two million dollars shall  
20 be credited to the fund.

21 4. This section is repealed July 1, 2022.

22 Sec. 24. Section 270.10, Code 2017, is amended to read as  
23 follows:

24 270.10 Merger requirements.

25 1. The state board of regents shall not merge the school  
26 for the deaf at Council Bluffs with the Iowa braille and sight  
27 saving school at Vinton or close either of those institutions  
28 until all of the following requirements have been met:

29 ~~1.~~ a. The department of management has presented to the  
30 general assembly a comprehensive plan, program, and fiscal  
31 analysis of the existing circumstances and the circumstances  
32 which would prevail upon the proposed merger or closing,  
33 together with data which would support the contention that  
34 the merger or closing will be more efficient and effective  
35 than continuation of the existing facilities. The analysis

1 shall include a detailed study of the educational implications  
2 of the merger or closing, the impact on the students, and  
3 the opinions and research of nationally recognized experts  
4 in the field of the education of visually impaired and deaf  
5 students. The comprehensive plan shall further include a  
6 study relating to the programming, fiscal consequences, and  
7 political implications which would result if either a merger or  
8 an agreement under chapter 28E should be implemented between  
9 the school for the deaf in Council Bluffs and comparable state  
10 programs in the state of Nebraska.

11 ~~2.~~ b. The general assembly has studied the plans, programs,  
12 and fiscal analysis and has reviewed their impact on the  
13 programs.

14 ~~3.~~ c. The general assembly has enacted legislation  
15 authorizing either the closing or the merger to take effect not  
16 sooner than two years after the enactment of the legislation.

17 2. This section shall not apply to an agreement related to  
18 the sale or transfer of the property of the Iowa braille and  
19 sight saving school at Vinton entered into between the state  
20 of Iowa and the city of Vinton.

21 Sec. 25. Section 321N.4, subsection 6, Code 2017, is amended  
22 to read as follows:

23 6. Insurance maintained under this chapter shall be  
24 provided by an insurer governed by chapter 515 ~~or 518~~, or by  
25 a surplus lines insurer governed by chapter 515I. ~~A surplus~~  
26 ~~lines insurer that issues a policy pursuant to this section~~  
27 ~~shall be considered an insurance carrier duly authorized to~~  
28 ~~transact business in this state for the purposes of chapter~~  
29 ~~321A.~~

30 Sec. 26. NEW SECTION. 507B.15 Contracts between health  
31 carriers and health care providers.

32 A contract between a health carrier and a health care  
33 provider as defined in section 514J.102 in which rates for  
34 reimbursement for health care services to beneficiaries of the  
35 health carrier are mutually agreed upon shall not exceed five

1 years in duration.

2 Sec. 27. Section 509A.6, Code 2017, is amended to read as  
3 follows:

4 509A.6 Contract with insurance carrier, health maintenance  
5 organization, or organized delivery system.

6 The governing body, using a request for proposals process,  
7 may contract with a nonprofit corporation operating under  
8 the provisions of this chapter or chapter 514 or with any  
9 insurance company having a certificate of authority to transact  
10 an insurance business in this state with respect of a group  
11 insurance plan, which may include life, accident, health,  
12 hospitalization and disability insurance during period of  
13 active service of such employees, with the right of any  
14 employee to continue such life insurance in force after  
15 termination of active service at such employee's sole expense;  
16 may contract with a nonprofit corporation operating under and  
17 governed by the provisions of this chapter or chapter 514  
18 with respect of any hospital or medical service plan; and  
19 may contract with a health maintenance organization or an  
20 organized delivery system authorized to operate in this state  
21 with respect to health maintenance organization or organized  
22 delivery system activities.

23 Sec. 28. ALCOHOLIC BEVERAGE CONTROL ---- STUDY.

24 1. It is the intent of the general assembly that the  
25 three-tiered system of regulating the alcohol beverage industry  
26 is critical to maintaining a fair and competitive marketplace.  
27 The study required by this section does not preclude the  
28 alcoholic beverages division from applying regulatory  
29 discretion that aligns with the performance of the powers and  
30 duties granted to the administrator in chapter 123.

31 2. The alcoholic beverages division of the department of  
32 commerce, in conjunction with other stakeholders the division  
33 deems necessary, shall conduct a study concerning enforcement  
34 issues related to alcoholic beverage control, including  
35 consideration of the manner of properly balancing appropriate

1 regulation of the manufacturing, distribution, and sale of  
2 alcoholic liquor, wine, and beer in this state with emerging  
3 trends in the industry.

4 3. In conducting the study, the division shall consider  
5 any other relevant issues the division identifies for study,  
6 issues relating to the three-tiered system and section 123.45,  
7 as it impacts the ability of manufacturers, wholesalers, and  
8 retailers to meet changing marketplace conditions and business  
9 opportunities.

10 4. By July 1, 2018, the division shall submit a final report  
11 to the general assembly. The report shall provide the results  
12 of the study including any findings and recommendations.

13 5. During the time period of the study and consideration of  
14 the issue by the general assembly during the 2019 legislative  
15 session, if an applicant has a conflict with section 123.45,  
16 subsection 1, paragraphs "c" or "d", the administrator  
17 may elect to defer on a final determination regarding the  
18 eligibility and issue a temporary license or permit with  
19 conditions, if applicable. In making a determination of  
20 whether to defer on a final determination, the administrator  
21 shall balance regulatory principles and practices that ensure a  
22 fair and competitive marketplace with the protections of the  
23 public interests as provided in chapter 123.

24 6. This section is repealed July 1, 2019.

25 Sec. 29. TIME AND ATTENDANCE SOLUTION ---- EXECUTIVE BRANCH.

26 1. By June 30, 2019, it is the intent of the general  
27 assembly that executive branch agencies make use of an  
28 existing master agreement entered into by the department of  
29 administrative services on November 17, 2015, to develop a  
30 statewide time and attendance solution. The statewide time  
31 and attendance solution will have the ability to generate  
32 savings within state government, minimize compliance risk, and  
33 improve workforce productivity with a vendor who specializes in  
34 measuring metrics to monitor performance and measures financial  
35 and operational activities by incorporating modeling and data



1 analytics, baseline numbers, and any additional pertinent  
2 information.

3 2. By November 30, 2017, the department of administrative  
4 services shall submit a report to the fiscal committee  
5 providing an implementation plan for the statewide time and  
6 attendance solution and projected cost savings resulting from  
7 such implementation.

8 Sec. 30. SEXUAL ABUSE EVIDENCE COLLECTION KITS. Any sexual  
9 abuse evidence collection kit identified by a jurisdictional  
10 law enforcement agency through the inventory required pursuant  
11 to 2016 Iowa Acts, chapter 1042, shall be maintained by the law  
12 enforcement agency indefinitely. A law enforcement agency in  
13 possession of any sexual abuse evidence kit identified through  
14 the inventory shall submit for analysis any kit at the request  
15 of the department of justice.

16 Sec. 31. REPEAL. Chapter 304A, Code 2017, is repealed.

17 DIVISION IV

18 CORRECTIVE PROVISIONS

19 Sec. 32. Section 22.13A, subsection 5, paragraph b, as  
20 enacted by 2017 Iowa Acts, [House File 291](#), section 51, is  
21 amended to read as follows:

22 b. If paragraph "a", subparagraph (1) or (2) is not  
23 consistent with the provision of a collective bargaining  
24 agreement, a state agency shall provide the individuals  
25 referenced in this subsection, as applicable, with regular  
26 reports regarding any personnel settlement agreements entered  
27 into with state employees by the state agency.

28 Sec. 33. Section 27.1, as enacted by 2017 Iowa Acts, Senate  
29 File 499, section 1, is amended to read as follows:

30 27.1 Definitions.

31 ~~1.~~ For purposes of this ~~section~~ chapter:

32 ~~a.~~ 1. "Monitoring device" means a digital video or audio  
33 streaming or recording device that is part of a system of  
34 monitoring activity in an area or building using a system in  
35 which signals are transmitted from a video camera or microphone

1 to the receivers by cables or wirelessly, forming a closed  
2 circuit.

3 ~~b.~~ 2. "Public hospital" means a hospital licensed pursuant  
4 to chapter 135B and governed pursuant to chapter 145A, 263,  
5 347, 347A, or 392.

6 ~~c.~~ 3. "Public library" means a library district as  
7 described in chapter 336.

8 ~~d.~~ 4. "Public school" means a school district as described  
9 in chapter 274.

10 ~~e.~~ 5. "Reasonable expectation of privacy" means a person's  
11 reasonable belief, under the circumstances, that the person can  
12 disrobe or partially disrobe in privacy without being concerned  
13 that the person is being viewed, photographed, or filmed when  
14 doing so.

15 Sec. 34. Section 73A.26, as enacted by 2017 Iowa Acts,  
16 Senate File 438, section 6, is amended to read as follows:

17 73A.26 Purpose.

18 The purpose of this ~~chapter~~ subchapter is to provide for  
19 more economical, nondiscriminatory, neutral, and efficient  
20 procurement of construction-related goods and services by this  
21 state and political subdivisions of this state.

22 Sec. 35. Section 80B.19, subsection 2, if enacted by 2017  
23 Iowa Acts, Senate File 509, section 22, is amended to read as  
24 follows:

25 2. Internal training funds in the internal training  
26 clearing fund shall be administered by the academy and shall  
27 consist of moneys collected by the academy from billings issued  
28 in accordance with this chapter ~~80B~~, and any other moneys  
29 obtained or accepted by the academy, including but not limited  
30 to gifts, loans, donations, grants, and contributions, which  
31 are obtained or designated to support the activities of the  
32 academy.

33 Sec. 36. Section 84A.1A, subsection 1, paragraph a,  
34 subparagraph (8), subparagraph division (b), subparagraph  
35 subdivision (iii), as enacted by 2017 Iowa Acts, House File

1 572, section 1, is amended to read as follows:

2 (iii) Two representatives of community-based organizations  
3 that have demonstrated experience and expertise in addressing  
4 the employment, training, or education needs of individuals  
5 with barriers to employment as defined in the federal Workforce  
6 Innovation and Opportunity Act, Pub. L. No. 113-128, {3(24),  
7 including but not limited to organizations that serve veterans,  
8 or that provide or support competitive, integrated employment  
9 for individuals with disabilities; or that serve eligible  
10 youth, as defined in the federal Workforce Innovation and  
11 Opportunity Act, Pub. L. No. 113-128, {3(18), including  
12 representatives of organizations that serve out-of-school  
13 youth, as defined in the federal Workforce Innovation and  
14 Opportunity Act, Pub. L. No. 113-128, {129(a)(1)(B).

15 Sec. 37. Section 225D.1, subsection 8, Code 2017, as amended  
16 by 2017 Iowa Acts, House File 215, section 1, is amended to  
17 read as follows:

18 8. "Eligible individual" means a child less than fourteen  
19 years of age who has been diagnosed with autism based on a  
20 diagnostic assessment of autism, is not otherwise eligible for  
21 coverage for applied behavioral analysis treatment or applied  
22 behavior analysis treatment under the medical assistance  
23 program, section 514C.28, 514C.31, or other private insurance  
24 coverage, and whose household income does not exceed five  
25 hundred percent of the federal poverty level.

26 Sec. 38. Section 261.9, subsection 2A, paragraph b, if  
27 enacted by 2017 Iowa Acts, House File 642, section 15, is  
28 amended to read as follows:

29 b. Is a barber school licensed under section 158.7 or  
30 a school of cosmetology arts and sciences licensed under  
31 chapter 157 and is accredited by a national accrediting agency  
32 recognized by the United States department of education. For  
33 the fiscal year beginning July 1, 2017, an eligible institution  
34 under this paragraph shall provide a matching aggregate amount  
35 of institutional financial aid equal to at least seventy-five

1 percent of the amount received by the institution's students  
2 for Iowa tuition grant assistance under section 261.16A.

3 For the fiscal year beginning July 1, 2018, the institution  
4 shall provide a matching aggregate amount of institutional  
5 financial aid equal to at least eighty-five percent of the  
6 amount received in that fiscal year. Commencing with the  
7 fiscal year beginning July 1, 2019, and each succeeding fiscal  
8 year, the matching aggregate amount of institutional financial  
9 aid shall be at least equal to the match provided by eligible  
10 institutions under ~~section 261.16A, subsection 2 paragraph "a"~~.

11 Sec. 39. 2017 Iowa Acts, [House File 488](#), section 57, as  
12 enacted, is amended by striking the section and inserting in  
13 lieu thereof the following:

14 SEC. 57. Section 455B.474, subsection 2, paragraph a,  
15 subparagraph (1), Code 2017, is amended to read as follows:

16 (1) (a) Financial responsibility required by this  
17 subsection may be established in accordance with rules adopted  
18 by the commission by any one, or any combination, of the  
19 following methods: ~~insurance, guarantee, surety bond, letter~~

20 (i) Insurance.

21 (ii) Guarantee.

22 (iii) Surety bond.

23 (iv) Letter of credit, ~~or qualification.~~

24 (v) Qualification as a self-insurer.

25 (b) In adopting requirements under this subsection, the  
26 commission may specify policy or other contractual terms,  
27 conditions, or defenses which are necessary or are unacceptable  
28 in establishing the evidence of financial responsibility.

29 Sec. 40. 2017 Iowa Acts, [House File 642](#), section 44,  
30 subsection 1, paragraph f, unnumbered paragraph 2, if enacted,  
31 is amended to read as follows:

32 From the moneys appropriated in this lettered paragraph  
33 "f", not more than \$50,000 shall be used by the department ~~for~~  
34 ~~expenses associated with the activities of the secondary career~~  
35 ~~and technical programming task force convened pursuant to this~~

1 ~~Act~~ to provide statewide support for work-based learning.

2 Sec. 41. 2017 Iowa Acts, [House File 642](#), section 52,  
3 subsection 4, paragraph c, subparagraph (4), is amended to read  
4 as follows:

5 (4) Notwithstanding section 8.33, of the moneys  
6 appropriated in this paragraph "c" that remain unencumbered  
7 or unobligated at the close of the fiscal year, an amount  
8 equivalent to not more than 5 percent of the amount  
9 appropriated in this paragraph "c" shall not revert ~~by~~ but  
10 shall remain available for expenditure for summer programs for  
11 students until the close of the succeeding fiscal year.

12 Sec. 42. 2017 Iowa Acts, [House File 642](#), section 55,  
13 subsection 1, paragraph f, unnumbered paragraph 2, if enacted,  
14 is amended to read as follows:

15 From the moneys appropriated in this lettered paragraph  
16 "f", not more than \$25,000 shall be used by the department ~~for~~  
17 ~~expenses associated with the activities of the secondary career~~  
18 ~~and technical programming task force convened pursuant to this~~  
19 ~~Act to provide statewide support for work-based learning.~~

20 Sec. 43. 2017 Iowa Acts, [Senate File 510](#), section 22,  
21 subsection 1, if enacted, is amended to read as follows:

22 1. Notwithstanding section 466A.2, and the repeal of  
23 chapter 466A as provided in this division of this Act, on and  
24 after December 31, 2017, the department of agriculture and  
25 land stewardship shall manage moneys credited to the watershed  
26 improvement fund in the same manner as required in 2016  
27 Acts, chapter 1134, section 35, including by making necessary  
28 payments to satisfy any outstanding obligations incurred by the  
29 watershed improvement review board prior to December 31, 2017.

30 Sec. 44. EFFECTIVE UPON ENACTMENT. The following sections  
31 of this division of this Act, being deemed of immediate  
32 importance, take effect upon enactment:

33 1. The section of this division of this Act amending section  
34 22.13A, subsection 5, paragraph "b".

35 2. The section of this division of this Act amending section

1 73A.26.

2 3. The section of this division of this Act amending  
3 section 84A.1A, subsection 1, paragraph "a", subparagraph (8),  
4 subparagraph division (b), subparagraph subdivision (iii).

5 Sec. 45. EFFECTIVE DATE. The section of this division of  
6 this Act amending section 225D.1, subsection 8, takes effect  
7 January 1, 2018.

8 DIVISION V  
9 WEAPONS

10 Sec. 46. Section 724.2A, as enacted by 2017 Iowa Acts, House  
11 File 517, section 5, is amended to read as follows:

12 724.2A Peace officer and reserve peace officer ---- defined.

13 As used in sections 724.4, 724.6, and 724.11, "peace officer"  
14 ~~means a certified "peace officer" and~~ includes a reserve peace  
15 officer as defined in section 80D.1A.

16 Sec. 47. Section 724.4C, subsection 1, unnumbered paragraph  
17 1, as enacted by 2017 Iowa Acts, [House File 517](#), section 8, is  
18 amended to read as follows:

19 Except as provided in subsection 2, a person commits a  
20 serious misdemeanor if the person is intoxicated as provided  
21 under the conditions set out in section 321J.2, subsection  
22 1, paragraph "a", "b", or "c", and the person does any of the  
23 following:

24 Sec. 48. Section 724.17, subsection 1, as enacted by 2017  
25 Iowa Acts, [House File 517](#), section 22, is amended to read as  
26 follows:

27 1. The application for a permit to acquire pistols or  
28 revolvers may be made to the sheriff of the county of the  
29 applicant's residence and shall be on a form prescribed  
30 and published by the commissioner of public safety. The  
31 application shall require only the full name of the applicant,  
32 the driver's license or nonoperator's identification card  
33 number of the applicant, the residence of the applicant, ~~and~~  
34 the date and place of birth of the applicant, and whether the  
35 applicant meets the criteria specified in section 724.15.

1 The applicant shall also display an identification card that  
2 bears a distinguishing number assigned to the cardholder, the  
3 full name, date of birth, sex, residence address, and brief  
4 description and color photograph of the cardholder, or other  
5 identification as specified by rule of the department of public  
6 safety. The sheriff shall conduct a criminal history check  
7 concerning each applicant by obtaining criminal history data  
8 from the department of public safety which shall include an  
9 inquiry of the national instant criminal background check  
10 system maintained by the federal bureau of investigation or any  
11 successor agency. A person who makes what the person knows  
12 to be a false statement of material fact on an application  
13 submitted under this section or who submits what the person  
14 knows to be any materially falsified or forged documentation in  
15 connection with such an application commits a class "D" felony.

16 Sec. 49. Section 724.22, subsection 9, as enacted by 2017  
17 Iowa Acts, [House File 517](#), section 29, is amended to read as  
18 follows:

19 9. A parent, guardian, spouse, or instructor, who knowingly  
20 provides direct supervision under subsection 5, of a person  
21 while intoxicated as provided under the conditions set out  
22 in section 321J.2, subsection 1, ~~or under the influence of~~  
23 ~~an illegal drug~~ paragraph "a", "b", or "c", commits child  
24 endangerment in violation of section 726.6, subsection 1,  
25 paragraph "i".

26 Sec. 50. Section 726.6, subsection 1, paragraph i, as  
27 enacted by 2017 Iowa Acts, [House File 517](#), section 30, is  
28 amended to read as follows:

29 i. Knowingly provides direct supervision of a person under  
30 section 724.22, subsection 5, while intoxicated as provided  
31 under the conditions set out in section 321J.2, subsection 1,  
32 ~~or under the influence of an illegal drug~~ paragraph "a", "b",  
33 or "c".

34 Sec. 51. 2017 Iowa Acts, [House File 517](#), section 50,  
35 subsection 1, as enacted, is amended to read as follows:

1 1. The ~~section~~ sections of this Act amending ~~section~~  
2 sections 724.22 and 726.6.

3 Sec. 52. REPEAL. 2017 Iowa Acts, House File 517, section  
4 16, as enacted, is repealed.

5 Sec. 53. EFFECTIVE UPON ENACTMENT. The section of this  
6 division of this Act amending 2017 Iowa Acts, House File 517,  
7 section 50, subsection 1, being deemed of immediate importance,  
8 takes effect upon enactment.

9 Sec. 54. RETROACTIVE APPLICABILITY. The section of this  
10 division of this Act amending 2017 Iowa Acts, House File 517,  
11 section 50, subsection 1, applies retroactively to April 13,  
12 2017.

13 DIVISION VI  
14 MERCHANT LINES

15 Sec. 55. Section 6A.21, subsection 1, Code 2017, is amended  
16 by adding the following new paragraph:

17 NEW PARAGRAPH. 0a. "Aboveground merchant line" means  
18 "merchant line" as defined in section 478.6A, subsection 1,  
19 excluding those merchant lines that are underground.

20 Sec. 56. Section 6A.21, subsection 1, paragraph b, Code  
21 2017, is amended to read as follows:

22 b. "Private development purposes" means the construction of,  
23 or improvement related to, recreational trails, recreational  
24 development paid for primarily with private funds, aboveground  
25 merchant lines, housing and residential development, or  
26 commercial or industrial enterprise development.

27 Sec. 57. Section 6A.21, subsection 2, Code 2017, is amended  
28 to read as follows:

29 2. The limitation on the definition of public use,  
30 public purpose, or public improvement does not apply to the  
31 establishment, relocation, or improvement of a road pursuant  
32 to chapter 306, or to the establishment of a railway under the  
33 supervision of the department of transportation as provided in  
34 section 327C.2, or to an airport as defined in section 328.1,  
35 or to land acquired in order to replace or mitigate land used



1 in a road project when federal law requires replacement or  
2 mitigation. This limitation also does not apply to utilities,  
3 persons, companies, or corporations under the jurisdiction of  
4 the Iowa utilities board in the department of commerce or to  
5 any other utility conferred the right by statute to condemn  
6 private property or to otherwise exercise the power of eminent  
7 domain, except to the extent such purpose includes construction  
8 of aboveground merchant lines.

9 Sec. 58. Section 6A.22, subsection 2, paragraph a,  
10 subparagraph (2), Code 2017, is amended to read as follows:

11 (2) The acquisition of any interest in property necessary to  
12 the function of a public or private utility to the extent such  
13 purpose does not include construction of aboveground merchant  
14 lines, common carrier, or airport or airport system.

15 Sec. 59. EFFECTIVE UPON ENACTMENT. This division of this  
16 Act, being deemed of immediate importance, takes effect upon  
17 enactment.

18 Sec. 60. APPLICABILITY. This division of this Act applies  
19 to projects or condemnation proceedings commenced on or after  
20 the effective date of this division of this Act.

21 DIVISION VII

22 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS ---- TAX

23 Sec. 61. Section 453A.1, Code 2017, is amended by adding the  
24 following new subsection:

25 NEW SUBSECTION. 7A. "Delivery sale" means any sale of  
26 an alternative nicotine product or a vapor product to a  
27 purchaser in this state where the purchaser submits the order  
28 for such sale by means of a telephonic or other method of  
29 voice transmission, mail or any other delivery service, or the  
30 internet or other online service and the alternative nicotine  
31 product or vapor product is delivered by use of mail or a  
32 delivery service. The sale of an alternative nicotine product  
33 or vapor product shall constitute a delivery sale regardless of  
34 whether the seller is located in this state. "Delivery sale"  
35 does not include a sale to a distributor or retailer of any

1 alternative nicotine product or vapor product not for personal  
2 consumption.

3 Sec. 62. Section 453A.1, subsection 20, Code 2017, is  
4 amended to read as follows:

5 20. "Place of business" is construed to mean and include any  
6 place where cigarettes are sold or where cigarettes are stored  
7 within or without the state of Iowa by the holder of an Iowa  
8 permit or kept for the purpose of sale or consumption; or if  
9 sold from any vehicle or train, the vehicle or train on which  
10 or from which such cigarettes are sold shall constitute a place  
11 of business; or for a business within or without the state that  
12 conducts delivery sales, any place where alternative nicotine  
13 products or vapor products are sold or where alternative  
14 nicotine products or vapor products are kept for the purpose  
15 of sale.

16 Sec. 63. Section 453A.13, subsection 1, Code 2017, is  
17 amended to read as follows:

18 1. Permits required. Every distributor, wholesaler,  
19 cigarette vendor, and retailer, now engaged or who desires to  
20 become engaged in the sale or use of cigarettes, upon which a  
21 tax is required to be paid, and every retailer now engaged or  
22 who desires to become engaged in selling, offering for sale, or  
23 distributing alternative nicotine products or vapor products,  
24 including through delivery sales, shall obtain a state or  
25 retail permit as a distributor, wholesaler, cigarette vendor,  
26 or retailer, as the case may be.

27 Sec. 64. Section 453A.13, subsection 2, paragraph a, Code  
28 2017, is amended to read as follows:

29 a. The department shall issue state permits to distributors,  
30 wholesalers, and cigarette vendors and retailers that make  
31 delivery sales of alternative nicotine products and vapor  
32 products subject to the conditions provided in this division.  
33 If an out-of-state retailer makes delivery sales of alternative  
34 nicotine products or vapor products, an application shall be  
35 filed with the department and a permit shall be issued for the

1 out-of-state retailer's principal place of business. Cities  
2 may issue retail permits to ~~dealers~~ retailers with a place of  
3 business located within their respective limits. County boards  
4 of supervisors may issue retail permits to ~~dealers~~ retailers  
5 with a place of business in their respective counties, outside  
6 of the corporate limits of cities.

7 Sec. 65. Section 453A.42, Code 2017, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. 2A. "Delivery sale" means any sale of  
10 an alternative nicotine product or a vapor product to a  
11 purchaser in this state where the purchaser submits the order  
12 for such sale by means of a telephonic or other method of  
13 voice transmission, mail or any other delivery service, or the  
14 internet or other online service and the alternative nicotine  
15 product or vapor product is delivered by use of mail or a  
16 delivery service. The sale of an alternative nicotine product  
17 or vapor product shall constitute a delivery sale regardless of  
18 whether the seller is located in this state. "Delivery sale"  
19 does not include a sale to a distributor or retailer of any  
20 alternative nicotine product or vapor product not for personal  
21 consumption.

22 Sec. 66. Section 453A.42, subsection 8, Code 2017, is  
23 amended to read as follows:

24 8. "Place of business" means any place where tobacco  
25 products are sold or where tobacco products are manufactured,  
26 stored, or kept for the purpose of sale or consumption,  
27 including any vessel, vehicle, airplane, train, or vending  
28 machine; or for a business within or without the state that  
29 conducts delivery sales, any place where alternative nicotine  
30 products or vapor products are sold or where alternative  
31 nicotine products or vapor products are kept for the purpose of  
32 sale, including delivery sales.

33 Sec. 67. Section 453A.47A, subsections 1, 3, and 6, Code  
34 2017, are amended to read as follows:

35 1. Permits required. A person shall not engage in

1 the business of a retailer of tobacco, tobacco products,  
2 alternative nicotine products, or vapor products at any place  
3 of business, or through delivery sales, without first having  
4 received a permit as a retailer.

5 3. Number of permits. An application shall be filed and a  
6 permit obtained for each place of business owned or operated by  
7 a retailer located in the state. If an out-of-state retailer  
8 makes delivery sales of alternative nicotine products or vapor  
9 products, an application shall be filed with the department  
10 and a permit shall be issued for the out-of-state retailer's  
11 principal place of business.

12 6. Issuance. Cities ~~shall~~ may issue retail permits to  
13 retailers located within their respective limits. County  
14 boards of supervisors ~~shall~~ may issue retail permits to  
15 retailers located in their respective counties, outside of the  
16 corporate limits of cities. The city or county shall submit a  
17 duplicate of any application for a retail permit and any retail  
18 permit issued by the entity under this section to the alcoholic  
19 beverages division of the department of commerce within thirty  
20 days of issuance. The alcoholic beverages division of the  
21 department of commerce shall submit the current list of all  
22 retail permits issued to the Iowa department of public health  
23 by the first day of each quarter of a state fiscal year.

24 Sec. 68. NEW SECTION. 453A.47B Requirements for mailing or  
25 shipping ---- alternative nicotine products or vapor products.

26 A retailer shall not mail, ship, or otherwise cause to be  
27 delivered any alternative nicotine product or vapor product in  
28 connection with a delivery sale unless all of the following  
29 apply:

30 1. Prior to sale to the purchaser, the retailer verifies  
31 that the purchaser is at least eighteen years of age through or  
32 by one of the following:

33 a. A commercially available database, or aggregate of  
34 databases, that is regularly used by government and businesses  
35 for the purpose of age and identity verification.

1 b. Obtaining a copy of a valid government-issued document  
2 that provides the name, address, and date of birth of the  
3 purchaser.

4 2. The retailer uses a method of mailing, shipping, or  
5 delivery that requires the signature of a person who is at  
6 least eighteen years of age before the shipping package is  
7 released to the purchaser.

8 Sec. 69. NEW SECTION. 453A.47C Sales and use tax on  
9 delivery sales ---- alternative nicotine products or vapor  
10 products.

11 1. A delivery sale of alternative nicotine products or vapor  
12 products within this state shall be subject to the sales tax  
13 provided in chapter 423, subchapter II.

14 2. The use in this state of alternative nicotine products  
15 or vapor products purchased for use in this state through a  
16 delivery sale shall be subject to the use tax provided in  
17 chapter 423, subchapter III.

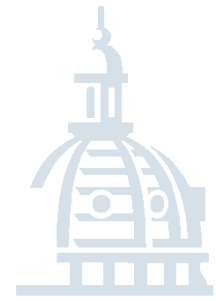
18 3. A retailer required to possess or possessing a permit  
19 under section 453A.13 or 453A.47A to make delivery sales of  
20 alternative nicotine products or vapor products within this  
21 state shall be deemed to have waived all claims that such  
22 retailer lacks physical presence within this state for purposes  
23 of collecting and remitting sales and use tax.

24 4. A retailer making taxable delivery sales of alternative  
25 nicotine products or vapor products within this state shall  
26 remit to the department all sales and use tax due on such sales  
27 at the times and in the manner provided by chapter 423.

28 5. The director shall adopt rules pursuant to chapter 17A to  
29 administer this section.>

COMMITTEE ON APPROPRIATIONS

GRASSLEY of Butler, Chairperson



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[HF 652](#) – Tax Credit Limitation (LSB2629HV)

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 652](#) modifies a number of existing tax credit programs, reduces annual tax credit limits within several Economic Development Authority (EDA) programs, makes changes to the Research Activities Tax Credit, and provides for transfers to the Cash Reserve Fund and the Taxpayers Trust Fund.

Tax credit programs limited and reduced in the Bill include:

- Beginning Farmer Tax Credit
- Biodiesel Blended Fuel Tax Credit
- E-15 Plus Gasoline Promotion Tax Credit
- E-85 Gasoline Promotion Tax Credit
- Ethanol Promotion Tax Credit
- Historic Preservation and Cultural and Entertainment District Tax Credit
- Solar Energy System Tax Credit
- Geothermal Heat Pump Tax Credit
- Geothermal Tax Credit
- Innovation Fund Tax Credit
- Qualifying Business Tax Credit (Angel Investor)
- Research Activities Tax Credit
- Redevelopment Tax Credit
- High Quality Jobs Program Tax Credits

The Bill reduces the maximum aggregate tax credit limit for a combination of EDA programs to \$128.0 million per fiscal year and strikes a provision allowing the EDA to exceed the limit under specific circumstances.

The Bill transfers the estimated net General Fund savings projected to result from the Bill's changes to the tax credit programs to the Cash Reserve Fund and to a new account within the Taxpayers Trust Fund called the Tax Expenditure Limitation Account.

**Assumptions**

The Department of Revenue provided the estimated tax credit redemption amounts associated with the changes in the Bill. The estimates were produced using the same process the Department uses to produce the Department's [Contingent Liabilities Report](#). The expected tax credit redemption reductions by tax credit are provided in the following table.

**Projected Reductions in Tax Credit Redemptions**

Tax Credit Program	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Agricultural Assets Transfer Tax Credit	\$ 0	\$ 194,000	\$ 112,000	\$ 59,000	\$ 39,000
Custom Farming Contract Tax Credit	0	23,000	13,000	13,000	4,000
Biodiesel Blended Fuel Tax Credit	0	339,000	2,382,000	5,073,000	5,289,000
E-15 Plus Gasoline Promotion Tax Credit	0	13,000	78,000	179,000	275,000
E-85 Gasoline Promotion Tax Credit	0	0	13,000	101,000	306,000
Ethanol Promotion Tax Credit	0	0	0	0	0
Geothermal Heat Pump Tax Credit	0	0	0	0	0
Geothermal Tax Credit	0	815,000	1,007,000	1,015,000	1,164,000
Hist. Pres. and Cultural/Entertain. Dist. Tax Credit	0	0	4,851,000	7,851,000	9,851,000
Redevelopment Tax Credit	0	0	184,000	650,000	1,173,000
Renewable Energy Tax Credit	0	0	0	0	0
Solar Energy System Tax Credit	0	457,000	662,000	723,000	757,000
Innovation Fund Tax Credit	0	844,000	1,468,000	2,043,000	2,155,000
Qualifying Business Tax Credit	0	0	0	0	0
Research Activities Tax Credit	456,000	4,674,000	22,737,000	39,986,000	44,101,000
Research Activities Tax Credit (Supplemental)	0	0	0	0	99,000
<b>Total</b>	<b>\$ 456,000</b>	<b>\$ 7,359,000</b>	<b>\$ 33,507,000</b>	<b>\$ 57,693,000</b>	<b>\$ 65,213,000</b>

**Fiscal Impact**

For FY 2017, the Bill is projected to increase net General Fund revenue by \$456,000.

For FY 2018, the Bill will increase Cash Reserve Fund revenue by \$7.4 million.

For FY 2019 through FY 2021, the Bill will increase Taxpayers Trust Fund revenue by the following estimated amounts. The dollar amounts are to be deposited to a new, separate account within the Fund called the Tax Expenditure Limitation Account.

- FY 2019 = \$33.5 million
- FY 2020 = \$57.7 million
- FY 2021 = \$65.2 million

To address revenue implications beyond FY 2022, the Bill states that it is the intent of the Legislature that a future General Assembly enact legislation to allocate the increased revenue resulting from this Bill beyond FY 2021 to the Tax Expenditure Limitation Account of the Taxpayers Trust Fund.

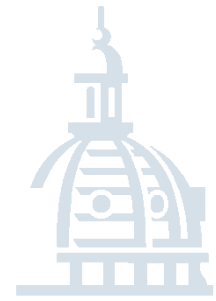
**Source**

Iowa Department of Revenue

/s/ Holly M. Lyons

April 19, 2017

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 651](#) – Property Assessment (LSB2693HV)

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 651](#) relates to the Property Assessment Appeal Board (PAAB), the property tax assessment and appeal process, the composition of local conference boards, and the legal counsel available to a conference board. The changes to the property tax assessment and appeal process are effective for property assessments on or after January 1, 2018 (assessment year 2018). The Bill:

- Repeals the current PAAB sunset date of July 1, 2021.
- Requires that the relevant assessor's office pay a portion of the PAAB or district court appeal costs of the property owner in certain instances.
- Makes changes to the burden of proof in property assessment appeals. The changes shift the burden away from the property owner to the assessor's office.
- Increases the voting membership of local conference boards by adding four elected public members to each conference board. A conference board serves as the governing board for the assessor's office.
- Expands the duties of local assessors in even-numbered assessment years by requiring the reassessment of individual properties in certain circumstances.
- Removes a limit that applies to the grounds upon which a property owner or taxpayer may protest a property assessment, by expanding the grounds to protests of even-numbered year assessments.
- Subjects the authority of a conference board to hire special counsel to assist with property assessment appeal cases, to review and approval by the city legal department or county attorney.

### **Background – Property Assessment Appeal Board**

Operating under the auspices of the Department of Revenue (DOR), the PAAB was established in 2005 pursuant to [House File 847](#) (Property Tax Assessment Changes). The legislation included a future repeal of the PAAB effective July 1, 2013, which was amended in 2013 to extend the future repeal date to July 1, 2018. In 2015, the future repeal provision was delayed to July 1, 2021. The PAAB conducts administrative hearings on contested cases to review any final action of a local property assessment board of review relating to protests of property assessment, property valuation, or application of equalization orders.

For FY 2017, the PAAB estimates staffing and operating costs will total approximately \$906,000. Board staffing includes three board members, two attorneys, and one administrative assistant. The PAAB receives funding as a part of the General Fund appropriation to the DOR.

### **Background – Assessor's Office**

There are 99 county and eight city assessors in Iowa. Each assessor's office is funded through a property tax levy that applies to all taxed property within the assessment area. The statewide average assessor rate for FY 2017 was \$0.38 per \$1,000 of taxed value, and the assessor levies ranged from \$0.16 per \$1,000 (Dickinson County) to \$0.75 per \$1,000 (Decatur County). For FY 2017, the total amount of property tax revenue raised through assessor levies was \$62.7



million. Of that amount, \$58.8 million funded the 107 assessor offices and \$3.9 million was diverted to Tax Increment Financing.

### **Background – Assessment and Equalization**

Assessors are to assess industrial, commercial, residential, and multiresidential property at each individual property's fair market value. Agricultural property is also assessed, but the assessed value is based on an estimate of the productivity value of the land and agricultural buildings. The assessment appeal process is available to owners of assessed property where the owner contends the assessment is not correct. Most often, the owner's contention is that the assessment is too high. At the behest of the property owner, the assessor may adjust the initial assessment. The owner may also protest the assessment to the local board of review, the PAAB, and to the district court.

The total assessments within each assessment area for commercial, residential, and agricultural classes are, individually as classes, subject to equalization every odd-numbered assessment year. The equalization process is administered by the DOR. The equalization process ensures that the total value of all property located within a property class is appropriate. The equalization process does not ensure that the assessed value of each individual property is appropriate.

The equalization process compares the sales price of sold properties within each assessor area to the time-adjusted assessed value at the time of sale. The DOR uses arm's-length sales and selected additional property appraisals to determine if the assessed values within a property class and within an assessor area accurately reflect the actual value of the properties. If the Department determines that, within a specified level of required accuracy, the values in a class within an assessor area are not appropriate, the Department issues an equalization order to the relevant assessor for that property class. The order requires the assessor to raise or lower the total assessed property value for that class in a manner that alleviates the condition that resulted in the equalization order. The equalization process ensures that the aggregate value assigned to commercial, residential, and agricultural property in each assessor district does in fact equal the actual value of the property.

Industrial property is not subject to formal equalization, so there is no overriding authority to ensure that the value assigned to all industrial property in an assessor area does in fact equal the total value of all industrial property within that assessor area.

### **Assumptions**

Due to salary increases and inflation, the annual operating costs of the PAAB are expected to increase from the current \$906,000, to \$1.0 million by FY 2022.

The remaining portions of the Bill relate to the assessment process, the assessment appeals process, and the burden of proof in property assessment appeal matters. The fiscal impact of those changes on local government finance and the State General Fund appropriation for school aid cannot be estimated. The potential fiscal issues are discussed below.

### **Fiscal Impact**

Removing the future sunset date for the PAAB is projected to increase General Fund expenditures by approximately \$1.0 million annually, beginning FY 2022. The expenditure increase is due to the continued operation of the PAAB beyond its current sunset date.

The Bill has two additional potential fiscal impacts:

- Local assessors will be required to pay a percentage of the taxpayer's costs associated with an appeal to the PAAB or the district court in certain instances where the assessed value of the property is lowered by the PAAB or the district court. This provision could increase the costs to operate an assessor's office and properly defend assessments. The costs of an assessor's office are paid through a property tax levy on taxed property located within the assessor area.
- Several provisions of the Bill have the cumulative effect of reducing the assessed value of individual properties by doing the following:
  - Increasing the cost to the assessor's office of defending appealed assessments.
  - Increasing the public voting power of conference boards.
  - Shifting the initial burden of proof from the property owner or taxpayer to the assessor.
  - Allowing additional grounds for revaluation of individual properties in even-numbered years.

The combination of these four changes can be assumed to result in the increased likelihood of a successful assessment challenge, and that in turn can be assumed to result in more property owners protesting their assessment and more property owners with successful assessment reductions.

The initial fiscal impact of a successful assessment challenge is reduced assessed value, reduced taxed value, and reduced property taxes owed for that particular property. However, for those classes of property subject to formal equalization, the assessed value reduction realized on individual properties is replaced by increased assessed value on all properties within the class. Therefore, the overall assessed value, taxable value, and property taxes owed for each class of property within the assessor area may not change.

The industrial class of property is not subject to formal equalization, so successful challenges to the assessed value of individual properties within that class may result in an overall decrease in taxable value, and that in turn could result in reduced property taxes owed on industrial property.

### **Sources**

Department of Revenue  
Property Assessment Appeal Board

/s/ Holly M. Lyons

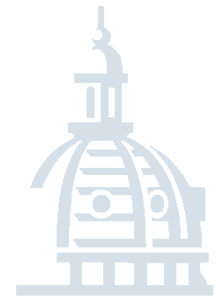
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April 19, 2017

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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 463** – Motor Vehicle Enforcement and Commercial Learner's Permits (LSB2126HVV.2)  
Analyst: Michael Guanci (Phone: (515) 725-1286) ([michael.guanci@legis.iowa.gov](mailto:michael.guanci@legis.iowa.gov))  
Fiscal Note Version – Amendment H-1424 to Amendment H-1295

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### **Description**

House File 463 Amendment [H-1424](#) to Amendment [H-1295](#) relates to the validity period of a commercial learner's permit (CLP) to match federal code. The Bill also allows certain commercial motor vehicles (CMVs) with auxiliary power or idle-reduction technology to exceed the maximum gross weight limits under Iowa Code chapter [321](#) by 550 pounds or the weight of the applicable technology, whichever is less.

The Amendment further regulates the enforcement powers and duties of Department of Transportation (DOT) Motor Vehicle Enforcement (MVE) officers under Iowa Code section [321.477](#). The Bill confers the authority of a peace officer to designated DOT employees to enforce all the laws of the State, including DOT rules and regulations as defined under Iowa Code section [801.4](#). Enforcement officers may not exercise the general powers of a police officer within city limits unless:

- A mayor makes a request with the approval of the Director of the DOT.
- A sheriff or county attorney makes a request with the approval of the Director of the DOT.
- The MVE officer is in pursuit of law violators or law investigations.
- The MVE officer is performing CMV inspections under Iowa Code chapter [321](#), or any additional inspections as ordered by the Director of the DOT.
- The MVE officer is conducting the investigation of laws relating to narcotics and other drugs.

The DOT is required to file a report with the General Assembly on or before December 1 of each year detailing the CMV and non-CMV enforcement activities conducted in the previous fiscal year.

Amendment H-1424 to Amendment H-1295 takes effect on enactment. The section of the Bill amending Iowa Code section [321.477](#) is repealed July 1, 2018.

### **Background**

A CLP is an instructional permit that allows a driver to operate a CMV when accompanied by a person who holds a valid commercial driver's license (CDL). Under Iowa Code section [321.180](#), the CLP is only valid for 180 days. Federal exemptions allow for states to extend the validity period for CLPs to one year. House File 463 will allow Iowa to match the validity period established by the federal government in [49 C.F.R. 383.25\(c\)](#) and [49 C.F.R. 383.73\(a\)\(2\)\(iii\)](#). In Iowa, there were 950 CLP renewals in FY 2016 at a cost of \$12 per license renewal.

The DOT's MVE unit is comprised of 98 sworn peace officers and 9 civilians. MVE officers primarily engage in CMV enforcement on the primary road system. However, MVE officers do engage in non-CMV enforcement to maintain safety on the primary road system. The costs for MVE officers and enforcement activities are funded by appropriations made to the Motor Vehicle Division from the Road Use Tax Fund (RUTF) and the Primary Road Fund (PRF). **Table 1** shows a five-year history of CMV and non-CMV enforcement by the DOT. Commercial

scheduled fines are deposited into the RUTF. Noncommercial scheduled fines are deposited into the General Fund.

**TABLE 1**

<b>DOT CMV and Non-CMV Enforcement History</b>					
	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
CMV Citations	26,545	24,484	22,632	23,739	20,373
Non-CMV Citations	9,448	10,126	9,694	10,562	12,375

Pending litigation against the DOT seeks to prevent the Department from most enforcement activities outside of those specifically mentioned under current Iowa Code section 321.477. The DOT has requested legislation to clarify the MVE officers' designation as peace officers to enforce all laws of the State under this Iowa Code section.

The DOT receives federal grant funding under the Motor Carrier Safety Assistance Program (MCSAP), and in FY 2017, the amount awarded to the DOT is an estimated \$4.2 million. The DOT will subapportion an estimated \$1.4 million of this grant award to the Department of Public Safety (DPS). Under this Program, the DOT uses the federal funds to reimburse the RUTF for commercial enforcement salaries and activities that are initially appropriated in the Transportation Appropriations Bill. The DPS primarily uses the federal grant money to fund the salaries of the 10 officers dedicated to commercial traffic enforcement.

Under the requirements of the MCSAP, the State must designate a lead agency that has legal authority under [49 C.F.R. 350.201\(d\)](#). The Governor has designated the DOT as the lead agency.

**Assumptions**

- House File 463 Amendment H-1424 to Amendment H-1295 may reduce the number of CLP renewals.
- Certain commercial vehicles with idle-reduction technologies installed may be exempt from weight restrictions.
- Employees designated by the DOT as MVE officers may continue to enforce all laws of the State, including but not limited to CMV and non-CMV enforcement.
- House File 463 Amendment H-1424 to Amendment H-1295 may not prevent the DOT from applying for and receiving reimbursement of federal funds from the Motor Carrier Safety Assistance Program (MSCAP) under the Commercial Vehicle Safety Plan for the Federal Motor Carrier Safety Assistance Program Fiscal Year 2017.

**Fiscal Impact**

House File 463 Amendment H-1424 to Amendment H-1295 has the following fiscal impact:

- The fiscal impact to the RUTF from the revenue reduction of CLP renewals is expected to be minimal.
- The fiscal impact to the RUTF from changing weight restrictions for certain commercial vehicles that employ auxiliary power units or idle-reduction technologies is expected to be minimal.
- There is no fiscal impact to the General Fund or the RUTF from amending Iowa Code section 321.477 to regulate the authority of MVE officers.
- There may be no or minimal fiscal impact to DPS or the General Fund for CMV enforcement reimbursement under MCSAP.

- There may be no or minimal fiscal impact to the DOT or the RUTF for CMV enforcement reimbursement under MCSAP.

**Sources**

Department of Transportation  
Criminal and Juvenile Justice Planning Division  
Department of Public Safety  
Federal Motor Carrier Safety Administration

\_\_\_\_\_  
/s/ Holly M. Lyons

April 20, 2017

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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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