

**Senate Study Bill 1198 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON SCHNEIDER)

**A BILL FOR**

1 An Act relating to state and local finances by making  
2 appropriations, providing for legal and regulatory  
3 responsibilities, concerning taxation, and providing for  
4 other properly related matters, and including effective date  
5 and retroactive applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

STANDING APPROPRIATIONS AND RELATED MATTERS

Section 1. BUDGET PROCESS FOR FISCAL YEAR 2018-2019.

1. For the budget process applicable to the fiscal year beginning July 1, 2018, on or before October 1, 2017, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and section 8.23, subsection 1, paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

2. The estimates of expenditure requirements shall be in a form specified by the director of the department of management, and the expenditure requirements shall include all proposed expenditures and shall be prioritized by program or the results to be achieved. The estimates shall be accompanied by performance measures for evaluating the effectiveness of the programs or results.

Sec. 2. BUDGET PROCESS FOR FISCAL YEAR 2019-2020.

1. For the budget process applicable to the fiscal year beginning July 1, 2019, on or before October 1, 2018, in lieu of the information specified in section 8.23, subsection 1, unnumbered paragraph 1, and section 8.23, subsection 1, paragraph "a", all departments and establishments of the government shall transmit to the director of the department of management, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, together with supporting data and explanations as called for by the director of the department of management after consultation with the legislative services agency.

1 2. The estimates of expenditure requirements shall be  
2 in a form specified by the director of the department of  
3 management, and the expenditure requirements shall include all  
4 proposed expenditures and shall be prioritized by program or  
5 the results to be achieved. The estimates shall be accompanied  
6 by performance measures for evaluating the effectiveness of the  
7 programs or results.

8 Sec. 3. LIMITATIONS OF STANDING APPROPRIATIONS — FY  
9 2017-2018. Notwithstanding the standing appropriations  
10 in the following designated sections for the fiscal year  
11 beginning July 1, 2017, and ending June 30, 2018, the amounts  
12 appropriated from the general fund of the state pursuant to  
13 these sections for the following designated purposes shall not  
14 exceed the following amounts:

15 1. For payment of claims for nonpublic school  
16 transportation under section 285.2:  
17 ..... \$ 8,197,091

18 If total approved claims for reimbursement for nonpublic  
19 school pupil transportation exceed the amount appropriated in  
20 accordance with this subsection, the department of education  
21 shall prorate the amount of each approved claim.

22 2. For distribution for the tribal council of the Sac and  
23 Fox Indian settlement for educating American Indian children  
24 under section 256.30:  
25 ..... \$ 95,750

26 Sec. 4. LIMITATIONS OF STANDING APPROPRIATIONS — FY  
27 2018-2019. Notwithstanding the standing appropriations  
28 in the following designated sections for the fiscal year  
29 beginning July 1, 2018, and ending June 30, 2019, the amounts  
30 appropriated from the general fund of the state pursuant to  
31 these sections for the following designated purposes shall not  
32 exceed the following amounts:

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34 transportation under section 285.2:  
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1 If total approved claims for reimbursement for nonpublic  
2 school pupil transportation exceed the amount appropriated in  
3 accordance with this subsection, the department of education  
4 shall prorate the amount of each approved claim.

5 2. For distribution for the tribal council of the Sac and  
6 Fox Indian settlement for educating American Indian children  
7 under section 256.30:

8 ..... \$ 95,750

9 Sec. 5. GENERAL ASSEMBLY.

10 1. The appropriations made pursuant to section 2.12 for the  
11 expenses of the general assembly and legislative agencies for  
12 the fiscal year beginning July 1, 2017, and ending June 30,  
13 2018, are reduced by the following amount:

14 ..... \$ 400,000

15 2. The budgeted amounts for the general assembly and  
16 legislative agencies for the fiscal year beginning July 1,  
17 2017, may be adjusted to reflect the unexpended budgeted  
18 amounts from the previous fiscal year.

19 3. Annual membership dues for organizations, associations,  
20 and conferences shall not be paid from moneys appropriated  
21 pursuant to section 2.12.

22 4. Costs for out-of-state travel and per diems for  
23 out-of-state travel shall not be paid from moneys appropriated  
24 pursuant to section 2.12.

25 Sec. 6. INSTRUCTIONAL SUPPORT STATE AID — FY 2017-2018. In  
26 lieu of the appropriation provided in section 257.20,  
27 subsection 2, the appropriation for the fiscal year  
28 beginning July 1, 2017, and ending June 30, 2018, for paying  
29 instructional support state aid under section 257.20 for such  
30 fiscal years is zero.

31 Sec. 7. SPECIAL FUNDS — SALARY ADJUSTMENTS — FY 2017-2018  
32 — FY 2018-2019. For the fiscal year beginning July 1, 2017,  
33 and ending June 30, 2018, and for the fiscal year beginning  
34 July 1, 2018, and ending June 30, 2019, salary adjustments may  
35 be funded using departmental revolving, trust, or special funds

1 for which the general assembly has established an operating  
2 budget, provided that doing so does not exceed the operating  
3 budget established by the general assembly.

4     Sec. 8. OPERATIONAL APPROPRIATIONS — REVERSION — FY  
5 2016-2017. Notwithstanding section 8.62, at the close of  
6 the fiscal year beginning July 1, 2016, and ending June 30,  
7 2017, any balance of an operational appropriation that remains  
8 unexpended or unencumbered shall not be encumbered or deposited  
9 in the cash reserve fund as provided in section 8.62, but shall  
10 instead revert to the general fund of the state at the close of  
11 the fiscal year as provided in section 8.33.

12     Sec. 9. SPECIAL FUNDS — SALARY ADJUSTMENTS —  
13 UNAPPROPRIATED MONEYS — FY 2017-2018 — FY 2018-2019. For the  
14 fiscal year beginning July 1, 2017, and ending June 30, 2018,  
15 and for the fiscal year beginning July 1, 2018, and ending  
16 June 30, 2019, salary adjustments otherwise provided may be  
17 funded as determined by the department of management using  
18 unappropriated moneys remaining in the department of commerce  
19 revolving fund, the gaming enforcement revolving fund, the  
20 gaming regulatory revolving fund, the primary road fund, the  
21 road use tax fund, the fish and game protection fund, the Iowa  
22 public employees' retirement fund, and in other departmental  
23 revolving, trust, or special funds for which the general  
24 assembly has not made an operating budget appropriation.

25     Sec. 10. SALARY MODEL ADMINISTRATOR. The salary model  
26 administrator shall work in conjunction with the legislative  
27 services agency to maintain the state's salary model used for  
28 analyzing, comparing, and projecting state employee salary  
29 and benefit information, including information relating to  
30 employees of the state board of regents. The department of  
31 revenue, the department of administrative services, the five  
32 institutions under the jurisdiction of the state board of  
33 regents, the judicial district departments of correctional  
34 services, and the state department of transportation shall  
35 provide salary data to the department of management and the

1 legislative services agency to operate the state's salary  
2 model. The format and frequency of provision of the salary  
3 data shall be determined by the department of management and  
4 the legislative services agency. The information shall be  
5 used in collective bargaining processes under chapter 20 and  
6 in calculating the funding needs contained within the annual  
7 salary adjustment legislation. A state employee organization  
8 as defined in section 20.3, subsection 4, may request  
9 information produced by the model, but the information provided  
10 shall not contain information attributable to individual  
11 employees.

12 Sec. 11. Section 257.35, Code 2017, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 11A. Notwithstanding subsection 1, and in  
15 addition to the reduction applicable pursuant to subsection  
16 2, the state aid for area education agencies and the portion  
17 of the combined district cost calculated for these agencies  
18 for the fiscal year beginning July 1, 2017, and ending June  
19 30, 2018, shall be reduced by the department of management by  
20 fifteen million dollars. The reduction for each area education  
21 agency shall be prorated based on the reduction that the agency  
22 received in the fiscal year beginning July 1, 2003.

23 Sec. 12. EFFECTIVE UPON ENACTMENT. The following provision  
24 or provisions of this division of this Act, being deemed of  
25 immediate importance, take effect upon enactment:

26 1. The section of this division of this Act reverting to  
27 the general fund any unexpended or unencumbered moneys from  
28 operational appropriations.

29 DIVISION II

30 MISCELLANEOUS APPROPRIATIONS

31 Sec. 13. TRANSFER FROM CASH RESERVE FUND. Notwithstanding  
32 section 8.56, subsections 3 and 4, there is transferred from  
33 the cash reserve fund created in section 8.56 to the general  
34 fund of the state for the fiscal year beginning July 1, 2016,  
35 and ending June 30, 2017, the following amount:

1 ..... \$131,100,000

2 Sec. 14. APPROPRIATION TO CASH RESERVE FUND. There is  
3 appropriated from the general fund of the state to the cash  
4 reserve fund created in section 8.56 for the fiscal year  
5 beginning July 1, 2017, and ending June 30, 2018, the following  
6 amount:

7 ..... \$ 20,000,000

8 Sec. 15. GUBERNATORIAL TRANSITION. There is appropriated  
9 from the general fund of the state to the offices of the  
10 governor and the lieutenant governor for the fiscal year  
11 beginning July 1, 2017, and ending June 30, 2018, the following  
12 amount, or so much thereof as is necessary, to be used for the  
13 purposes designated:

14 For expenses incurred during the gubernatorial transition:  
15 ..... \$ 150,000

16 Sec. 16. EFFECTIVE UPON ENACTMENT. The following provision  
17 or provisions of this division of this Act, being deemed of  
18 immediate importance, take effect upon enactment:

19 1. The section of this division of this Act transferring  
20 moneys from the cash reserve fund to the general fund of the  
21 state.

22 DIVISION III

23 MISCELLANEOUS PROVISIONS

24 Sec. 17. Section 2.43, unnumbered paragraph 1, Code 2017,  
25 is amended to read as follows:

26 The legislative council in cooperation with the officers of  
27 the senate and house shall have the duty and responsibility for  
28 preparing for each session of the general assembly. Pursuant  
29 to such duty and responsibility, the legislative council  
30 shall assign the use of areas in the state capitol except for  
31 the areas used by the governor as of January 1, 1986, and by  
32 ~~the courts as of July 1, 2003,~~ and, in consultation with the  
33 director of the department of administrative services and the  
34 capitol planning commission, may assign areas in other state  
35 office buildings for use of the general assembly or legislative

1 agencies. The legislative council shall provide the courts  
2 with use of space in the state capitol for ceremonial purposes.  
3 The legislative council may authorize the renovation,  
4 remodeling and preparation of the physical facilities used or  
5 to be used by the general assembly or legislative agencies  
6 subject to the jurisdiction of the legislative council and  
7 award contracts pursuant to such authority to carry out such  
8 preparation. The legislative council may purchase supplies and  
9 equipment deemed necessary for the proper functioning of the  
10 legislative branch of government.

11 Sec. 18. Section 8A.322, subsection 2, Code 2017, is amended  
12 to read as follows:

13 2. Except for buildings and grounds described in section  
14 216B.3, subsection 6; [section 2.43](#), unnumbered paragraph 1; and  
15 any buildings under the custody and control of the Iowa public  
16 employees' retirement system, the director shall assign office  
17 space at the capitol, other state buildings, and elsewhere in  
18 the city of Des Moines, and the state laboratories facility  
19 in Ankeny, for all executive and judicial state agencies.  
20 Assignments may be changed at any time. The various officers  
21 to whom rooms have been so assigned may control the same while  
22 the assignment to them is in force. Official apartments shall  
23 be used only for the purpose of conducting the business of the  
24 state. The term "*capitol*" or "*capitol building*" as used in the  
25 Code shall be descriptive of all buildings upon the capitol  
26 grounds. The capitol building itself is reserved for the  
27 operations of the general assembly, and the governor, and, for  
28 ceremonial purposes, for the courts and the. The assignment  
29 and use of physical facilities for the general assembly shall  
30 be pursuant to [section 2.43](#).

31 Sec. 19. Section 8C.7A, subsection 3, paragraph b,  
32 unnumbered paragraph 1, if enacted by 2017 Iowa Acts, Senate  
33 File 431, is amended to read as follows:

34 An authority shall not require a person to apply for or  
35 enter into an individual license, franchise, or other agreement



1 with the authority or any other entity for the siting of  
2 a small wireless facility on a utility pole located in a  
3 public right-of-way. However, an authority may, through the  
4 conditions set forth in a ~~building~~ permit obtained pursuant to  
5 this subsection, do any of the following:

6 Sec. 20. NEW SECTION. **9.4A Technology modernization fund.**

7 1. A technology modernization fund is created in the state  
8 treasury under the control of the secretary of state. Moneys  
9 in the fund are appropriated to the secretary of state for  
10 purposes of modernizing technology used by the secretary of  
11 state to fulfill the duties of office.

12 2. On and after July 1, 2017, any increased fee amount  
13 collected by the secretary of state shall be credited to the  
14 technology modernization fund. From each fee collected, the  
15 amount credited to the fund equals the difference between the  
16 fee amount collected and the amount assessed for the same fee  
17 on June 30, 2017.

18 3. Each fiscal year, not more than two million dollars shall  
19 be credited to the fund.

20 4. This section is repealed July 1, 2022.

21 Sec. 21. Section 15.329, subsection 1, paragraph f, Code  
22 2017, is amended to read as follows:

23 *f.* The business shall not be a retail business or a business  
24 where entrance is limited by a cover charge or membership  
25 requirement. For purposes of this paragraph, a business  
26 operated for the purpose of fulfilling customer orders is not a  
27 retail business or a retail operation.

28 Sec. 22. Section 321N.4, subsection 6, Code 2017, is amended  
29 to read as follows:

30 6. Insurance maintained under ~~this chapter~~ shall be  
31 provided by an insurer governed by ~~chapter 515~~ or ~~518~~, or by  
32 a surplus lines insurer governed by ~~chapter 515I~~. ~~A surplus~~  
33 ~~lines insurer that issues a policy pursuant to this section~~  
34 ~~shall be considered an insurance carrier duly authorized to~~  
35 ~~transact business in this state for the purposes of chapter~~

1 ~~321A.~~

2 Sec. 23. Section 403.19A, subsection 3, paragraph c,  
3 subparagraph (2), Code 2017, is amended to read as follows:

4 (2) The pilot project city and the economic development  
5 authority shall not enter into a withholding agreement after  
6 June 30, ~~2018~~ 2023.

7 Sec. 24. Section 481A.38, Code 2017, is amended by adding  
8 the following new subsection:

9 NEW SUBSECTION. 4. The commission shall not restrict or  
10 prohibit hunting on specific private property generally or for  
11 the hunting of a particular wild animal, so long as the person  
12 hunting on that property is otherwise qualified to hunt in  
13 this state, purchases a valid hunting license that includes  
14 the wildlife habitat fee and a valid hunting license for the  
15 type of wild animal being hunted, if applicable, and adheres to  
16 all municipal, county, state, and federal regulations that are  
17 applicable to hunting and specifically applicable to the type  
18 of wild animal being hunted, including but not limited to daily  
19 limits, possession limits, shooting hours, methods of take, and  
20 transportation of a carcass.

21 Sec. 25. ALCOHOLIC BEVERAGE CONTROL — STUDY.

22 1. The alcoholic beverages division of the department of  
23 commerce, in conjunction with other stakeholders the division  
24 deems necessary, shall conduct a study concerning enforcement  
25 issues related to alcoholic beverage control, including  
26 consideration of the manner of properly balancing appropriate  
27 regulation of the manufacturing, distribution, and sale of  
28 alcoholic liquor, wine, and beer in this state with emerging  
29 trends in the industry.

30 2. In conducting the study, the division shall consider  
31 any other relevant issues the division identifies for study,  
32 issues relating to the three-tiered system and section 123.45,  
33 as it impacts the ability of manufacturers, wholesalers, and  
34 retailers to meet changing marketplace conditions and business  
35 opportunities.

1 3. By July 1, 2018, the division shall submit a final report  
2 to the general assembly. The report shall provide the results  
3 of the study including any findings and recommendations.

4 4. The administrator may exercise discretion on a  
5 case-by-case basis and elect to not enforce section 123.45  
6 during the period of such study upon a finding that an  
7 applicant does not pose a risk to public health or safety.

8 Sec. 26. 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. 27. REPEAL. Chapter 304A, Code 2017, is repealed.

17 DIVISION IV

18 CORRECTIVE PROVISIONS

19 Sec. 28. 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. 29. Section 73A.26, as enacted by 2017 Iowa Acts,  
29 Senate File 438, section 6, is amended to read as follows:

30 **73A.26 Purpose.**

31 The purpose of this ~~chapter~~ subchapter is to provide for  
32 more economical, nondiscriminatory, neutral, and efficient  
33 procurement of construction-related goods and services by this  
34 state and political subdivisions of this state.

35 Sec. 30. Section 84A.1A, subsection 1, paragraph a,

1 subparagraph (8), subparagraph division (b), subparagraph  
2 subdivision (iii), as enacted by 2017 Iowa Acts, House File  
3 572, section 1, is amended to read as follows:

4 (iii) Two representatives of community-based organizations  
5 that have demonstrated experience and expertise in addressing  
6 the employment, training, or education needs of individuals  
7 with barriers to employment as defined in the federal Workforce  
8 Innovation and Opportunity Act, Pub. L. No. 113-128, §3(24),  
9 including but not limited to organizations that serve veterans,  
10 or that provide or support competitive, integrated employment  
11 for individuals with disabilities; or that serve eligible  
12 youth, as defined in the federal Workforce Innovation and  
13 Opportunity Act, Pub. L. No. 113-128, §3(18), including  
14 representatives of organizations that serve out-of-school  
15 youth, as defined in the federal Workforce Innovation and  
16 Opportunity Act, Pub. L. No. 113-128, §129(a)(1)(B).

17 Sec. 31. Section 225D.1, subsection 8, Code 2017, as amended  
18 by 2017 Iowa Acts, House File 215, section 1, is amended to  
19 read as follows:

20 8. "*Eligible individual*" means a child less than fourteen  
21 years of age who has been diagnosed with autism based on a  
22 diagnostic assessment of autism, is not otherwise eligible for  
23 coverage for applied behavioral analysis treatment or applied  
24 behavior analysis treatment under the medical assistance  
25 program, [section 514C.28](#), [514C.31](#), or other private insurance  
26 coverage, and whose household income does not exceed five  
27 hundred percent of the federal poverty level.

28 Sec. 32. 2017 Iowa Acts, House File 488, section 57, as  
29 enacted, is amended by striking the section and inserting in  
30 lieu thereof the following:

31 SEC. 57. Section 455B.474, subsection 2, paragraph a,  
32 subparagraph (1), Code 2017, is amended to read as follows:

33 (1) (a) Financial responsibility required by this  
34 subsection may be established in accordance with rules adopted  
35 by the commission by any one, or any combination, of the

1 following methods: ~~insurance, guarantee, surety bond, letter~~

2 (i) Insurance.

3 (ii) Guarantee.

4 (iii) Surety bond.

5 (iv) Letter of credit, or qualification.

6 (v) Qualification as a self-insurer.

7 (b) In adopting requirements under **this subsection**, the  
8 commission may specify policy or other contractual terms,  
9 conditions, or defenses which are necessary or are unacceptable  
10 in establishing the evidence of financial responsibility.

11 Sec. 33. EFFECTIVE UPON ENACTMENT. The following sections  
12 of this division of this Act, being deemed of immediate  
13 importance, take effect upon enactment:

14 1. The section of this division of this Act amending section  
15 22.13A, subsection 5, paragraph "b".

16 2. The section of this division of this Act amending section  
17 73A.26.

18 3. The section of this division of this Act amending  
19 section 84A.1A, subsection 1, paragraph "a", subparagraph (8),  
20 subparagraph division (b), subparagraph subdivision (iii).

21 Sec. 34. EFFECTIVE DATE. The section of this division of  
22 this Act amending section 225D.1, subsection 8, takes effect  
23 January 1, 2018.

24 DIVISION V

25 WEAPONS

26 Sec. 35. Section 724.2A, as enacted by 2017 Iowa Acts, House  
27 File 517, section 5, is amended to read as follows:

28 **724.2A Peace officer and reserve peace officer — defined.**

29 As used in **sections 724.4, 724.6, and 724.11**, "*peace officer*"  
30 ~~means a certified "*peace officer*"~~ and includes a reserve peace  
31 officer as defined in **section 80D.1A**.

32 Sec. 36. Section 724.4C, subsection 1, unnumbered paragraph  
33 1, as enacted by 2017 Iowa Acts, House File 517, section 8, is  
34 amended to read as follows:

35 Except as provided in subsection 2, a person commits a

1 serious misdemeanor if the person is intoxicated as provided  
2 under the conditions set out in section 321J.2, subsection  
3 1, paragraph "a", "b", or "c", and the person does any of the  
4 following:

5     Sec. 37. Section 724.17, subsection 1, as enacted by 2017  
6 Iowa Acts, House File 517, section 22, is amended to read as  
7 follows:

8     1. The application for a permit to acquire pistols or  
9 revolvers may be made to the sheriff of the county of the  
10 applicant's residence and shall be on a form prescribed  
11 and published by the commissioner of public safety. The  
12 application shall require only the full name of the applicant,  
13 the driver's license or nonoperator's identification card  
14 number of the applicant, the residence of the applicant, and  
15 the date and place of birth of the applicant, and whether the  
16 applicant meets the criteria specified in section 724.15.  
17 The applicant shall also display an identification card that  
18 bears a distinguishing number assigned to the cardholder, the  
19 full name, date of birth, sex, residence address, and brief  
20 description and color photograph of the cardholder, or other  
21 identification as specified by rule of the department of public  
22 safety. The sheriff shall conduct a criminal history check  
23 concerning each applicant by obtaining criminal history data  
24 from the department of public safety which shall include an  
25 inquiry of the national instant criminal background check  
26 system maintained by the federal bureau of investigation or any  
27 successor agency. A person who makes what the person knows  
28 to be a false statement of material fact on an application  
29 submitted under [this section](#) or who submits what the person  
30 knows to be any materially falsified or forged documentation in  
31 connection with such an application commits a class "D" felony.

32     Sec. 38. Section 724.22, subsection 9, as enacted by 2017  
33 Iowa Acts, House File 517, section 29, is amended to read as  
34 follows:

35     9. A parent, guardian, spouse, or instructor, who knowingly

1 provides direct supervision under subsection 5, of a person  
2 while intoxicated as provided under the conditions set out  
3 in section 321J.2, subsection 1, ~~or under the influence of~~  
4 ~~an illegal drug~~ paragraph "a", "b", or "c", commits child  
5 endangerment in violation of section 726.6, subsection 1,  
6 paragraph "i".

7 Sec. 39. Section 726.6, subsection 1, paragraph i, as  
8 enacted by 2017 Iowa Acts, House File 517, section 30, is  
9 amended to read as follows:

10 *i.* Knowingly provides direct supervision of a person under  
11 section 724.22, subsection 5, while intoxicated as provided  
12 under the conditions set out in section 321J.2, subsection 1,  
13 ~~or under the influence of an illegal drug~~ paragraph "a", "b",  
14 or "c".

15 Sec. 40. 2017 Iowa Acts, House File 517, section 50,  
16 subsection 1, as enacted, is amended to read as follows:

17 1. The ~~section~~ sections of this Act amending ~~section~~  
18 sections 724.22 and 726.6.

19 Sec. 41. REPEAL. 2017 Iowa Acts, House File 517, section  
20 16, as enacted, is repealed.

21 Sec. 42. EFFECTIVE UPON ENACTMENT. The section of this  
22 division of this Act amending 2017 Iowa Acts, House File 517,  
23 section 50, subsection 1, being deemed of immediate importance,  
24 takes effect upon enactment.

25 Sec. 43. RETROACTIVE APPLICABILITY. The section of this  
26 division of this Act amending 2017 Iowa Acts, House File 517,  
27 section 50, subsection 1, applies retroactively to April 13,  
28 2017.

29 DIVISION VI

30 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS — TAX

31 Sec. 44. Section 453A.1, Code 2017, is amended by adding the  
32 following new subsection:

33 NEW SUBSECTION. 7A. "*Delivery sale*" means any sale of  
34 an alternative nicotine product or a vapor product to a  
35 purchaser in this state where the purchaser submits the order

1 for such sale by means of a telephonic or other method of  
2 voice transmission, mail or any other delivery service, or the  
3 internet or other online service and the alternative nicotine  
4 product or vapor product is delivered by use of mail or a  
5 delivery service. The sale of an alternative nicotine product  
6 or vapor product shall constitute a delivery sale regardless of  
7 whether the seller is located in this state. "Delivery sale"  
8 does not include a sale to a distributor or retailer of any  
9 alternative nicotine product or vapor product not for personal  
10 consumption.

11 Sec. 45. Section 453A.1, subsection 20, Code 2017, is  
12 amended to read as follows:

13 20. "*Place of business*" is construed to mean and include any  
14 place where cigarettes are sold or where cigarettes are stored  
15 within or without the state of Iowa by the holder of an Iowa  
16 permit or kept for the purpose of sale or consumption; or if  
17 sold from any vehicle or train, the vehicle or train on which  
18 or from which such cigarettes are sold shall constitute a place  
19 of business; or for a business within or without the state that  
20 conducts delivery sales, any place where alternative nicotine  
21 products or vapor products are sold or where alternative  
22 nicotine products or vapor products are kept for the purpose  
23 of sale.

24 Sec. 46. Section 453A.13, subsection 1, Code 2017, is  
25 amended to read as follows:

26 1. *Permits required.* Every distributor, wholesaler,  
27 cigarette vendor, and retailer, now engaged or who desires to  
28 become engaged in the sale or use of cigarettes, upon which a  
29 tax is required to be paid, and every retailer now engaged or  
30 who desires to become engaged in selling, offering for sale, or  
31 distributing alternative nicotine products or vapor products,  
32 including through delivery sales, shall obtain a state or  
33 retail permit as a distributor, wholesaler, cigarette vendor,  
34 or retailer, as the case may be.

35 Sec. 47. Section 453A.13, subsection 2, paragraph a, Code



1 2017, is amended to read as follows:

2     a. The department shall issue state permits to distributors,  
3 wholesalers, and cigarette vendors and retailers that make  
4 delivery sales of alternative nicotine products and vapor  
5 products subject to the conditions provided in this division.  
6 If an out-of-state retailer makes delivery sales of alternative  
7 nicotine products or vapor products, an application shall be  
8 filed with the department and a permit shall be issued for the  
9 out-of-state retailer's principal place of business. Cities  
10 may issue retail permits to ~~dealers~~ retailers with a place of  
11 business located within their respective limits. County boards  
12 of supervisors may issue retail permits to ~~dealers~~ retailers  
13 with a place of business in their respective counties, outside  
14 of the corporate limits of cities.

15     Sec. 48. Section 453A.42, Code 2017, is amended by adding  
16 the following new subsection:

17     NEW SUBSECTION. 2A. "*Delivery sale*" means any sale of  
18 an alternative nicotine product or a vapor product to a  
19 purchaser in this state where the purchaser submits the order  
20 for such sale by means of a telephonic or other method of  
21 voice transmission, mail or any other delivery service, or the  
22 internet or other online service and the alternative nicotine  
23 product or vapor product is delivered by use of mail or a  
24 delivery service. The sale of an alternative nicotine product  
25 or vapor product shall constitute a delivery sale regardless of  
26 whether the seller is located in this state. "*Delivery sale*"  
27 does not include a sale to a distributor or retailer of any  
28 alternative nicotine product or vapor product not for personal  
29 consumption.

30     Sec. 49. Section 453A.42, subsection 8, Code 2017, is  
31 amended to read as follows:

32     8. "*Place of business*" means any place where tobacco  
33 products are sold or where tobacco products are manufactured,  
34 stored, or kept for the purpose of sale or consumption,  
35 including any vessel, vehicle, airplane, train, or vending

1 machine; or for a business within or without the state that  
2 conducts delivery sales, any place where alternative nicotine  
3 products or vapor products are sold or where alternative  
4 nicotine products or vapor products are kept for the purpose of  
5 sale, including delivery sales.

6 Sec. 50. Section 453A.47A, subsections 1, 3, and 6, Code  
7 2017, are amended to read as follows:

8 1. *Permits required.* A person shall not engage in  
9 the business of a retailer of tobacco, tobacco products,  
10 alternative nicotine products, or vapor products at any place  
11 of business, or through delivery sales, without first having  
12 received a permit as a retailer.

13 3. *Number of permits.* An application shall be filed and a  
14 permit obtained for each place of business owned or operated by  
15 a retailer located in the state. If an out-of-state retailer  
16 makes delivery sales of alternative nicotine products or vapor  
17 products, an application shall be filed with the department  
18 and a permit shall be issued for the out-of-state retailer's  
19 principal place of business.

20 6. *Issuance.* Cities ~~shall~~ may issue retail permits to  
21 retailers located within their respective limits. County  
22 boards of supervisors ~~shall~~ may issue retail permits to  
23 retailers located in their respective counties, outside of the  
24 corporate limits of cities. The city or county shall submit a  
25 duplicate of any application for a retail permit and any retail  
26 permit issued by the entity under [this section](#) to the alcoholic  
27 beverages division of the department of commerce within thirty  
28 days of issuance. The alcoholic beverages division of the  
29 department of commerce shall submit the current list of all  
30 retail permits issued to the Iowa department of public health  
31 by the first day of each quarter of a state fiscal year.

32 Sec. 51. NEW SECTION. 453A.47B Requirements for mailing or  
33 shipping — alternative nicotine products or vapor products.

34 1. A retailer shall not mail, ship, or otherwise cause to  
35 be delivered any alternative nicotine product or vapor product

1 in connection with a delivery sale unless all of the following  
2 apply:

3     *a.* Prior to sale to the purchaser, the retailer verifies  
4 that the purchaser is at least eighteen years of age through or  
5 by one of the following:

6         (1) A commercially available database, or aggregate of  
7 databases, that is regularly used by government and businesses  
8 for the purpose of age and identity verification.

9         (2) Obtaining a copy of a valid government-issued document  
10 that provides the name, address, and date of birth of the  
11 purchaser.

12     *b.* The retailer uses a method of mailing, shipping, or  
13 delivery that requires the signature of a person who is at  
14 least eighteen years of age before the shipping package is  
15 released to the purchaser.

16     Sec. 52. NEW SECTION. **453A.47C Sales and use tax on**  
17 **delivery sales — alternative nicotine products or vapor**  
18 **products.**

19     1. A delivery sale of alternative nicotine products or vapor  
20 products within this state shall be subject to the sales tax  
21 provided in chapter 423, subchapter II.

22     2. The use in this state of alternative nicotine products  
23 or vapor products purchased for use in this state through a  
24 delivery sale shall be subject to the use tax provided in  
25 chapter 423, subchapter III.

26     3. A retailer required to possess or possessing a permit  
27 under section 453A.13 or 453A.47A to make delivery sales of  
28 alternative nicotine products or vapor products within this  
29 state shall be deemed to have waived all claims that such  
30 retailer lacks physical presence within this state for purposes  
31 of collecting and remitting sales and use tax.

32     4. A retailer making taxable delivery sales of alternative  
33 nicotine products or vapor products within this state shall  
34 remit to the department all sales and use tax due on such sales  
35 at the times and in the manner provided by chapter 423.

1 5. The director shall adopt rules pursuant to chapter 17A to  
2 administer this section.

3

DIVISION VII

4

BALLOT ARRANGEMENT FOR CERTAIN PARTISAN OFFICES

5

Sec. 53. Section 49.31, subsection 1, Code 2017, is amended  
6 to read as follows:

7

1. *a.* All ballots shall be arranged with the names of  
8 candidates for each office listed below the office title.  
9 For partisan elections the name of the political party or  
10 organization which nominated each candidate shall be listed  
11 after or below each candidate's name.

12

*b.* (1) The commissioner shall determine the order of  
13 political parties and nonparty political organizations on the  
14 ballot as provided under this paragraph "b". The sequence shall  
15 be the same for each office on the ballot and for each precinct  
16 in the county voting in the election. The commissioner shall  
17 arrange the ballot so that the candidates of each political  
18 party, as defined in section 43.2, for each partisan office  
19 appearing on the ballot shall appear in descending order so  
20 that the candidates of the political party whose registered  
21 voters voted in the greatest number in the commissioner's  
22 county at the preceding election described in section 39.9  
23 shall appear first on the ballot, and the candidates of the  
24 political party whose registered voters voted in the next  
25 greatest number in the commissioner's county at such election  
26 appear next on the ballot, and continuing in descending order  
27 in the same manner.

28

(2) The commissioner shall determine the number of  
29 registered voters from each political party who voted at each  
30 election described in section 39.9 after the state registrar  
31 has updated information on participation pursuant to section  
32 48A.38, subsection 2, following such an election.

33

(3) If the number of registered voters from two or more  
34 political parties voted in the same number in the county, the  
35 commissioner shall determine the order of arranging political

1 party candidates for those political parties based upon the  
2 numbers of registered voters who voted in the most recent  
3 election described in section 39.9 for which the number of  
4 registered voters from those political parties who voted in  
5 such an election were different.

6 c. The commissioner shall determine the order of nonparty  
7 political organizations on the ballot. The sequence shall be  
8 the same for each office on the ballot and for each precinct in  
9 the county voting in the election.

10 Sec. 54. Section 49.31, subsection 2, paragraph b, Code  
11 2017, is amended to read as follows:

12 b. The Notwithstanding any provision of subsection 1,  
13 paragraph "b", to the contrary, the commissioner shall then  
14 arrange the surnames of each political party's candidates for  
15 each office to which two or more persons are to be elected at  
16 large alphabetically for the respective offices for the first  
17 precinct on the list; thereafter, for each political party and  
18 for each succeeding precinct, the names appearing first for  
19 the respective offices in the last preceding precinct shall  
20 be placed last, so that the names that were second before the  
21 change shall be first after the change. The commissioner may  
22 also rotate the names of candidates of a political party in the  
23 reverse order of that provided in [this subsection](#) or alternate  
24 the rotation so that the candidates of different parties shall  
25 not be paired as they proceed through the rotation. The  
26 procedure for arrangement of names on ballots provided in this  
27 section shall likewise be substantially followed in elections  
28 in political subdivisions of less than a county.

29

#### EXPLANATION

30 The inclusion of this explanation does not constitute agreement with  
31 the explanation's substance by the members of the general assembly.

32 This bill relates to state and local finances by  
33 making appropriations, providing for legal and regulatory  
34 responsibilities, concerning taxation, and providing for other  
35 properly related matters. The bill is organized by divisions.

1       STANDING APPROPRIATIONS AND RELATED MATTERS. For the budget  
2 process applicable to FY 2017-2018 and FY 2018-2019, state  
3 agencies are required to submit estimates and other expenditure  
4 information as called for by the director of the department  
5 of management instead of the information required under Code  
6 section 8.23.

7       The bill limits standing appropriations for FY 2017-2018  
8 and FY 2018-2019 made for payment of nonpublic school  
9 transportation claims and for distribution for the tribal  
10 council of the Sac and Fox Indian settlement for educating  
11 American Indian children.

12       The bill reduces the standing unlimited appropriation for FY  
13 2017-2018 made for expenses of the general assembly under Code  
14 section 2.12.

15       The bill limits the standing appropriation for paying  
16 instructional support state aid to zero for FY 2017-2018.

17       The bill allows salary adjustments to be funded using  
18 departmental revolving, trust, or special funds for which the  
19 general assembly has established an operating budget for FY  
20 2017-2018 and FY 2018-2019.

21       The bill requires any balance of an operational  
22 appropriation that remains unexpended or unencumbered shall  
23 not be encumbered or deposited in the cash reserve fund as  
24 provided in Code section 8.62, but shall instead revert to the  
25 general fund of the state at the close of the fiscal year for FY  
26 2016-2017. This provision takes effect upon enactment.

27       The bill allows salary adjustments otherwise provided to  
28 be funded as determined by the department of management using  
29 unappropriated moneys remaining in the department of commerce  
30 revolving fund, the gaming enforcement revolving fund, the  
31 gaming regulatory revolving fund, the primary road fund, the  
32 road use tax fund, the fish and game protection fund, the Iowa  
33 public employees' retirement fund, and in other departmental  
34 revolving, trust, or special funds for which the general  
35 assembly has not made an operating budget appropriation for FY

1 2017-2018 and FY 2018-2019.

2 The bill requires the salary model administrator to work in  
3 conjunction with the legislative services agency to maintain  
4 the state's salary model used for analyzing, comparing, and  
5 projecting state salary and benefit information.

6 The bill reduces state aid for the area education agencies  
7 and the portion of the combined district cost calculated for  
8 these agencies for FY 2017-2018 by \$15 million.

9 MISCELLANEOUS APPROPRIATIONS. The bill transfers moneys  
10 from the cash reserve fund to the general fund of the state for  
11 FY 2016-2017. This provision takes effect upon enactment.

12 The bill appropriates moneys from the general fund of the  
13 state to the cash reserve fund for FY 2017-2018.

14 The bill appropriates moneys to the offices of the governor  
15 and lieutenant governor for purposes of expenses incurred  
16 during the gubernatorial transition for FY 2017-2018.

17 MISCELLANEOUS PROVISIONS. Currently, the courts are  
18 assigned space in the capitol building. The bill eliminates  
19 the assignment of space and requires the legislative council to  
20 provide the courts with use of space in the state capitol for  
21 ceremonial purposes.

22 The bill amends 2017 Iowa Acts, Senate File 431, if enacted,  
23 relating to small wireless facilities. The bill changes a  
24 reference to "building permit" to read "permit".

25 The bill creates a technology modernization fund. Moneys  
26 in the fund are appropriated to the secretary of state to be  
27 used for modernizing technology used by the secretary of state  
28 to fulfill the duties of office. On and after July 1, 2017,  
29 any increased fee amount collected by the secretary of state  
30 is credited to the technology modernization fund. From each  
31 fee collected, the amount credited to the fund equals the  
32 difference between the fee amount collected and the amount  
33 assessed for the same fee on June 30, 2017. Each fiscal year,  
34 not more than \$2 million shall be credited to the fund. The  
35 fund is repealed July 1, 2022.

1 The bill exempts a business operated for the purpose of  
2 fulfilling customer orders from being considered a retail  
3 business under the eligibility requirements for incentives or  
4 assistance under the high quality jobs program.

5 Currently, under Code section 321N.4, insurance coverage  
6 maintained by a transportation network company must be provided  
7 by an insurer governed by Code chapter 515 or 518, or by a  
8 surplus lines insurer governed by Code chapter 515I, and such  
9 surplus lines insurers are considered insurance carriers duly  
10 authorized to transact business for purposes of Code chapter  
11 321A. The bill eliminates the reference to Code chapter 518  
12 and eliminates the reference to surplus lines insurers being  
13 considered insurance carriers authorized to transact business  
14 for purposes of Code chapter 321A.

15 The bill extends the allowable period of time that the  
16 economic development authority and certain cities may enter  
17 into targeted jobs withholding agreements with employers under  
18 the targeted jobs withholding credit pilot project. Under  
19 current law, the economic development authority and pilot  
20 project cities are prohibited from entering into withholding  
21 agreements after June 30, 2018. Under the bill, the economic  
22 development authority and pilot project cities are permitted to  
23 enter into such agreements until June 30, 2023.

24 The bill provides that the natural resource commission shall  
25 not restrict or prohibit hunting on specific private property  
26 generally or for the hunting of a particular wild animal, so  
27 long as the hunter is otherwise qualified to hunt in this  
28 state, purchases a valid hunting license that includes the  
29 wildlife habitat fee and a valid hunting license for the type  
30 of wild animal being hunted, if applicable, and adheres to all  
31 municipal, county, state, and federal regulations applicable to  
32 the hunting and to the type of wild animal being hunted.

33 The bill requires the alcoholic beverages division of the  
34 department of commerce, in conjunction with other stakeholders  
35 the division deems necessary, to conduct a study concerning



1 enforcement issues related to alcoholic beverage control,  
2 including consideration of the manner of properly balancing  
3 appropriate regulation of the manufacturing, distribution, and  
4 sale of alcoholic liquor, wine, and beer in this state with  
5 emerging trends in the industry. The bill includes reporting  
6 requirements. The bill allows the division administrator to  
7 exercise discretion on a case-by-case basis and elect to not  
8 enforce Code section 123.45 during the period of such study  
9 upon a finding that an applicant does not pose a risk to public  
10 health or safety.

11 The bill requires sexual abuse evidence kits identified  
12 through an inventory conducted pursuant to 2016 Iowa Acts,  
13 chapter 1042, to be maintained indefinitely.

14 The bill repeals Code sections requiring the integration of  
15 fine arts within, on, or about the total environment of the  
16 construction of a state building.

17 CORRECTIVE PROVISIONS. Code section 22.13A(5)(b), as  
18 enacted by 2017 Iowa Acts, House File 291, section 51, is  
19 amended to correct an internal reference to the subparagraphs  
20 of a preceding paragraph in this provision relating to  
21 personnel settlement agreements. The amendment is made  
22 effective upon enactment of the bill.

23 Code section 73A.26, as enacted by 2017 Iowa Acts, Senate  
24 File 438, section 6, is amended to correct a reference to the  
25 new subchapter created in the bill relating to the construction  
26 of public improvements. The amendment is made effective upon  
27 enactment of the bill.

28 Code section 84A.1A(1)(a)(8)(b)(iii), as enacted by 2017  
29 Iowa Acts, House File 572, section 1, is amended to correct  
30 a grammatical construction describing serving or providing  
31 support to two different populations, veterans and individuals  
32 with disabilities, in a provision relating to the appointment  
33 of representatives to the Iowa workforce development board.  
34 The amendment is made effective upon enactment of the bill.

35 Code section 225D.1(8), as amended by 2017 Iowa Acts, House

1 File 215, section 1, is amended to refer to "other" private  
2 insurance coverage to match other references in the bill to  
3 such coverage in this provision relating to health insurance  
4 coverage for autism spectrum disorder. The amendment is made  
5 effective January 1, 2018, to coincide with the effective date  
6 of the amendment in House File 215.

7 2017 Iowa Acts, House File 488, section 57, the  
8 nonsubstantive Code editor's bill, as enacted, is amended  
9 to correctly include the words "surety bond", which were  
10 inadvertently omitted from a newly created numeric list of  
11 methods to meet financial responsibility requirements in this  
12 provision relating to underground storage tanks.

13 WEAPONS. This division relates to 2017 Iowa Acts, House File  
14 517, dealing with weapons.

15 The amendment to Code section 724.17 is in response to State  
16 v. Downey, (Iowa Supreme Court No. 15-1585) relating to an  
17 application for a permit to acquire pistols and revolvers.  
18 For purposes of completing the application and in addition to  
19 the requirements of the application including the applicant's  
20 full name, driver's license or nonoperator's identification  
21 card number, residence, and date and place of birth, the bill  
22 requires that such an application for a permit to acquire  
23 include whether the applicant is able to meet the criteria  
24 specified in Code section 724.15 (requirements for issuance of  
25 permit to acquire pistols or revolvers). Under current law and  
26 the bill, an applicant who knowingly makes a false statement  
27 of material fact on the application for a permit to acquire  
28 pistols and revolvers or who submits what the applicant knows  
29 to be any materially falsified or forged documentation in  
30 connection with such an application commits a class "D" felony.

31 The definition of "peace officer" in Code section 724.2A,  
32 with respect to the carrying of weapons under Code section  
33 724.4, is amended to apply to peace officers whether certified  
34 or awaiting certification.

35 The descriptions of intoxication in Code sections 724.4C

1 (carrying of firearms), 724.22 (while supervising a minor in  
2 possession of a pistol or revolver), and 726.6 (commission of  
3 child endangerment while so supervising a minor) are amended  
4 to specify that the conditions of intoxication are set out in  
5 Code section 321J.2(1)(a), (b), or (c), which relate to the  
6 presence of alcohol or drugs in a person and do not relate to  
7 the condition of operating a motor vehicle.

8 Two mostly duplicative provisions are contained in House  
9 File 517 that relate to the awarding of court costs and  
10 attorney fees with regard to disputes in the issuance of  
11 permits to carry and to acquire. The second provision in  
12 section 27 of House File 517 is more complete, including  
13 withdrawals of appeals by applicants. The first more  
14 incomplete provision of the two is repealed.

15 Two sections of House File 517 amend Code section 724.22  
16 relating to the supervised possession of a pistol or revolver  
17 by a person under the age of 21. However, the immediate  
18 effective date provision of the bill only recognizes that  
19 one section of the bill amends Code section 724.22. Section  
20 29 of the bill relates to civil liability and the commission  
21 of child endangerment by a person supervising a person  
22 under the age of 21. The amendment makes certain that all  
23 amendments in House File 517 affecting Code sections 724.22  
24 (supervision, liability, and child endangerment) and 726.6  
25 (child endangerment) take effect upon the enactment of the bill  
26 and apply retroactively to April 13, 2017.

27 VAPOR AND ALTERNATIVE NICOTINE PRODUCTS — DELIVERY SALES  
28 — TAX. The bill regulates the delivery sale, as defined in  
29 the bill, of alternative nicotine products and vapor products  
30 by sellers within and without the state through a permitting  
31 process for retailers making delivery sales and through age  
32 verification requirements. The bill also subjects the delivery  
33 sale of alternative nicotine products and vapor products to  
34 sales and use tax.

35 BALLOT ARRANGEMENT FOR CERTAIN PARTISAN OFFICES. The bill

1 relates to the arrangement of election ballots for certain  
2 partisan offices. Under the bill, a county commissioner is  
3 required to arrange the ballot so that the candidates of  
4 each political party for most partisan offices appearing on  
5 the ballot appear in descending order so that the candidates  
6 of the political party whose registered voters voted in the  
7 greatest number in the commissioner's county at the preceding  
8 gubernatorial election appear first on the ballot, and the  
9 candidates of the political party whose registered voters voted  
10 in the next greatest number in the commissioner's county at  
11 such election appear next on the ballot, and continuing in  
12 descending order in the same manner.