

**House File 1002 - Introduced**

HOUSE FILE 1002  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 755)  
(SUCCESSOR TO HSB 197)

**A BILL FOR**

1 An Act authorizing length of service award programs for volunteer  
2 fire fighters, volunteer emergency medical care providers, and  
3 reserve peace officers, and making appropriations.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **100B.51 Length of service award**  
2 **programs — authorization.**

3 The governing body of a municipality, as defined in section  
4 100B.21, is authorized to establish a length of service award  
5 program for volunteer fire fighters as defined in section 85.61,  
6 emergency medical care providers as defined in section 147A.1  
7 who are volunteers, and reserve peace officers as defined in  
8 section 80D.1A. The program shall provide length of service  
9 awards, as described in section 457(e)(11) of the Internal  
10 Revenue Code, to volunteer fire fighters, volunteer emergency  
11 medical care providers, and reserve peace officers serving a  
12 municipality that elects to establish a program. The program  
13 shall be designed to treat awards from the program as a  
14 tax-deferred benefit under the Internal Revenue Code. The  
15 governing body of the municipality shall, in consultation with  
16 the chief or other person in command of the fire department  
17 and police department serving the municipality, as applicable,  
18 adopt guidelines providing for eligibility requirements for  
19 participation by volunteer fire fighters, volunteer emergency  
20 medical care providers, and reserve peace officers, minimum  
21 vesting requirements, distribution requirements, and such other  
22 guidelines as deemed necessary to operate the program.

23 Sec. 2. NEW SECTION. **100B.52 Length of service award**  
24 **program grant fund — appropriation.**

25 1. A length of service award program grant fund is created  
26 in the state treasury under the control of the department of  
27 revenue. The fund shall consist of all moneys appropriated to  
28 the fund.

29 2. Moneys in the length of service award program grant fund  
30 are appropriated to the department of revenue for the purpose  
31 of providing grants to municipalities that have established a  
32 length of service award program as described in section 100B.51  
33 to provide contributions to the program on behalf of participants  
34 in the program. The department of revenue shall adopt rules  
35 pursuant to chapter 17A establishing a grant application process.

1 The rules must require a municipality to electronically file the  
2 grant application with the department of revenue. The grant  
3 process shall provide for up to a dollar-for-dollar funding match  
4 from a municipality that has established a length of service  
5 award program, not to exceed five hundred dollars per person in  
6 the program receiving the grant. If the amount in the fund is  
7 insufficient to pay all the eligible grants in a fiscal year,  
8 the director of revenue shall prorate the moneys awarded to each  
9 municipality. The grant process shall allow a municipality to  
10 use moneys received to fund the program from gifts, devises,  
11 bequests, or any other source for purposes of providing the  
12 funding match required by this subsection.

13 3. Notwithstanding section 12C.7, subsection 2, interest or  
14 earnings on moneys deposited in the fund shall be credited to the  
15 fund. Notwithstanding section 8.33, moneys credited to the fund  
16 shall not revert at the close of a fiscal year.

17 Sec. 3. APPROPRIATION.

18 1. There is appropriated from the sports wagering receipts  
19 fund created in section 8.57I to the department of revenue for  
20 the fiscal year beginning July 1, 2025, and ending June 30, 2026,  
21 the following amount, or so much thereof as is necessary, to be  
22 used for the purposes designated:

23 For deposit in the length of service award program grant fund  
24 created in section 100B.52, as enacted by this Act:

25 ..... \$ 1,500,000

26 2. Moneys received from the sports wagering receipts fund  
27 pursuant to this section are not subject to the reporting  
28 requirements provided in section 8.57I, subsections 4 and 5.

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 authorizes a municipality, defined as a city,  
33 county, township, benefited fire district, or agency authorized  
34 by law to provide emergency response services, to establish  
35 a length of service award program (LOSAP) as described in

1 section 457(e)(11) of the Internal Revenue Code for volunteer  
2 fire fighters, volunteer emergency medical care providers, and  
3 reserve peace officers. The bill provides that the governing  
4 body of a municipality that establishes a LOSAP shall, in  
5 consultation with the chief or other person in command of the  
6 fire department and police department serving the municipality,  
7 as applicable, adopt guidelines providing for eligibility  
8 requirements for participation, minimum vesting requirements,  
9 distribution requirements, and such other guidelines as deemed  
10 necessary to operate the LOSAP.

11 The bill also establishes a LOSAP grant fund under the control  
12 of the department of revenue (department). Moneys in the fund  
13 are appropriated to the department for grants to municipalities  
14 that have established a LOSAP to provide contributions on behalf  
15 of participants. The bill requires the department to adopt rules  
16 establishing a grant application process that shall provide for  
17 up to a dollar-for-dollar funding match from a municipality that  
18 has established a LOSAP, in an amount not to exceed \$500 per  
19 award recipient. If the moneys in the fund are insufficient to  
20 pay all eligible grants in a fiscal year, the director of revenue  
21 must prorate the moneys to each municipality. The bill also  
22 requires the grant process to allow a municipality to use moneys  
23 received from any source for purposes of providing the funding  
24 match required by the bill.

25 For FY 2025-2026, the bill appropriates \$1.5 million from the  
26 sports wagering receipts fund to the LOSAP grant fund.