

Senate File 165 - Introduced

SENATE FILE 165
BY KLIMESH

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:

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1 Section 1. Section 8.57I, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 3A. For the fiscal year beginning July 1,
4 2026, and for each fiscal year thereafter, an amount necessary
5 to bring the unencumbered and unobligated balance in the length
6 of service award program grant fund created in section 100B.52
7 to one million five hundred thousand dollars as of July 1 of
8 the fiscal year shall be transferred from the sports wagering
9 receipts fund to the length of service award program grant fund.
10 Moneys received from the sports wagering receipts fund pursuant
11 to this subsection are not subject to the reporting requirements
12 provided in subsection 4 or 5.

13 Sec. 2. NEW SECTION. **100B.51 Length of service award**
14 **programs — authorization.**

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

35 Sec. 3. NEW SECTION. **100B.52 Length of service award**

1 **program grant fund — appropriation.**

2 1. A length of service award program grant fund is created
3 in the state treasury under the control of the department of
4 revenue. The fund shall consist of all moneys appropriated to
5 or deposited in the fund, including moneys transferred pursuant
6 to section 8.57I, subsection 3A.

7 2. Moneys in the length of service award program grant fund
8 are appropriated to the department of revenue for the purpose
9 of providing grants to municipalities that have established a
10 length of service award program as described in section 100B.51
11 to provide contributions to the program on behalf of participants
12 in the program. The department of revenue shall adopt rules
13 pursuant to chapter 17A establishing a grant application process.
14 The grant process shall provide for up to a dollar-for-dollar
15 funding match, in an amount not to exceed three hundred dollars
16 per award recipient per year from the fund, to a municipality
17 that has established a length of service award program. The
18 grant process shall allow a municipality to use moneys received
19 to fund the program from gifts, devises, bequests, or any other
20 source for purposes of providing the funding match required by
21 this subsection.

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

26 **Sec. 4. APPROPRIATION.**

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

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

34 \$ 1,500,000

35 2. Moneys received from the sports wagering receipts fund

1 pursuant to this section are not subject to the reporting
2 requirements provided in section 8.57I, subsection 4 or 5.

3 EXPLANATION

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

6 This bill authorizes a municipality, defined as a city,
7 county, township, benefited fire district, or agency authorized
8 by law to provide emergency response services, to establish
9 a length of service award program as described in section
10 457(e)(11) of the Internal Revenue Code for volunteer fire
11 fighters, volunteer emergency medical care providers, and reserve
12 peace officers. The bill provides that the governing body of
13 a municipality that establishes a program shall, in consultation
14 with the chief or other person in command of the fire department
15 and police department serving the municipality, as applicable,
16 adopt guidelines providing for eligibility requirements for
17 participation by volunteer fire fighters, volunteer emergency
18 medical care providers, and reserve peace officers, minimum
19 vesting requirements, distribution requirements, and such other
20 guidelines as deemed necessary to operate the program.

21 The bill also establishes a length of service award program
22 grant fund under the control of the department of revenue.
23 For the fiscal year beginning July 1, 2025, \$1.5 million is
24 appropriated from the sports wagering receipts fund to the
25 department for deposit in the length of service award program
26 grant fund. Each fiscal year thereafter, an amount necessary to
27 bring the unencumbered and unobligated balance in the length of
28 service award program grant fund to \$1.5 million as of July 1 of
29 the fiscal year is transferred from the sports wagering receipts
30 fund to the length of service award program grant fund. Moneys
31 in the fund are appropriated to the department for grants to
32 municipalities that have established a length of service award
33 program to provide contributions to the program on behalf of
34 participants. The bill requires the department to adopt rules
35 establishing a grant application process that shall provide for

1 up to a dollar-for-dollar funding match, in an amount not to
2 exceed \$300 per award recipient per year from the fund, to
3 a municipality that has established a length of service award
4 program. The bill also requires the grant process to allow a
5 municipality to use moneys received from any source for purposes
6 of providing the funding match required by the bill.

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