Senate File 626 - Introduced

SENATE FILE 626
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 1216)

A BILL FOR

An Act relating to federal moneys and regulations, including the appropriation of federal moneys made available from federal block grants and other nonstate sources, the allocation of portions of federal block grants, the procedures if federal moneys or federal block grants are more or less than anticipated, and the authorization of certain city regulations when required under federal law, and including effective date and retroactive applicability provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

APPROPRIATIONS OF FEDERAL MONEYS

Section 1. SUBSTANCE ABUSE APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.. $ 14,116,120

FFY 2026-2027:.. $ 14,116,120

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 6A, subch. XVII, part B, subpart ii, which provides for the prevention and treatment of substance abuse block grant. The department shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

c. Of the moneys appropriated for each federal fiscal year in this subsection, an amount not exceeding 5 percent shall be used by the department for administrative expenses.

d. (1) For the state fiscal year beginning July 1, 2025, the department shall expend no less than an amount equal to the amount expended for treatment services in the state fiscal year beginning July 1, 2024, for pregnant women and women with dependent children.

(2) For the state fiscal year beginning July 1, 2026, the department shall expend no less than an amount equal to the amount expended for treatment services in the state fiscal year beginning July 1, 2025, for pregnant women and women with dependent children.

2. At least 20 percent of the moneys remaining from the appropriation made in subsection 1 for each federal fiscal year shall be allocated for prevention programs.

3. In implementing the federal prevention and treatment of substance abuse block grant under 42 U.S.C. ch. 6A, subch. XVII,

and any other applicable provisions of the federal Public Health Service Act under 42 U.S.C. ch. 6A, the department shall apply the provisions of Pub. L. No. 106-310, §3305, as codified in 42 U.S.C. §300x-65, relating to services under such federal law being provided by religious and other nongovernmental organizations.

Sec. 2. COMMUNITY MENTAL HEALTH SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $ 7,754,083

FFY 2026-2027:.................................... $ 7,754,083

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 6A, subch. XVII, part B, subpart i, which provides for the community mental health services block grant. The department shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

c. The department shall allocate not less than 95 percent of the amount of the block grant each federal fiscal year for eligible community mental health services for carrying out the plan submitted to and approved by the federal substance abuse and mental health services administration or required by the federal substance abuse and mental health services administration for the fiscal year involved.

2. An amount not exceeding 5 percent of the moneys appropriated in subsection 1 for each federal fiscal year shall be used by the department of health and human services for administrative expenses. From the moneys set aside by this subsection for administrative expenses, the department shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the

moneys appropriated in subsection 1. The auditor of state shall bill the department for the costs of the audits.

Sec. 3. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $ 6,775,530

FFY 2026-2027:.................................... $ 6,775,530

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 7, subch. V, which provides for the maternal and child health services block grant. The department shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

c. Moneys appropriated in this subsection shall not be used by the university of Iowa hospitals and clinics for indirect costs.

2. An amount not exceeding 10 percent of the moneys appropriated in subsection 1 for each federal fiscal year shall be used by the department of health and human services for administrative expenses.

3. The department of health and human services, department of education, and the university of Iowa's mobile and regional child health specialty clinics shall continue to pursue to the maximum extent feasible the coordination and integration of services to women and children.

4. a. Sixty-three percent of the amount remaining after the allocation made in subsection 2 for each federal fiscal year shall be allocated to supplement appropriations for maternal and child health programs within the department of health and human services. Of these moneys, the following amounts shall be set aside for the statewide perinatal care program for the following federal fiscal years:

FFY 2025-2026:.................................... $ 300,291
FFY 2026-2027:.................................... $ 300,291

b. Thirty-seven percent of the amount remaining after the allocation made in subsection 2 for each federal fiscal year shall be allocated to the university of Iowa hospitals and clinics under the control of the state board of regents for mobile and regional child health specialty clinics. The university of Iowa hospitals and clinics shall not receive an allocation for indirect costs from the moneys for this program. Priority shall be given to establishment and maintenance of a statewide system of mobile and regional child health specialty clinics.

5. The department of health and human services shall administer the statewide maternal and child health program and the disabled children's program by conducting mobile and regional child health specialty clinics and conducting other activities to improve the health of low-income women and children and to promote the welfare of children with actual or potential handicapping conditions and chronic illnesses in accordance with the requirements of Tit. V of the federal Social Security Act.

Sec. 4. PREVENTIVE HEALTH AND HEALTH SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $ 1,955,591
FFY 2026-2027:.................................... $ 1,955,591

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 6A, subch. XVII, part A, which provides for the preventive health and health services block grant. The department shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter

17A.

2. Of the moneys appropriated in subsection 1 for each federal fiscal year, an amount not exceeding 10 percent shall be used by the department for administrative expenses.

3. Of the moneys appropriated in subsection 1 for each federal fiscal year, the specific amount of moneys stipulated by the notice of the block grant award shall be allocated for services to victims of sex offenses and for sex offense prevention.

4. After deducting the moneys allocated in subsections 2 and 3, the remaining moneys appropriated in subsection 1 for each federal fiscal year may be used by the department for healthy people 2030 and Iowa's health improvement plan 2023-2027 program objectives, preventive health advisory committee, and risk reduction services, including nutrition programs, health incentive programs, chronic disease services, emergency medical services, monitoring of the fluoridation program and start-up fluoridation grants, and acquired immune deficiency syndrome services. The moneys specified in this subsection shall not be used by the university of Iowa hospitals and clinics or by the state hygienic laboratory for the funding of indirect costs.

Sec. 5. RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS FORMULA GRANT PROGRAM APPROPRIATIONS. There is appropriated from the fund created pursuant to section 8.41 to the office of drug control policy of the department of public safety for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $ 422,329
FFY 2026-2027:.................................... $ 307,388

The appropriations made in this section are the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 46, subch. XII-G, which provides grants for substance abuse treatment programs in state and local correctional facilities. The drug policy director shall expend the moneys appropriated in this section as provided in the federal law making the moneys available and in conformance with chapter 17A.

Sec. 6. EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM APPROPRIATIONS. There is appropriated from the fund created pursuant to section 8.41 to the office of drug control policy of the department of public safety for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:...................................... $ 1,964,093

FFY 2026-2027:...................................... $ 2,178,973

The appropriations made in this section are in the amounts anticipated to be received from the federal government for the designated fiscal years under 42 U.S.C. ch. 46, subch. V, which provides for the Edward Byrne memorial justice assistance grant program. The drug policy director shall expend the moneys appropriated in this section as provided in the federal law making the moneys available and in conformance with chapter 17A.

Sec. 7. COMMUNITY SERVICES APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:...................................... $ 8,300,123

FFY 2026-2027:...................................... $ 8,300,123

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 106, which provides for the community services block grant. The department of health and human services shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

c. Each federal fiscal year, the department of health and human services shall allocate not less than 96 percent of the amount of the block grants to eligible community action agencies for programs benefiting low-income persons. Each eligible agency shall receive a minimum allocation of not less than $185,000. The minimum allocation shall be achieved by redistributing increased moneys from agencies experiencing a greater share of available moneys. The moneys shall be distributed on the basis of the poverty-level population in the area represented by the community action areas compared to the size of the poverty-level population in the state.

2. An amount not exceeding 4 percent of the moneys appropriated in subsection 1 for each federal fiscal year shall be used by the department of health and human services for administrative expenses. From the moneys set aside by this subsection for administrative expenses, the department of health and human services shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the moneys appropriated in subsection 1. The auditor of state shall bill the department of health and human services for the costs of the audits.

Sec. 8. COMMUNITY DEVELOPMENT APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the economic development authority for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $ 26,500,000

FFY 2026-2027:.................................... $ 26,500,000

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 69, which provides for community development block grants. The economic development authority shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

2. a. An amount not exceeding $1,160,000 for the federal fiscal year beginning October 1, 2025, shall be used by the economic development authority for administrative expenses for the community development block grant. The total amount used for

administrative expenses includes $630,000 for the federal fiscal year beginning October 1, 2025, of moneys appropriated in subsection 1 and a matching contribution from the state equal to $530,000 from the appropriation of state moneys for the community development block grant and state appropriations for related activities of the economic development authority. From the moneys set aside for administrative expenses by this subsection, the economic development authority shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the moneys appropriated in subsection 1. The auditor of state shall bill the authority for the costs of the audit.

b. An amount not exceeding $1,160,000 for the federal fiscal year beginning October 1, 2026, shall be used by the economic development authority for administrative expenses for the community development block grant. The total amount used for administrative expenses includes $630,000 for the federal fiscal year beginning October 1, 2026, of moneys appropriated in subsection 1 and a matching contribution from the state equal to $530,000 from the appropriation of state moneys for the community development block grant and state appropriations for related activities of the economic development authority. From the moneys set aside for administrative expenses by this subsection, the economic development authority shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the moneys appropriated in subsection 1. The auditor of state shall bill the authority for the costs of the audit.

Sec. 9. SURFACE TRANSPORTATION BLOCK GRANT PROGRAM APPROPRIATIONS. There is appropriated from the fund created pursuant to section 8.41 to the department of transportation for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:..................................... $192,600,000
FFY 2026-2027:..................................... $192,600,000

The appropriations made in this section are the amounts anticipated to be received from the federal government for the designated fiscal years under 23 U.S.C. ch. 1, §133, which provides funding allocated by the state transportation commission for state and local transportation projects. The department shall expend the moneys appropriated in this section as provided in the federal law making the moneys available and in conformance with chapter 17A.

Sec. 10. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $ 58,058,248

FFY 2026-2027:.................................... $ 58,058,248

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 94, subch. II, which provides for the low-income home energy assistance block grants. The department of health and human services shall expend the moneys appropriated in this subsection as provided in the federal law making the moneys available and in conformance with chapter 17A.

2. Up to 15 percent, or up to 25 percent if a waiver is approved by the United States department of health and human services, of the amount appropriated in this section that is actually received for each federal fiscal year shall be used for residential weatherization or other related home repairs for low-income households. Of this allocation amount, not more than 10 percent may be used for administrative expenses.

3. After subtracting the allocation in subsection 2, no less than 8.4 percent of the remaining moneys for each federal fiscal year are allocated for administrative expenses of the low-income home energy assistance program contractors, and up to 1.6 percent of the remaining moneys are allocated each federal fiscal year

for the low-income home energy assistance program for administrative expenses of the department of health and human services. The costs of auditing the use and administration of the portion of the appropriation in this section that is retained by the state shall be paid from the amount allocated in this subsection each federal fiscal year to the department of health and human services. The auditor of state shall bill the department of health and human services for the audit costs.

4. The remaining moneys of the appropriation made in this section for each federal fiscal year following the allocations made in subsections 2 and 3, shall be used to help eligible households as defined in 42 U.S.C. ch. 94, subch. II, to meet home energy costs.

5. Not more than 10 percent of the amount appropriated in this section each federal fiscal year that is actually received may be carried forward for use in the succeeding federal fiscal year.

6. Expenditures for assessment and resolution of energy problems shall be limited to not more than 5 percent of the amount appropriated in this section for each federal fiscal year that is actually received.

Sec. 11. SOCIAL SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:...................................... $ 15,264,832
FFY 2026-2027:...................................... $ 15,264,832

2. The appropriations made in this section are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 7, subch. XX, which provides for the social services block grant. The department of health and human services shall expend the moneys appropriated in this section as provided in the federal law making the moneys available and in conformance with chapter 17A.

Sec. 12. SOCIAL SERVICES BLOCK GRANT PLAN.

1. The department of health and human services during each state fiscal year shall develop a plan for the use of federal social services block grant moneys for the subsequent state fiscal year.

2. The proposed plan shall include all programs and services at the state level which the department proposes to fund with federal social services block grant moneys, and shall identify state and other moneys which the department proposes to use to fund the state programs and services.

3. The proposed plan shall also include all local programs and services which are eligible to be funded with federal social services block grant moneys, the total amount of federal social services block grant moneys available for the local programs and services, and the manner of distribution of the federal social services block grant moneys to the counties. The proposed plan shall identify state and local moneys which will be used to fund the local programs and services.

4. The proposed plan shall be submitted with the department's budget requests to the governor and the general assembly.

Sec. 13. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS.

1. Upon receipt of the minimum formula grant from the substance abuse and mental health services administration to provide mental health services for the homeless, for the state fiscal years beginning July 1, 2025, and July 1, 2026, the department of health and human services shall assure that a project which receives moneys under the formula grant shall do all of the following:

a. Provide outreach and engagement to homeless individuals and individuals at risk of homelessness and assesses those individuals for serious mental illness.

b. Enroll those individuals with serious mental illness who are willing to accept services through the project.

c. Provide case management to homeless persons.

d. Provide appropriate training to persons who provide services to persons targeted by the grant.

e. Assure a local match share of 25 percent.

f. Refer homeless individuals and individuals at risk of homelessness to primary health care, job training, educational services, and relevant housing services.

2. A project may expend moneys for community mental health services, diagnostic services, crisis intervention services, habilitation and rehabilitation services, substance-related disorder services, supportive and supervisory services to homeless persons living in residential settings that are not otherwise supported, and housing services including minor renovation, expansion, and repair of housing, security deposits, planning of housing, technical assistance in applying for housing, improving the coordination of housing services, the costs associated with matching eligible homeless individuals with appropriate housing, and one-time rental payments to prevent eviction.

Sec. 14. CHILD CARE AND DEVELOPMENT APPROPRIATIONS.

1. a. There is appropriated from the fund created pursuant to section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:.................................... $109,630,285

FFY 2026-2027:.................................... $109,630,285

b. The appropriations made in this section are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under 42 U.S.C. ch. 105, subch. II-B, which provides for the child care and development block grant. The department shall expend the moneys appropriated in this section as provided in the federal law making the moneys available and in conformance with chapter 17A.

2. Moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall revert to be available for appropriation for purposes of the

child care and development block grant in the succeeding fiscal year.

Sec. 15. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES APPROPRIATIONS.

1. a. There is appropriated from the fund created in section 8.41 to the department of health and human services for the following federal fiscal years beginning October 1, and ending September 30, the following amounts:

FFY 2025-2026:...................................... $130,980,383

FFY 2026-2027:...................................... $130,980,383

b. The appropriations made in this subsection are in the amounts anticipated to be received from the federal government for the designated federal fiscal years under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation, which provides for the temporary assistance for needy families block grant. The department of health and human services shall expend the moneys appropriated in this subsection in conformance with chapter 17A, and as provided in the federal law making the moneys available, to meet one of the four core purposes of the temporary assistance for needy families block grant as described in 45 C.F.R. §260.20, including by modernizing applicable programs to promote economic mobility and self-sufficiency, ensuring families are able to overcome benefit cliffs, encouraging healthy families, and streamlining service delivery to reduce duplication of services.

2. Up to 15 percent of the moneys appropriated in subsection 1 for each federal fiscal year shall be used by the department of health and human services for administrative expenses in accordance with the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and successor legislation. The costs of auditing the use and administration of the portion of the appropriation in this section that is retained by the state shall be paid from the amount allocated in this subsection each federal fiscal year to

the department of health and human services. The auditor of state shall bill the department of health and human services for the audit costs.

3. Notwithstanding section 8.33, moneys appropriated in this section for the federal fiscal year beginning October 1, 2025, and ending September 30, 2026, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 16. PROCEDURE FOR REDUCED FEDERAL MONEYS.

1. Unless otherwise necessary to meet federal requirements, if the moneys received from the federal government for the block grants specified in this Act are less than the amounts appropriated, the moneys actually received shall be prorated by the governor for the various programs, other than for the services to victims of sex offenses and for sex offense prevention under section 4, subsection 3, of this Act, for which each block grant is available according to the percentages that each program is to receive as specified in this Act. However, if the governor determines that the moneys allocated by the percentages will not be sufficient to accomplish the purposes of a particular program, or if the appropriation is not allocated by percentage, the governor may allocate the moneys in a manner which will accomplish to the greatest extent possible the purposes of the various programs for which the block grants are available.

2. Before the governor implements the actions provided for in subsection 1, the following procedures shall be taken:

a. The chairpersons and ranking members of the senate and house standing committees on appropriations, the appropriate chairpersons and ranking members of subcommittees of those committees, and the director of the legislative services agency shall be notified of the proposed action.

b. The notice shall include the proposed allocations, and information on the reasons why particular percentages or amounts of moneys are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons and ranking members notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Sec. 17. PROCEDURE FOR INCREASED FEDERAL MONEYS.

1. Unless otherwise necessary to meet federal requirements, if moneys received from the federal government in the form of block grants exceed the amounts appropriated in sections 1, 2, 3, 4, and 8 of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional moneys shall not be prorated for administrative expenses.

2. If actual moneys received from the federal government from block grants exceed the amount appropriated in section 10 of this Act for the low-income home energy assistance program, not more than 15 percent of the excess may be allocated to the low-income residential weatherization program and not more than 10 percent of the excess may be used for administrative costs.

3. If moneys received from the federal government from community services block grants exceed the amount appropriated in section 7 of this Act, 100 percent of the excess is allocated to the community services block grant program.

Sec. 18. PROCEDURE FOR EXPENDITURE OF ADDITIONAL FEDERAL MONEYS. If other federal grants, receipts, and moneys and other nonstate grants, receipts, and moneys become available or are awarded which are not available or awarded during the period in which the general assembly is in session, but which require expenditure by the applicable department or agency prior to March 15 of the fiscal years beginning July 1, 2025, and July 1, 2026, these grants, receipts, and moneys are appropriated to the extent necessary, provided that the fiscal committee of the legislative council is notified within 30 days of receipt of the grants, receipts, or moneys and the fiscal committee of the legislative council has an opportunity to comment on the expenditure of the grants, receipts, or moneys.

Sec. 19. OTHER GRANTS, RECEIPTS, AND MONEYS. Federal grants, receipts, and moneys and other nonstate grants, receipts, and moneys, available in whole or in part of the state fiscal years beginning July 1, 2025, and July 1, 2026, are appropriated to the following departments and agencies that are designated by and for the purposes set forth in the grants, receipts, or conditions accompanying the receipt of the moneys, unless otherwise provided by law:

1. Department of administrative services.
2. Department of agriculture and land stewardship.
3. Office of auditor of state.
4. Department for the blind.
5. Department of corrections.
6. Economic development authority.
7. Department of education.
8. Iowa ethics and campaign disclosure board.
9. Iowa finance authority.
10. Offices of the governor and lieutenant governor.
11. Department of health and human services.
12. Department of homeland security and emergency management.
13. Department of inspections, appeals, and licensing.
14. Department of insurance and financial services.
15. Judicial branch.
16. Department of justice.
17. Iowa law enforcement academy.
18. Department of management.
19. Department of natural resources.
20. Board of parole.
21. Department of public defense.
22. Department of public safety.
23. State board of regents.
24. Department of revenue.
25. Office of secretary of state.
26. Iowa state fair authority.

27. Office for state-federal relations.

28. Iowa telecommunications and technology commission.

29. Office of treasurer of state.

30. Department of transportation.

31. Iowa utilities commission.

32. Department of veterans affairs.

33. Department of workforce development.

DIVISION II

CITY REGULATION OF DEVELOPERS, CONTRACTORS, AND SUBCONTRACTORS

Sec. 20. Section 364.3, subsection 20, as enacted by 2025 Iowa Acts, Senate File 603, is amended to read as follows:

20. A city shall not adopt or enforce an ordinance, motion, resolution, or amendment that imposes restrictions, qualifications, or requirements on developers, contractors, or subcontractors related to a developer’s or contractor’s employee compensation or training beyond what is expressly authorized by state law. A city shall not make receipt of any incentives, or the eligibility for such incentives, contingent upon compliance with any such restrictions, qualifications, or requirements, except as required under federal law.

Sec. 21. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 22. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 28, 2025.

EXPLANATION

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

This bill relates to federal moneys and regulations.

DIVISION I —— APPROPRIATIONS OF FEDERAL MONEYS. The bill appropriates moneys for the 2025-2026 and 2026-2027 federal fiscal years from block grants available from the federal government and provides procedures for increasing or decreasing the appropriations if the amounts of the block grants are increased or decreased from the amounts anticipated. The federal fiscal year begins October 1, and the state fiscal year begins

July 1. The bill also makes standing appropriations for the 2025-2026 and 2026-2027 state fiscal years of other federal and nonstate grants, receipts, and moneys.

DIVISION II —— CITY REGULATION OF DEVELOPERS, CONTRACTORS, AND SUBCONTRACTORS. Pursuant to 2025 Iowa Acts, Senate File 603, a city is not permitted to make the receipt of or eligibility for incentives contingent upon compliance with a restriction, qualification, or requirement on a developer's, contractor's, or subcontractor's employee compensation or training beyond what is expressly authorized by state law. The bill provides that a city may do so if required under federal law.

This division of the bill takes effect upon enactment and is retroactively applicable to March 28, 2025.