

Senate File 627 - Introduced

SENATE FILE 627
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 165)

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. This subsection is repealed July
13 1, 2030.

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

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 This section is repealed July

1 1, 2030.

2 Sec. 3. NEW SECTION. **100B.52 Length of service award**
3 **program grant fund — appropriation.**

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

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

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

31 4. This section is repealed July 1, 2030.

32 Sec. 4. APPROPRIATION.

33 1. There is appropriated from the sports wagering receipts
34 fund created in section 8.57I to the department of revenue for
35 the fiscal year beginning July 1, 2025, and ending June 30, 2026,

1 the following amount, or so much thereof as is necessary, to be
2 used for the purposes designated:

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

5 \$ 1,500,000

6 2. Moneys received from the sports wagering receipts fund
7 pursuant to this section are not subject to the reporting
8 requirements provided in section 8.57I, subsection 4 or 5.

9 EXPLANATION

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

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

26 The bill also establishes a LOSAP grant fund under the control
27 of the department of revenue. For FY 2025-2026, \$1.5 million
28 is appropriated from the sports wagering receipts fund to the
29 department for deposit in the LOSAP grant fund. Each fiscal year
30 thereafter, an amount necessary to bring the unencumbered and
31 unobligated balance in the LOSAP grant fund to \$1.5 million as of
32 July 1 of the fiscal year is transferred from the sports wagering
33 receipts fund to the LOSAP grant fund. Moneys in the fund are
34 appropriated to the department for grants to municipalities that
35 have established a LOSAP to provide contributions to the program

1 on behalf of participants. The bill requires the department to
2 adopt rules establishing a grant application process that shall
3 provide for up to a dollar-for-dollar funding match, in an amount
4 not to exceed \$300 per award recipient per year from the fund, to
5 a municipality that has established a LOSAP, provided that award
6 recipients personally contribute a like amount. The bill also
7 requires the grant process to allow a municipality to use moneys
8 received from any source for purposes of providing the funding
9 match required by the bill.

10 The provisions of the bill are repealed July 1, 2030.

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