

New Prison Construction Fund Bill House File 1047

Last Action:
**House Appropriations
Committee**
May 12, 2025

An Act relating to prison infrastructure.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available online at www.legis.iowa.gov/publications/information/appropriationBillAnalysis

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NEW PROGRAMS, SERVICES, OR ACTIVITIES

Creates the new Prison Construction Account within the Iowa Prison Infrastructure Fund. Requires an amount equal to the FY 2025 prison bond payment be deposited into the Prison Construction Account beginning in FY 2026 and continuing for each fiscal year thereafter if Iowa State Penitentiary bonds are paid off. The Account may only be used pursuant to an appropriation made by the General Assembly for the construction of new prisons or the replacement of infrastructure at existing prisons.

Page 2, Line 25

FISCAL IMPACT: Amounts paid on bonds pertaining to the Iowa State Penitentiary in FY 2025 totaled \$13.8 million. These bonds are expected to be paid off at the end of FY 2027. Beginning in FY 2028, it is anticipated there will be approximately \$13.8 million deposited annually to the New Prison Construction Account from the Iowa Prison Infrastructure Fund.

STUDIES AND INTENT

Interim Committee

Requests that the Legislative Council establish an interim study committee during the 2025 Legislative Interim to explore and consider issues involving prison capacity and the feasibility of an additional prison or other prison housing options. The interim study committee is directed to consider all of the following factors:

Page 3, Line 26

- Need.
- Geographic locations.
- Existing State infrastructure that could be converted to a prison.
- The level of security classification most needed in the current system.
- The possibility of adding additional units to existing prisons.
- The feasibility of a new prison operation, public or otherwise, or the expansion of the current State operation.
- Advancements in prison technology that increase prison efficiency.
- Staffing needs.

Nonreversion

Any moneys remaining in the New Prison Construction Account do not revert but will remain available for the designated purposes. Any interest earned in the Account will be credited to the Account.

Page 2, Line 25

Required Reports

EXECUTIVE SUMMARY
NEW PRISON CONSTRUCTION FUND BILL

HOUSE FILE 1047

Requires the Department of Corrections to submit an annual report on or before January 15 of each year to the General Assembly and the Department of Management. Requires the report to include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of moneys expended, the amount of moneys obligated, and the date the project was completed or an estimated completion date of the project.

Page 3, Line 13

Requires the interim study committee to submit a report to the General Assembly and the Governor on or before December 18, 2025.

Page 4, Line 24

SIGNIFICANT CODE CHANGES

Requires the net proceeds from the bonds issued under Iowa Code section [12.80\(4\)](#) to be deposited into the New Prison Construction Account of the Iowa Prison Infrastructure Fund created in Iowa Code section [602.8108A](#).

Page 1, Line 1

Requires that moneys in the New Prison Construction Account do not revert and are not deposited into the General Fund of the State at the end of each fiscal year, but rather remains in the Iowa Prison Infrastructure Fund.

Page 1, Line 9

Repeals Iowa Code section [12.79](#) (FY 2009 Prison Bonding Fund).

Page 3, Line 25

House File 1047 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
1	1	1	Amend	12.80.4
1	7	2	Amend	602.8108A
3	13	3	New	904.115A
3	25	4	Repeal	12.79

1 1 Section 1. Section 12.80, subsection 4, Code 2025, is
 1 2 amended to read as follows:
 1 3 4. The net proceeds from the bonds issued under this section
 1 4 shall be deposited into the ~~FY 2009 prison bonding fund~~ new
 1 5 prison construction account of the Iowa prison infrastructure
 1 6 fund created in section 602.8108A.

CODE: Requires the net proceeds from the bonds issued under Iowa Code section [12.80\(4\)](#) to be deposited into the New Prison Construction Account of the Iowa Prison Infrastructure Fund created in Iowa Code section [602.8108A](#).

1 7 Sec. 2. Section 602.8108A, Code 2025, is amended to read as
 1 8 follows:

1 9 ~~602.8108A-PRISON~~ IOWA PRISON INFRASTRUCTURE FUND — NEW
 1 10 PRISON CONSTRUCTION ACCOUNT .

CODE: Requires that moneys in the New Prison Construction Account do not revert and are not deposited in the General Fund of the State at the end of each fiscal year, but rather remains in the Iowa Prison Infrastructure Fund. Any interest earned by the Fund will be deposited into the Fund.

1 11 1. The Iowa prison infrastructure fund is created and
 1 12 established as a separate and distinct fund in the state
 1 13 treasury. Notwithstanding any other provision of this chapter
 1 14 to the contrary, ~~the first eight million dollars and, beginning~~
 1 15 ~~July 1, 1997,~~ the first nine million five hundred thousand
 1 16 dollars; of moneys remitted to the treasurer of state from
 1 17 fines, fees, costs, and forfeited bail collected by the clerks
 1 18 of the district court in criminal cases, including those
 1 19 collected for both scheduled and nonscheduled violations,
 1 20 collected in each fiscal year ~~commencing with the fiscal~~
 1 21 ~~year beginning July 1, 1995,~~ shall be deposited in the fund.
 1 22 ~~Beginning July 1, 2009,~~ the The treasurer of state shall
 1 23 certify to the judicial branch the annual amount of ~~funds~~
 1 24 ~~moneys~~ necessary to be remitted for deposit into the fund for
 1 25 that fiscal year and such moneys shall be remitted to the
 1 26 treasurer of state from fines, fees, costs, and forfeited bail
 1 27 collected by the clerks of the district court in criminal
 1 28 cases, including those collected for both scheduled and
 1 29 nonscheduled violations, for debt payments and deposits
 1 30 expected to be paid from the fund. ~~Interest~~ Notwithstanding
 1 31 section 12C.7, subsection 2, interest and other income earned
 1 32 by the fund shall be deposited in the fund. However, ~~beginning~~
 1 33 ~~with the fiscal year beginning July 1, 1998,~~ all fines and
 1 34 fees attributable to commercial vehicle violation citations
 1 35 ~~issued after July 1, 1998,~~ shall be deposited as provided
 2 1 in section 602.8108, subsection 8. The moneys in the fund
 2 2 are appropriated and shall have priority and precedence for
 2 3 the purpose of paying the principal of, premium, if any,

2 4 and interest on bonds issued by the Iowa finance authority
 2 5 under section 16.177. Any remaining moneys not otherwise
 2 6 appropriated for purposes of paying the principal, premium,
 2 7 and interest on the bonds issued by the Iowa finance authority
 2 8 pursuant to section 16.177 shall be available and appropriated
 2 9 to the treasurer of state pursuant to section 12.80. Except as
 2 10 otherwise provided in subsection 2, amounts in the funds fund
 2 11 shall not be subject to appropriation for any purpose by the
 2 12 general assembly, but shall be used only for the purposes set
 2 13 forth in this section. The treasurer of state shall act as
 2 14 custodian of the fund and disburse amounts contained in it the
 2 15 fund as directed by the department of corrections including the
 2 16 automatic disbursement of funds moneys pursuant to the terms
 2 17 of bond indentures and documents and security provisions to
 2 18 trustees and custodians. The treasurer of state is authorized
 2 19 to invest the funds moneys deposited in the fund subject to
 2 20 any limitations contained in any applicable bond proceedings.
 2 21 Any amounts remaining in the fund at the end of each fiscal
 2 22 year, other than moneys in the new prison construction account
 2 23 created in subsection 2, shall be transferred to the general
 2 24 fund of the state.

2 25 2. ~~If the treasurer of state determines that bonds cannot be~~
 2 26 ~~issued pursuant to this section and sections 12.80 and 16.177~~
 2 27 ~~or if there are any remaining moneys at the end of a fiscal~~
 2 28 ~~year after the appropriations are paid pursuant to sections~~
 2 29 ~~12.80 and 16.177, the treasurer of state shall deposit the~~
 2 30 ~~moneys in the prison infrastructure fund into the general fund~~
 2 31 ~~of the state. A new prison construction account is created~~
 2 32 ~~within the Iowa prison infrastructure fund. For the fiscal~~
 2 33 ~~year beginning July 1, 2025, and each fiscal year thereafter,~~
 2 34 ~~if bonds pertaining to prison infrastructure financing for the~~
 2 35 ~~Iowa state penitentiary are paid off, an amount equal to the~~
 3 1 ~~amounts paid on such bonds for the fiscal year beginning July~~
 3 2 ~~1, 2024, shall be deposited in the new prison construction~~
 3 3 ~~account from the Iowa prison infrastructure fund and shall~~
 3 4 ~~only be used pursuant to an appropriation made by the general~~
 3 5 ~~assembly for the construction of new prisons or the replacement~~
 3 6 ~~of infrastructure at existing prisons. Notwithstanding~~
 3 7 ~~section 8.33, moneys in the account that remain unencumbered~~
 3 8 ~~or unobligated at the close of a fiscal year shall not revert~~
 3 9 ~~but shall remain available for expenditure for the purposes~~

CODE: Creates the New Prison Construction Account within the Iowa Prison Infrastructure Fund. Requires an amount equal to the FY 2025 prison bond payment to be deposited into the Prison Construction Account beginning in FY 2026 and continuing for each fiscal year thereafter, if Iowa State Penitentiary prison infrastructure bonds are paid off. The Account may only be used pursuant to an appropriation made by the General Assembly for the construction of new prisons or the replacement of infrastructure at existing prisons. Any moneys remaining in the New Prison Construction Account do not revert but will remain available for the designated purposes. Any interest earned in the Account will be credited to the Account.

FISCAL IMPACT: Amounts paid on bonds pertaining to the Iowa State Penitentiary in FY 2025 totaled \$13,787,500. These bonds are expected to be paid off at the end of FY 2027. Beginning in FY 2028, it is anticipated there will be \$13,787,500 deposited annually in the New Prison Construction Account from the Iowa Prison Infrastructure Fund.

3 10 designated. Notwithstanding section 12C.7, subsection 2,
 3 11 interest or earnings on moneys in the account shall be credited
 3 12 to the account.

3 13 Sec. 3. NEW SECTION 904.115A INFRASTRUCTURE REPORT BY
 3 14 DEPARTMENT.

3 15 Annually, on or before January 15 of each year, the
 3 16 department shall report to the general assembly and the
 3 17 department of management the status of all infrastructure
 3 18 projects completed or in progress. The report must include
 3 19 a description of the project, the work completed, the total
 3 20 estimated cost of the project, a list of all revenue sources
 3 21 being used to fund the project, the amount of moneys expended,
 3 22 the amount of moneys obligated, and the date the project was
 3 23 completed or an estimated completion date of the project, where
 3 24 applicable.

3 25 Sec. 4. REPEAL. Section 12.79, Code 2025, is repealed.

3 26 Sec. 5. LEGISLATIVE INTERIM STUDY COMMITTEE — CONSTRUCTION
 3 27 AND OPERATION OF ADDITIONAL PRISON IN THE STATE.

3 28 1. The legislative council is requested to establish an
 3 29 interim study committee to meet during the 2025 legislative
 3 30 interim to explore and consider issues involving prison
 3 31 capacity and the feasibility of an additional prison or other
 3 32 prison housing options. The interim study committee shall
 3 33 consider all of the following:
 3 34 a. Need.
 3 35 b. Geographic locations.
 4 1 c. Existing state infrastructure that could be converted to
 4 2 a prison.
 4 3 d. The level of security classification most needed in the
 4 4 current system.
 4 5 e. The possibility of adding additional units to existing
 4 6 prisons.
 4 7 f. The feasibility of a new prison operation, public or
 4 8 otherwise, or the expansion of the current state operation.
 4 9 g. Advancements in prison technology that increase prison
 4 10 efficiency.
 4 11 h. Staffing needs.

Requires the Department of Corrections to submit an annual report on or before January 15 of each year to the General Assembly and the Department of Management. Requires the report to include a description of the project, the work completed, the total estimated cost of the project, a list of all revenue sources being used to fund the project, the amount of moneys expended, the amount of moneys obligated, and the date the project was completed or an estimated completion date of the project.

CODE: Repeals Iowa Code section [12.79](#) (FY 2009 Prison Bonding Fund).

Requests that the Legislative Council establish an interim study committee during the 2025 Legislative Interim to explore and consider issues involving prison capacity and the feasibility of an additional prison or other prison housing options. The interim study committee is directed to consider all of the following factors:

- Need.
- Geographic locations.
- Existing State infrastructure that could be converted to a prison.
- The level of security classification most needed in the current system.
- The possibility of adding additional units to existing prisons.
- The feasibility of a new prison operation, public or otherwise, or the expansion of the current State operation.
- Advancements in prison technology that increase prison efficiency.
- Staffing needs.

4 12 2. a. The interim study committee shall include all of the
4 13 following members:
4 14 (1) Two senators appointed by the majority leader of the
4 15 senate.
4 16 (2) One senator appointed by the minority leader of the
4 17 senate.
4 18 (3) Two representatives appointed by the speaker of the
4 19 house of representatives.
4 20 (4) One representative appointed by the minority leader of
4 21 the house of representatives.

4 22 b. The interim study committee shall elect one of its
4 23 members as chairperson.

4 24 3. On or before December 18, 2025, the interim study
4 25 committee shall submit a report to the general assembly and the
4 26 governor.

Requires the interim study committee to include all of the following members:

- Two Senators appointed by the Majority Leader of the Senate.
- One Senator appointed by the Minority Leader of the Senate.
- Two Representatives appointed by the Speaker of the House of Representatives.
- One Representative appointed by the Minority Leader of the House of Representatives.

Requires the interim study committee to elect one of its members as a chairperson.

Requires the interim study committee to submit a report to the General Assembly and the Governor on or before December 18, 2025.