

# **New Prison Construction Fund House File 2753**

Last Action:  
**House Appropriations  
Committee**  
April 1, 2026

**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](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Creates the new Prison Construction Account within the Iowa Prison Infrastructure Fund. Requires an amount equal to 66.7% of the FY 2026 prison bond payment amount to be deposited into the Prison Construction Account beginning in FY 2027 and continuing for each fiscal year thereafter if the 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 27

**FISCAL IMPACT:** Amounts paid on bonds pertaining to the Iowa State Penitentiary in FY 2026 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 \$9.2 million deposited annually to the New Prison Construction Account from the Iowa Prison Infrastructure Fund.

Creates the new Prison Recidivism Reduction Account within the Iowa Prison Infrastructure Fund. Requires an amount equal to 33.3% of the FY 2026 prison bond payment amount be deposited into the Prison Construction Account beginning in FY 2027 and continuing for each fiscal year thereafter if the Iowa State Penitentiary bonds are paid off. The Account may only be used pursuant to an appropriation made by the General Assembly for the establishment of newly created or the expansion of existing programs identified by the Department of Corrections (DOC) for the purpose of reducing recidivism of inmates at existing or newly constructed prisons.

Page 3, Line 15

**FISCAL IMPACT:** Amounts paid on bonds pertaining to the Iowa State Penitentiary in FY 2026 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 \$4.6 million deposited annually to the New Prison Construction Account from the Iowa Prison Infrastructure Fund.

**STUDIES AND INTENT**

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*Interim Committee*

Requests that the Legislative Council establish an interim study committee during the 2026 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 4, Line 13

- Need.

**EXECUTIVE SUMMARY**  
NEW PRISON CONSTRUCTION FUND

- 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 at the close of a fiscal year will 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 27

Any moneys remaining in the Prison Recidivism Reduction Account at the close of a fiscal year will not revert but will remain available for the designated purposes. Any interest earned in the Account will be credited to the Account.

Page 3, Line 15

*Required Reports*

Requires the DOC 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 35

Requires the interim study committee to submit a report to the General Assembly and the Governor on or before December 18, 2026.

Page 5, Line 14

**SIGNIFICANT CODE CHANGES**

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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 and the Prison Recidivism Reduction Account within the Iowa Prison Infrastructure Fund do not revert and are not deposited into the General

Page 1, Line 7

**EXECUTIVE SUMMARY**  
NEW PRISON CONSTRUCTION FUND

Fund of the State at the end of each fiscal year, but rather remains in the Iowa Prison Infrastructure Fund or the Prison Recidivism Reduction Account.

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

**House File 2753 provides for the following changes to the Code of Iowa.**

<b>Page #</b>	<b>Line #</b>	<b>Bill Section</b>	<b>Action</b>	<b>Code Section</b>
1	1	1	Amend	12.80.4
1	7	2	Amend	602.8108A
3	35	3	New	904.115A
4	12	4	Repeal	12.79

1 1 Section 1. Section 12.80, subsection 4, Code 2026, 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 2026, is amended to read as  
 1 8 follows:  
 1 9 602.8108A—~~PRISON~~ IOWA PRISON INFRASTRUCTURE FUND — NEW  
 1 10 PRISON CONSTRUCTION ACCOUNT — PRISON RECIDIVISM REDUCTION  
 1 11 ACCOUNT .

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

1 12 1. The Iowa prison infrastructure fund is created and  
 1 13 established as a separate and distinct fund in the state  
 1 14 treasury. Notwithstanding any other provision of this chapter  
 1 15 to the contrary, ~~the first eight million dollars and, beginning~~  
 1 16 ~~July 1, 1997,~~ the first nine million five hundred thousand  
 1 17 dollars, of moneys remitted to the treasurer of state from  
 1 18 fines, fees, costs, and forfeited bail collected by the clerks  
 1 19 of the district court in criminal cases, including those  
 1 20 collected for both scheduled and nonscheduled violations,  
 1 21 collected in each fiscal year ~~commencing with the fiscal~~  
 1 22 ~~year beginning July 1, 1995,~~ shall be deposited in the fund.  
 1 23 ~~Beginning July 1, 2009,~~ The treasurer of state shall  
 1 24 certify to the judicial branch the annual amount of ~~funds~~  
 1 25 moneys necessary to be remitted for deposit into the fund for  
 1 26 that fiscal year and such moneys shall be remitted to the  
 1 27 treasurer of state from fines, fees, costs, and forfeited bail  
 1 28 collected by the clerks of the district court in criminal  
 1 29 cases, including those collected for both scheduled and  
 1 30 nonscheduled violations, for debt payments and deposits  
 1 31 expected to be paid from the fund. ~~Interest~~ Notwithstanding  
 1 32 section 12C.7, subsection 2, interest and other income earned  
 1 33 by the fund shall be deposited in the fund. However, ~~beginning~~  
 1 34 ~~with the fiscal year beginning July 1, 1998,~~ all fines and  
 1 35 fees attributable to commercial vehicle violation citations  
 2 1 ~~issued after July 1, 1998,~~ shall be deposited as provided  
 2 2 in section 602.8108, subsection 8. The moneys in the fund  
 2 3 are appropriated and shall have priority and precedence for  
 2 4 the purpose of paying the principal of, premium, if any,

2 5 and interest on bonds issued by the Iowa finance authority  
 2 6 under section 16.177. Any remaining moneys not otherwise  
 2 7 appropriated for purposes of paying the principal, premium,  
 2 8 and interest on the bonds issued by the Iowa finance authority  
 2 9 pursuant to section 16.177 shall be available and appropriated  
 2 10 to the treasurer of state pursuant to section 12.80. Except as  
 2 11 otherwise provided in subsection 2, amounts in the ~~funds fund~~  
 2 12 shall not be subject to appropriation for any purpose by the  
 2 13 general assembly, but shall be used only for the purposes set  
 2 14 forth in this section. The treasurer of state shall act as  
 2 15 custodian of the fund and disburse amounts contained in it ~~the~~  
 2 16 ~~fund~~ as directed by the department of corrections including the  
 2 17 automatic disbursement of ~~funds moneys~~ pursuant to the terms  
 2 18 of bond indentures and documents and security provisions to  
 2 19 trustees and custodians. The treasurer of state is authorized  
 2 20 to invest the ~~funds moneys~~ deposited in the fund subject to  
 2 21 any limitations contained in any applicable bond proceedings.  
 2 22 Any amounts remaining in the fund at the end of each fiscal  
 2 23 year, ~~other than moneys in the new prison construction account~~  
 2 24 ~~created in subsection 2 or the prison recidivism reduction~~  
 2 25 ~~account created in subsection 3~~, shall be transferred to the  
 2 26 general fund of the state.

2 27 ~~2.—If the treasurer of state determines that bonds cannot be~~  
 2 28 ~~issued pursuant to this section and sections 12.80 and 16.177~~  
 2 29 ~~or if there are any remaining moneys at the end of a fiscal year~~  
 2 30 ~~after the appropriations are paid pursuant to sections 12.80~~  
 2 31 ~~and 16.177, the treasurer of state shall deposit the moneys in~~  
 2 32 ~~the prison infrastructure fund into the general fund of the~~  
 2 33 ~~state. A new prison construction account is created within the~~  
 2 34 ~~Iowa prison infrastructure fund. For the fiscal year beginning~~  
 2 35 ~~July 1, 2026, and each fiscal year thereafter, if bonds~~  
 3 1 ~~pertaining to prison infrastructure financing for the Iowa~~  
 3 2 ~~state penitentiary are paid off, an amount equal to sixty-six~~  
 3 3 ~~and seven-tenths percent paid on such bonds for the fiscal~~  
 3 4 ~~year beginning July 1, 2025, shall be deposited in the new~~  
 3 5 ~~prison construction account from the Iowa prison infrastructure~~  
 3 6 ~~fund and shall only be used pursuant to an appropriation made~~  
 3 7 ~~by the general assembly for the construction of new prisons~~  
 3 8 ~~or the replacement of infrastructure at existing prisons.~~  
 3 9 ~~Notwithstanding section 8.33, moneys in the account that remain~~  
 3 10 ~~unencumbered or unobligated at the close of a fiscal year shall~~

CODE: Creates the New Prison Construction Account within the Iowa Prison Infrastructure Fund. Requires an amount equal to 66.7% of the FY 2026 prison bond payment amount to be deposited into the Prison Construction Account beginning in FY 2027 and continuing for each fiscal year thereafter if the 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 2026 totaled \$13,792,000. These bonds are expected to be paid off at the end of FY 2027. Beginning in FY 2028, it is anticipated there will be \$9,199,264 deposited annually in the New Prison Construction Account from the Iowa Prison Infrastructure Fund.

3 11 not revert but shall remain available for expenditure for the  
 3 12 purposes designated. Notwithstanding section 12C.7, subsection  
 3 13 2, interest or earnings on moneys in the account shall be  
 3 14 credited to the account.

3 15 3. A prison recidivism reduction account is created within  
 3 16 the Iowa prison infrastructure fund. For the fiscal year  
 3 17 beginning July 1, 2026, and each fiscal year thereafter, if  
 3 18 bonds pertaining to prison infrastructure financing for the  
 3 19 Iowa state penitentiary are paid off, an amount equal to  
 3 20 thirty-three and three-tenths percent paid on such bonds for  
 3 21 the fiscal year beginning July 1, 2025, shall be deposited  
 3 22 in the prison recidivism reduction account from the Iowa  
 3 23 prison infrastructure fund and shall only be used pursuant  
 3 24 to an appropriation made by the general assembly for the  
 3 25 establishment of newly created or the expansion of existing  
 3 26 programs identified by the department of corrections for the  
 3 27 purpose of reducing recidivism of inmates at existing or  
 3 28 newly constructed prisons. Notwithstanding section 8.33,  
 3 29 moneys in the account that remain unencumbered or unobligated  
 3 30 at the close of a fiscal year shall not revert but shall  
 3 31 remain available for expenditure for the purposes designated.  
 3 32 Notwithstanding section 12C.7, subsection 2, interest or  
 3 33 earnings on moneys in the account shall be credited to the  
 3 34 account.

CODE: Creates a Prison Recidivism Reduction Account within the Iowa Prison Infrastructure Fund. Requires an amount equal to 33.3% of the FY 2026 prison bond payment amount to be deposited into the Prison Recidivism Reduction Account beginning in FY 2027 and continuing each fiscal year thereafter if the 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 establishment of newly created or the expansion of existing programs identified by the Department of Corrections (DOC) for the purpose of reducing recidivism of inmates at existing or newly constructed prisons. Any moneys remaining in the Prison Recidivism Reduction 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 2026 totaled \$13,792,000. These bonds are expected to be paid off at the end of FY 2027. Beginning in FY 2028, it is anticipated there will be \$4,592,736 deposited annually in the New Prison Construction Account from the Iowa Prison Infrastructure Fund.

3 35 Sec. 3. NEW SECTION 904.115A INFRASTRUCTURE REPORT BY  
 4 1 DEPARTMENT.  
 4 2 Annually, on or before January 15 of each year, the  
 4 3 department shall report to the general assembly and the  
 4 4 department of management the status of all infrastructure  
 4 5 projects completed or in progress. The report must include  
 4 6 a description of the project, the work completed, the total  
 4 7 estimated cost of the project, a list of all revenue sources  
 4 8 being used to fund the project, the amount of moneys expended,  
 4 9 the amount of moneys obligated, and the date the project was  
 4 10 completed or an estimated completion date of the project, where  
 4 11 applicable.

CODE: Requires the DOC 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.

4 12 Sec. 4. REPEAL. Section 12.79, Code 2026, is repealed.

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

4 13 Sec. 5. LEGISLATIVE INTERIM STUDY COMMITTEE — CONSTRUCTION  
4 14 AND OPERATION OF ADDITIONAL PRISON IN THE STATE.

Requests that the Legislative Council establish an interim study committee during the 2026 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:

4 15 1. The legislative council is requested to establish an  
4 16 interim study committee to meet during the 2026 legislative  
4 17 interim to explore and consider issues involving prison  
4 18 capacity and the feasibility of an additional prison or other  
4 19 prison housing options. The interim study committee shall  
4 20 consider all of the following:  
4 21 a. Need.  
4 22 b. Geographic locations.  
4 23 c. Existing state infrastructure that could be converted to  
4 24 a prison.  
4 25 d. The level of security classification most needed in the  
4 26 current system.  
4 27 e. The possibility of adding additional units to existing  
4 28 prisons.  
4 29 f. The feasibility of a new prison operation, public or  
4 30 otherwise, or the expansion of the current state operation.  
4 31 g. Advancements in prison technology that increase prison  
4 32 efficiency.  
4 33 h. Staffing needs.

- 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 34 i. Programs that can be established or expanded by the  
4 35 department of corrections for the purpose of reducing the  
5 1 recidivism rate of inmates.

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

5 2 2. a. The interim study committee shall include all of the  
5 3 following members:  
5 4 (1) Two senators appointed by the majority leader of the  
5 5 senate.  
5 6 (2) One senator appointed by the minority leader of the  
5 7 senate.  
5 8 (3) Two representatives appointed by the speaker of the  
5 9 house of representatives.  
5 10 (4) One representative appointed by the minority leader of  
5 11 the house of representatives.

- 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.

5 12 b. The interim study committee shall elect one of its  
5 13 members as chairperson.

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

5 14 3. On or before December 18, 2026, the interim study  
5 15 committee shall submit a report to the general assembly and the  
5 16 governor.

Requires the interim study committee to submit a report to the General Assembly and the Governor on or before December 18, 2026.