

**EIGHTY-EIGHTH GENERAL ASSEMBLY
2020 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

June 13, 2020

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
SF 2310	S-5149	Filed	AMY SINCLAIR
SF 2415	S-5147	Filed	CRAIG JOHNSON
HF 737	S-5148	Filed	RECEIVED FROM THE HOUSE
HF 760	CCH-760	Filed	DUSTIN HITE, CHAIRPERSON, et al
HF 2486	S-5146	Filed	RECEIVED FROM THE HOUSE
HF 2540	S-5145	Adopted	CRAIG JOHNSON

Fiscal Notes

[SF 2283](#) — [Emergency Medical Services, Training Centers](#) (LSB6044SV.1)

[HF 2641](#) — [Department of Revenue, Omnibus Bill](#) (LSB5409HV.1)

SENATE FILE 2310

S-5149

1 Amend the amendment, S-5135, to Senate File 2310, as
2 amended, passed, and reprinted by the Senate, as follows:

3 1. By striking page 1, line 3, through page 10, line 15, and
4 inserting:

5 <1. Page 1, before line 1 by inserting:

6 <DIVISION I

7 ONLINE LEARNING PROGRAM AND COURSEWORK REQUIREMENTS>

8 2. Page 2, line 4, by striking <a.>

9 3. Page 2, by striking lines 20 through 28.

10 4. Page 2, line 31, by striking <The provisions of
11 subsection 5> and inserting:

12 <(1) The offer and teach requirements of subsection 5,
13 paragraphs "a" through "e" and "g" through "j",>

14 5. Page 2, line 35, by striking <(1)> and inserting <(a)>

15 6. Page 3, line 4, by striking <(2)> and inserting <(b)>

16 7. Page 3, after line 6 by inserting:

17 <(2) Notwithstanding subparagraph (1), unnumbered paragraph
18 1, if either subparagraph (1), subparagraph division (a) or (b)
19 apply, a school district or accredited nonpublic school may
20 exceed the limitation specified in subparagraph (1), unnumbered
21 paragraph 1, to provide world language, personal finance
22 literacy, and computer science coursework online in accordance
23 with paragraph "c" and the offer and teach requirements of
24 subsection 5, paragraphs "f" and "k", and any such requirement
25 as may be established under subsection 5 for computer science,
26 shall not apply.>

27 8. Page 3, line 8, by striking <5> and inserting <5,
28 paragraphs "a" through "e" and "g" through "j",>

29 9. Page 3, line 12, by striking <the requirements of
30 subsection 5> and inserting <such requirements>

31 10. Page 3, line 15, by striking <5> and inserting <5,
32 paragraphs "a" through "e" and "g" through "j",>

33 11. Page 3, line 20, by striking <(1) or (2)> and inserting
34 <(1), (2), or (3)>

35 12. Page 3, line 27, by striking <either> and inserting

1 <any>

2 13. Page 4, after line 6 by inserting:

3 <(3) An online learning platform offered, subject to the
4 initial availability of federal funds, by the department in
5 collaboration with one or more area education agencies or in
6 partnership with school districts and accredited nonpublic
7 schools. The online learning platform may deliver distance
8 education to students, including students receiving independent
9 private instruction as defined in section 299A.1, subsection
10 2, paragraph "b", competent private instruction under section
11 299A.2, or private instruction by a nonlicensed person under
12 section 299A.3, provided such students register with the
13 school district of residence and the coursework offered by the
14 online learning platform is taught and supervised by a teacher
15 licensed under chapter 272 who has online learning experience
16 and the course content meets the requirements established by
17 rule pursuant to section 256.7, subsection 32, paragraph "c".
18 The department and the area education agencies operating online
19 learning programs pursuant to section 273.16 shall coordinate
20 to ensure the most effective use of resources and delivery
21 of services. Federal funds, if available, may be used to
22 offset what would otherwise be costs to school districts for
23 participation in the program.>

24 14. Page 4, by striking line 11 and inserting:

25 <c. ~~Private providers utilized to provide courses by~~ Courses
26 provided by private providers to a school>

27 15. Page 5, after line 25 by inserting:

28 <Sec. _____. Section 279.10, Code 2020, is amended by adding
29 the following new subsection:

30 NEW SUBSECTION. 3. a. For the school year beginning July
31 1, 2020, and ending June 30, 2021, any instruction provided in
32 accordance with a return-to-learn plan submitted by a school
33 district or accredited nonpublic school to the department of
34 education in response to a proclamation of a public health
35 disaster emergency, issued by the governor pursuant to section

1 29C.6 and related to COVID-19, shall be deemed to meet the
2 requirements of subsection 1, regardless of the nature,
3 location, or medium of instruction if the return-to-learn
4 plan contains the minimum number of days or hours as required
5 by subsection 1. Any return-to-learn plan submitted by a
6 school district or accredited nonpublic school must contain
7 provisions for in-person instruction and provide that in-person
8 instruction is the presumed method of instruction.

9 b. This subsection is repealed on July 1, 2021.>

10 16. Page 5, after line 26 by inserting:

11 <DIVISION ____
12 TEMPORARY FLEXIBILITY FOR USE OF CERTAIN MONEYS BY SCHOOL
13 DISTRICTS TO PROVIDE ADDITIONAL INSTRUCTIONAL TIME
14 Sec. ____ . PROFESSIONAL DEVELOPMENT MONEYS AND HOURS
15 REQUIREMENTS FOR ADDITIONAL INSTRUCTIONAL TIME FOR THE
16 2020-2021 SCHOOL YEAR. Notwithstanding section 257.10,
17 subsection 10, and the professional development requirements
18 of chapter 284, for the school year beginning July 1, 2020,
19 and ending June 30, 2021, the moneys calculated and paid to
20 the school district for professional development pursuant to
21 section 257.10, subsection 10, or section 257.37A, subsection
22 2, to provide thirty-six hours of professional development
23 opportunities held outside of the minimum school day, may
24 instead be used by a school district to provide instructional
25 time to the school calendar in addition to the amount of
26 instructional time required under section 279.10, subsection 1,
27 and the thirty-six-hour professional development requirement
28 of chapter 284 shall be reduced by such number of hours of
29 additional instructional time.

30 DIVISION ____
31 TEMPORARY FLEXIBILITY FOR CERTAIN EDUCATIONAL INSTRUCTIONAL AND
32 POLICY REQUIREMENTS
33 Sec. ____ . OPEN ENROLLMENT — EXTENSION OF NOTIFICATION
34 DEADLINE FOR THE 2020-2021 SCHOOL YEAR. Notwithstanding
35 section 282.18, subsection 2, paragraph "a", for the school

1 year commencing July 1, 2020, a parent or guardian shall have
2 until July 15, 2020, to notify to the district of residence and
3 the receiving district, on forms prescribed by the department
4 of education, that the parent or guardian intends to enroll
5 the parent's or guardian's child in an online public school
6 in another school district, if the child, another resident of
7 the child's residence, or a regular caretaker of the child
8 has a significant health condition that increases the risk
9 of COVID-19. The notification shall include the name of the
10 person with the health condition, specify the person's health
11 condition, include written verification of the health condition
12 from the person's physician or licensed health care provider
13 and, for persons other than the child, whether the person with
14 the health condition is a resident of the child's residence
15 or the child's regular caretaker. Section 282.18, subsection
16 3, shall not apply to a notification submitted in accordance
17 with this section. Notwithstanding section 282.18, subsection
18 2, paragraph "b", the superintendent of the receiving school
19 district is authorized to approve a notification received
20 under this section. Within fourteen days of receipt of such
21 notification, the superintendent shall notify the parent or
22 guardian and the school district of residence that the request
23 has been approved or denied. If the notification has been
24 denied or if further review is required, the superintendent
25 shall provide the parent or guardian with an explanation of
26 the approval process and expected timeline for the review. A
27 decision to deny a request submitted under this section is
28 subject to appeal under section 290.1. The state board shall
29 exercise broad discretion to achieve just and equitable results
30 that are in the best interest of the affected child. This
31 section is not intended to extend the provisions of section
32 282.18, subsection 2, paragraph "a", for enrollment in a
33 physical school district.

34 Sec. _____. SCHOOL DISTRICT DUTIES RELATING TO COMPETENT
35 PRIVATE INSTRUCTION FOR THE 2020-2021 SCHOOL YEAR. For

1 the school year beginning July 1, 2020, and ending June 30,
2 2021, upon request of a parent, guardian, or legal or actual
3 custodian, each school district shall provide to children
4 receiving competent private instruction available texts or
5 supplementary materials on the same basis as they are provided
6 to regularly enrolled students when a child is under dual
7 enrollment or in a home school assistance program. This
8 section shall only apply to children who are enrolled in their
9 school district's home school assistance program by the child's
10 parent, guardian, or legal or actual custodian.

11 Sec. _____. SCHOOL DISTRICT CLOSURES DURING THE 2020-2021
12 SCHOOL YEAR. For the school year beginning July 1, 2020, and
13 ending June 30, 2021, if the governor proclaims a public health
14 disaster pursuant to section 29C.6, the board of directors of a
15 school district may authorize closure of the school district
16 or any school district attendance center due to an outbreak
17 of COVID-19 in the school district or any school district
18 attendance center. School districts are encouraged to follow
19 guidelines issued by the centers for disease control and
20 prevention of the United States department of health and human
21 services and the Iowa department of public health, and may
22 consult with the local board of health when determining social
23 distancing measures or authorizing a school closure.

24 Sec. _____. INSTRUCTIONAL TIME PROVISIONS FOR SCHOOL
25 DISTRICTS AND ACCREDITED NONPUBLIC SCHOOLS FOR THE 2020-2021
26 SCHOOL YEAR.

27 1. Notwithstanding any other provision of law to the
28 contrary, the instructional time requirements of section
29 279.10, subsection 1, and the minimum school day requirements
30 of section 256.7, subsection 19, shall not be waived any
31 time during the school year beginning July 1, 2020, and
32 ending June 30, 2021, for school closure due to the COVID-19
33 pandemic unless the school district or the authorities in
34 charge of the accredited nonpublic school, as appropriate,
35 provide compulsory remote learning, including online learning,

1 electronic learning, distance learning, or virtual learning.
2 Unless explicitly authorized in a proclamation of a public
3 health disaster emergency issued by the governor pursuant to
4 section 29C.6 and related to COVID-19, a brick-and-mortar
5 school district or accredited nonpublic school shall not take
6 action to provide instruction primarily through remote-learning
7 opportunities.

8 2. If the board of directors of a school district or
9 the authorities in charge of an accredited nonpublic school
10 determines any time during the school year beginning July 1,
11 2020, and ending June 30, 2021, that a remote-learning period
12 is necessary, the school board or the authorities in charge of
13 an accredited nonpublic school, as appropriate, shall ensure
14 that teachers and other necessary school staff are available
15 during the remote-learning period to support students, to
16 participate in professional development opportunities, and
17 to perform other job-related functions during the regular,
18 required contract hours, even if the accessibility to or by the
19 teachers and other necessary school staff is offered remotely.

20 Sec. ____ . TRUANCY REQUIREMENTS FOR THE 2020-2021 SCHOOL
21 YEAR. In addition to the provisions of chapter 299, a
22 child who is enrolled in a school district or accredited
23 nonpublic school but who does not participate in compulsory
24 remote-learning opportunities, including online learning,
25 electronic learning, distance learning, or virtual learning,
26 offered by the school district or accredited nonpublic school
27 of enrollment during a period of school closure implemented
28 any time during the school year beginning July 1, 2020, and
29 ending June 30, 2021, due to the COVID-19 pandemic shall be
30 considered truant. This section is not applicable to a child
31 who was receiving competent private instruction or independent
32 private instruction in accordance with the requirements of
33 chapter 299A prior to July 1, 2019. Any child who was enrolled
34 in a public school or accredited nonpublic school prior to July
35 1, 2019, may be subject to the provisions of chapter 299 if

1 the child's parent, guardian, or legal custodian did not, for
2 the school year beginning July 1, 2020, complete and send the
3 report required under section 299.4 to the school district of
4 residence of the child in a timely manner.

5 Sec. _____. TEACHER ENDORSEMENT WAIVER FOR THE 2020-2021
6 SCHOOL YEAR. For the school year beginning July 1, 2020, and
7 ending June 30, 2021, notwithstanding any provision to the
8 contrary, if a school district or accredited nonpublic school
9 has made every reasonable and good-faith effort to employ a
10 teacher licensed under chapter 272 who holds an endorsement for
11 a specified grade level or subject area and is unable to employ
12 a teacher with the appropriate endorsement, and the school
13 district or accredited nonpublic school is also unable to
14 develop, or use a private provider to provide, an online course
15 that meets the requirements of chapter 256, the director of
16 the department of education may waive the teacher-endorsement
17 requirements for the specified grade level or subject area for
18 the school district or accredited nonpublic school, and the
19 provisions of section 256.9, subsection 48, and section 272.15,
20 subsection 4, shall not apply.

21 Sec. _____. MISCELLANEOUS POLICY PROVISIONS FOR SCHOOLS
22 FOR THE 2020-2021 SCHOOL YEAR. The following provisions are
23 applicable for the school year beginning July 1, 2020, and
24 ending June 30, 2021:

25 1. SOCIAL DISTANCING. In implementing social distancing
26 policies included in a return-to-learn plan, the board of
27 directors of each school district and the authorities in charge
28 of each accredited nonpublic school shall, to the extent
29 possible, provide in-person instruction for core academic
30 subjects.

31 2. STATEWIDE ASSESSMENTS. The provisions of section 256.7,
32 subsection 21, paragraph "b", relating to the administration
33 of statewide summative assessment of student progress, and the
34 assessments administered in accordance with sections 279.60
35 and 279.68, shall not be waived, and such assessments shall be

1 administered to students as required by those sections.

2 3. CPR CERTIFICATION — EXCEPTION FOR GRADUATION. If a
3 school district or accredited nonpublic school closes on the
4 advice of a local board of health, the department of public
5 health, or because the governor proclaims a public health
6 disaster pursuant to section 29C.6, a student who meets the
7 graduation requirements of section 256.7, subsection 26,
8 paragraph "a", the requirements of section 280.9A, and the
9 school district's or accredited nonpublic school's graduation
10 requirements may graduate without meeting the cardiopulmonary
11 resuscitation certification requirements of section 256.11,
12 section 6, paragraph "c".

13 4. NOTIFICATION OF SIGNIFICANT HEALTH CONDITION —
14 COMPULSORY REMOTE LEARNING. If a parent or guardian of a
15 student enrolled in a school district or accredited nonpublic
16 school notifies the school district or accredited nonpublic
17 school in writing that the student, another resident of the
18 student's residence, or a regular caretaker of the student
19 has a significant health condition that increases the risk of
20 COVID-19, the school district or accredited nonpublic school
21 shall make reasonable accommodations for the student, on a
22 case-by-case basis, to attend school through remote learning.
23 The provision of special education and accommodations for
24 students who have individualized education programs or
25 section 504 plans in compliance with the requirements of
26 section 504 of the Rehabilitation Act, 29 U.S.C. §794, and
27 with Tit. II of the Americans with Disabilities Act, 42
28 U.S.C. §12131-12165, will be determined by each respective
29 individualized education program team or section 504 team.
30 The notification shall include the name of the person with
31 the health condition, specify the person's health condition,
32 include written verification of the health condition from the
33 person's physician or licensed health care provider and, for
34 persons other than the student, whether the person with the
35 health condition is a resident of the student's residence

1 or the student's regular caretaker. A school district or
2 an accredited nonpublic school may collaborate with an area
3 education agency or another school district or accredited
4 nonpublic school to provide remote learning opportunities to a
5 student who meets the requirements of this section.

6 5. Notwithstanding section 256.7, subsection 32; section
7 256.9, subsection 55; section 256.43; or any other provision
8 to the contrary, a school district or accredited nonpublic
9 school may provide instruction primarily through continuous
10 remote-learning opportunities if such instruction is provided
11 in accordance with a return-to-learn plan submitted by
12 the school district or accredited nonpublic school to the
13 department of education in response to a proclamation of a
14 public health disaster emergency explicitly addressing school
15 closures, issued by the governor pursuant to section 29C.6 and
16 related to COVID-19, without regard to whether the accredited
17 nonpublic school or school district is approved to provide
18 instruction primarily through continuous remote-learning
19 opportunities. Instruction provided pursuant to this section
20 shall be provided by teachers licensed pursuant to chapter 272
21 and shall assure and maintain evidence of alignment of the
22 courses with the Iowa core and core content requirements and
23 standards.

24 DIVISION ____

25 SCHOOL DISTRICT IMPACT REPORT

26 Sec. ____ . SCHOOL DISTRICT COVID-19 IMPACT REPORT FOR BUDGET
27 YEAR 2019-2020. Each school district shall submit a report
28 to the department of education, in a format and by a date
29 as determined by the department, detailing any reduction in
30 expenditures to the school district resulting from the closure
31 of schools due to the COVID-19 pandemic during the school
32 budget year beginning July 1, 2019, and ending June 30, 2020,
33 including but not limited to reductions in expenditures for
34 transportation, the number of contract employees which include
35 certified and classified employees laid off by the school

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1 district and the number of non-contract employees laid off
2 by the school district, both listed by staff position, and
3 spring or summer programs canceled or otherwise impacted. The
4 department shall prepare and, by November 15, 2020, submit to
5 the general assembly, a report that details for each school
6 district the total net impact of the COVID-19 pandemic on each
7 school district's budget.

8 DIVISION ____

9 EFFECTIVE DATES AND APPLICABILITY

10 Sec. ____ . EFFECTIVE UPON ENACTMENT. Unless otherwise
11 provided, this Act, if approved by the governor on or after
12 July 1, 2020, takes effect upon enactment.

13 Sec. ____ . RETROACTIVE APPLICABILITY. Unless otherwise
14 provided, this Act, if approved by the governor on or after
15 July 1, 2020, applies retroactively to July 1, 2020.>

16 17. Title page, by striking lines 1 through 4 and inserting
17 <An Act relating to educational instructional requirements
18 and funding flexibility and including effective date and
19 retroactive applicability provisions.>

20 18. By renumbering as necessary.>

By AMY SINCLAIR

S-5149 FILED JUNE 12, 2020

SENATE FILE 2415

S-5147

- 1 Amend Senate File 2415 as follows:
- 2 1. Page 5, after line 14 by inserting:
- 3 <Sec. _____. The department of transportation shall submit
- 4 an annual report to the general assembly on or before December
- 5 31 for the next five fiscal years which shall include any cost
- 6 savings to the department from adding additional full-time
- 7 equivalent employees from the fiscal year prior.>
- 8 2. By renumbering as necessary.

By CRAIG JOHNSON

S-5147 FILED JUNE 12, 2020

HOUSE AMENDMENT TO SENATE AMENDMENT TO
TO HOUSE FILE 737

S-5148

- 1 Amend the Senate amendment, H-8084, to House File 737,as
2 passed by the House, as follows:
- 3 1. Page 2, line 5, by striking <4. a.> and inserting <4.>
 - 4 2. Page 2, by striking lines 7 through 9.
 - 5 3. By striking page 2, line 11, through page 3, line 2.
 - 6 4. Page 3, by striking lines 7 through 32.
 - 7 5. By renumbering as necessary.

S-5148 FILED JUNE 12, 2020

HOUSE AMENDMENT TO SENATE AMENDMENT TO
TO HOUSE FILE 737

CCH-760

REPORT OF THE CONFERENCE COMMITTEE

ON HOUSE FILE 760

CCH-760

To the Speaker of the House of Representatives and the President of the Senate:

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 760, a bill for an Act relating to the exemption from the hotel and motel taxes for the renting of lodging after a certain number of consecutive days, respectfully make the following report:

1. That the House recedes from its amendment, S-3261.
2. That the Senate recedes from its amendment, H-1316.
3. That House File 760, as amended, passed, and reprinted by

the House, is amended to read as follows:

1. Page 1, by striking lines 1 through 13 and inserting:

<Section 1. Section 423A.5, subsection 1, Code 2020, is amended to read as follows:

1. a. The sales price from the renting of lodging ~~which is rented by the same person to a person where the lodging is rented by the same person~~ for a period of more than thirty-one consecutive days, except as provided in paragraph "b".

b. The sales price from the renting of lodging to a person where the lodging is rented by the same person for the period beginning after ninety consecutive days of rental by such person, if the rental is a room, apartment, or sleeping quarter in a hotel, motel, inn, public lodging house, or rooming house, or in any place where sleeping accommodations are furnished to a transient guest.

Sec. 2. Section 423A.5, Code 2020, is amended by adding the following new subsection:

NEW SUBSECTION. 4. a. The sales price of lodging furnished to the guests of a nonprofit lodging provider and the purpose of renting is to provide a place for the friends and family of

CCH-760 (Continued)

a hospital patient during a time of medical need of the patient and the length of stay is based upon the needs of the friends, family, or patient.

b. For purposes of this subsection, "*nonprofit lodging provider*" means a nonprofit entity which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code that maintains an established facility that provides lodging to friends and family of a hospital patient during a time of medical need of the patient.>

2. Title page, lines 2 and 3, by striking <after a certain number of consecutive days>

ON THE PART OF THE HOUSE:

ON THE PART OF THE SENATE:

DUSTIN HITE, CHAIRPERSON

ROBY SMITH, CHAIRPERSON

MONICA KURTH

JERRY BEHN

NORLIN MOMMSEN

CHRIS COURNOYER

JOHN WILLS

PAM JOCHUM

MARY WOLFE

ZACH WAHLS

[CCH-760](#) FILED JUNE 12, 2020

HOUSE AMENDMENT TO SENATE AMENDMENT TO
HOUSE FILE 2486

S-5146

1 Amend the Senate amendment, H-8256, to House File 2486, as
2 passed by the House, as follows:

3 1. By striking page 1, line 4, through page 27, line 1, and
4 inserting:

5 <Sec. _____. Section 43.14, subsection 1, paragraph g, Code
6 2020, is amended by striking the paragraph.

7 Sec. _____. Section 45.5, subsection 1, paragraph f, Code
8 2020, is amended by striking the paragraph.

9 Sec. _____. Section 47.1, subsection 2, Code 2020, is amended
10 to read as follows:

11 2. a. The state commissioner of elections may exercise
12 emergency powers over any election being held in a district
13 in which either a natural or other disaster or extremely
14 inclement weather has occurred. The state commissioner's
15 decision to alter any conduct for an election using emergency
16 powers must be approved by the legislative council. If the
17 legislative council does not approve the secretary of state's
18 use of emergency powers to conduct an election, the legislative
19 council may choose to present and approve its own election
20 procedures or choose to take no further action. The state
21 commissioner of elections may also exercise emergency powers
22 during an armed conflict involving United States armed forces,
23 or mobilization of those forces, or if an election contest
24 court finds that there were errors in the conduct of an
25 election making it impossible to determine the result.

26 b. If an emergency exists in all precincts of a county,
27 the number of polling places shall not be reduced by more than
28 thirty-five percent. The polling places allowed to open shall
29 be equitably distributed in the county based on the ratio of
30 regular polling places located in unincorporated areas in the
31 county to regular polling places in incorporated areas in the
32 county.

33 Sec. _____. Section 49.57, subsection 6, Code 2020, is amended
34 to read as follows:

35 6. A portion of the ballot shall include the words "Official

1 ballot", the unique identification number or name assigned by
2 the commissioner to the ballot style, the date of the election,
3 and the impression or likeness of the county seal of the county
4 of the commissioner who has caused the ballot to be printed
5 pursuant to section 49.51.

6 Sec. _____. Section 54.5, subsection 2, Code 2020, is amended
7 to read as follows:

8 2. The state central committee shall also file a list of
9 the names and addresses of the party's presidential electors
10 and alternate electors, one from each congressional district
11 and two from the state at large, not later than 5:00 p.m.
12 on the eighty-first day before the general election. A
13 political party may elect up to two alternate electors at the
14 party's state convention. Additionally, the party's state
15 central committee may nominate one alternate elector for each
16 congressional district.

17 Sec. _____. Section 54.5, Code 2020, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 2A. Each elector nominee and alternate
20 elector nominee of a political party or group of petitioners
21 shall execute the following pledge, which shall accompany
22 the submission of the corresponding names to the state
23 commissioner:

24 If selected for the position of elector, I agree to serve
25 and to mark my ballots for president and vice president for
26 the nominees for those offices of the party (or group of
27 petitioners) that nominated me.

28 Sec. _____. Section 54.7, Code 2020, is amended to read as
29 follows:

30 **54.7 Meeting — certificate.**

31 1. The presidential electors and alternate electors shall
32 meet in the capitol, at the seat of government, on the first
33 Monday after the second Wednesday in December next following
34 their election.

35 2. If, at the time of such meeting, any elector for any

1 ~~cause is absent, those present shall at once proceed to~~
2 ~~elect, from the citizens of the state, a substitute elector or~~
3 ~~electors, and certify the choice so made to the governor, and~~
4 ~~the governor shall immediately cause the person or persons so~~
5 ~~selected to be notified thereof~~ the state commissioner shall
6 appoint an individual to substitute for the elector as follows:

7 a. If the alternate elector is present to vote, by
8 appointing the alternate elector for the vacant position.

9 b. If the alternate elector is not present to vote, by
10 appointing an elector chosen by lot from among the other
11 alternate electors present to vote who were nominated by the
12 same political party or group of petitioners.

13 c. If the number of alternate electors present to vote is
14 insufficient to fill a vacant position pursuant to paragraphs
15 "a" and "b", by appointing any immediately available citizen
16 of the state who is qualified to serve as an elector and
17 chosen through nomination by a plurality vote of the remaining
18 electors, including nomination and vote by a single elector if
19 only one remains.

20 d. If there is a tie between at least two nominees to
21 substitute as an elector in a vote conducted under paragraph
22 "c", by appointing an elector chosen by lot from among those
23 nominees.

24 e. If all elector positions are vacant and cannot be filled
25 through the processes set forth in paragraphs "a", "b", "c", and
26 "d", by appointing a single presidential elector with remaining
27 vacant positions filled pursuant to the method set forth in
28 paragraph "c" and, if necessary, paragraph "d".

29 3. To qualify to substitute for an elector under subsection
30 2, an individual who has not executed the pledge required for
31 elector nominees and alternate elector nominees under section
32 54.5 shall execute the following pledge:

33 I agree to serve and to mark my ballots for president and vice
34 president consistent with the pledge of the individual whose
35 elector position I have succeeded.

1 Sec. _____. Section 54.8, Code 2020, is amended by striking
2 the section and inserting in lieu thereof the following:

3 **54.8 Elector voting — certificate of governor.**

4 1. At the time designated for elector voting and after all
5 vacant positions have been filled under section 54.7, the state
6 commissioner shall provide each elector with a presidential
7 and a vice presidential ballot. The elector shall mark the
8 elector's presidential and vice presidential ballots with
9 the elector's votes for the offices of president and vice
10 president, respectively, along with the elector's signature and
11 the elector's legibly printed name.

12 2. Except as otherwise provided by law of this state outside
13 of this chapter, each elector shall present both completed
14 ballots to the state commissioner who shall examine the ballots
15 and accept and cast all ballots of electors whose votes are
16 consistent with their pledges executed under section 54.5
17 or 54.7. Except as otherwise provided by law of this state
18 outside of this chapter, the state commissioner shall not
19 accept and shall not count an elector's presidential and vice
20 presidential ballots if the elector has not marked both ballots
21 or has marked one ballot in violation of the elector's pledge.

22 3. An elector who refuses to present a ballot, presents
23 an unmarked ballot, or presents a ballot marked in violation
24 of the elector's pledge executed under section 54.5 or 54.7
25 vacates the office of elector. The state commissioner shall
26 declare the creation of the vacancy and fill the vacancy
27 pursuant to section 54.7.

28 4. The state commissioner shall distribute ballots to
29 and collect ballots from a substitute elector and repeat the
30 process set forth in this section for examining ballots,
31 declaring and filling vacant positions as required, and
32 recording appropriately completed ballots from the substituted
33 electors until all of the state's electoral votes have been
34 cast and recorded.

35 5. The governor shall duly certify the results, under the

1 seal of the state, to the United States secretary of state, and
2 as required by Act of Congress related to such elections.

3 Sec. _____. NEW SECTION. **54.8A** **Elector replacement —**
4 **associated certificates.**

5 1. After the vote of this state's electors is completed,
6 if the final list of electors differs from any list that the
7 governor previously included on a certificate of ascertainment
8 prepared and transmitted under 3 U.S.C. §6, the state
9 commissioner shall immediately prepare an amended certificate
10 of ascertainment and transmit the amended certificate to the
11 governor for the governor's signature.

12 2. The governor shall immediately deliver the signed
13 amended certificate of ascertainment to the state commissioner
14 and a signed duplicate original of the amended certificate
15 of ascertainment to all individuals entitled to receive this
16 state's certificate of ascertainment, indicating that the
17 amended certificate of ascertainment is to be substituted for
18 the certificate of ascertainment previously submitted.

19 3. The state commissioner shall prepare a certificate
20 of vote. The electors on the final list shall sign the
21 certificate. The state commissioner shall process and
22 transmit the signed certificate with the amended certificate of
23 ascertainment under 3 U.S.C. §§9 through 11.

24 Sec. _____. Section 331.552, subsection 4, Code 2020, is
25 amended to read as follows:

26 4. Keep the official county seal provided by the county.
27 The official seal shall be an impression seal on the face of
28 which shall appear the name of the county, the word "county",
29 which may be abbreviated, ~~the word "treasurer" which may be~~
30 ~~abbreviated,~~ and the word "Iowa".

31 Sec. _____. **AFFIDAVIT OF CANDIDACY — 2020 GENERAL ELECTION**
32 **NOMINEES.** For the 2020 general election, a candidate nominated
33 for county hospital trustee or township trustee shall file
34 with the county commissioner a signed, notarized affidavit of
35 candidacy and nomination petition, if applicable, by 5:00 p.m.

S-5146 (Continued)

1 not less than sixty-nine days before the general election. An
2 affidavit of candidacy shall include the information required
3 under section 44.3.>

4 2. Title page, by striking line 1 and inserting <An Act
5 relating to the conduct of elections, including emergency
6 powers, procedures relating to electors, and the use of a
7 county seal on materials related to elections.>

8 3. By renumbering as necessary.>

S-5146 FILED JUNE 12, 2020

HOUSE FILE 2540

S-5145

1 Amend the amendment, S-5113, to House File 2540, as amended,
2 passed, and reprinted by the House, as follows:

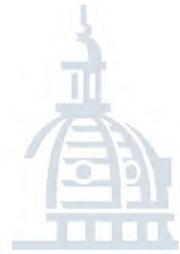
3 1. Page 8, after line 23 by inserting:
4 <Sec. ____ . EMERGENCY RULES. The alcoholic beverages
5 division of the department of commerce may adopt emergency
6 rules under section 17A.4, subsection 3, and section 17A.5,
7 subsection 2, paragraph "b", to implement the provisions of
8 this division of this Act and the rules shall be effective
9 immediately upon filing unless a later date is specified in the
10 rules. Any rules adopted in accordance with this section shall
11 also be published as a notice of intended action as provided
12 in section 17A.4.>

13 2. By renumbering as necessary.

By CRAIG JOHNSON

S-5145 FILED JUNE 12, 2020

ADOPTED



[SF 2283](#) – Emergency Medical Services, Training Centers (LSB6044SVV.1)
Staff Contact: Christin Mechler (515.250.0458) christin.mechler@legis.iowa.gov
Fiscal Note Version – As amended by [S-5105](#)

Description and Background

[Senate File 2283](#), as amended by the House, relates to emergency medical services (EMS) training and service award programs and authorizes the governing body of a municipality to implement an optional tax to fund these programs.

The Bill as amended establishes the following:

Length of Service Award

The Bill allows the governing body of a municipality as defined in Iowa Code section [100B.21](#) to establish a “length of service” award program for volunteer fire fighters (defined in Iowa Code section [85.61](#)), volunteer emergency medical care providers (defined in Iowa Code section [147A.1](#)), and reserve peace officers (defined in Iowa Code section [80D.1A](#)) as described in section [457\(e\)\(11\)](#) of the federal Internal Revenue Code (IRC). Program awards must be designed to be treated as tax-deferred benefits per the federal IRC.

A Length of Service Award Program Grant Fund is created under the control of the State Fire Service and Emergency Response Council (IFSERC) for the purpose of providing grants to a municipality that establishes a length of service award program. The Bill requires the IFSERC to establish administrative rules that develop a grant application process and submit these for promulgation to the State Fire Marshal (SFM). The grant process is required to provide for a maximum of a dollar-for-dollar funding match for a municipality that has established a grant award program.

EMS Training Program

Under current law, an Iowa college approved by the Higher Learning Commission or an Iowa hospital that desires to provide EMS training in order to be certified as an EMS provider may apply to the Department of Public Health (DPH) to establish a program. The Bill authorizes a medical care ambulance service or nontransport service to also apply with the DPH to establish an EMS training program.

EMS as an Essential Service and Establishment of the County EMS System Advisory Council

The Bill allows a county to draft and adopt a resolution declaring EMS to be considered an essential county service. The Bill states that each county for which a resolution to deem EMS an essential service has been adopted is required to coordinate efforts between the county’s emergency management coordinator and local EMS agencies to establish a County EMS System Advisory Council (Council). The Council is tasked with assisting in researching and assessing the service needs of the county, and guiding implementation of services within the county within a council structure and as prescribed by the most recent updated Iowa EMS standards. The Council is required to file an annual report with the BOS of the county whose EMS needs the Council has assessed and recorded.

Optional Taxes for EMS

The Bill allows a county BOS, upon adoption of a resolution declaring EMS to be an essential service, to impose an ordinance establishing a local option income surtax, an ad valorem property tax, or a combination of both. Revenues from one or a combination of these optional taxes are to be deposited in the EMS Trust Fund established in Iowa Code section [422D.6](#). Moneys in the Fund are to be used for EMS and for the purpose of matching federal or State funds designated for education and training related to such services. The Bill also amends Iowa Code section [422D.6](#) to explicitly remove the current list of costs which may be reimbursed by moneys in the EMS Trust Fund, including defibrillators, nondisposable ambulance equipment, certain communications equipment, training on EMS equipment, certain first response and rescue vehicles including ambulances and associated automotive parts, buildings, and land.

1) Local Option Income Surtax

The Bill states that a local option income surtax may be imposed for tax years beginning on or after January 1 of the fiscal year in which the ordinance imposing the surtax is filed with the Director of the Department of Revenue (DOR). Before such a surtax is imposed, a benefited EMS district within the county planning to impose the surtax must be dissolved. The county is held liable for the outstanding obligations of the benefited district.

2) Ad Valorem Property Tax

The Bill provides that an ad valorem property tax may be levied at a rate set by the BOS on all taxable property in a county for the fiscal year in which a county adopts a resolution that designates EMS as an essential service. The Bill requires the BOS to set the property tax rate so as to raise only the amount necessary to support EMS.

At the next regular or city election following adoption of the resolution designating EMS as an essential service, the BOS is required to direct the county commissioner of elections to include on the ballot a question of whether or not the tax or combination of taxes should be discontinued. Should the majority vote to discontinue the tax, the BOS will be required to discontinue the tax(es). Following the discontinuance, the BOS is prohibited from adoption of a new resolution declaring EMS as an essential service for a period of two years.

Assumptions

- The SFM assumes that requiring the IFSERC to take control over the Length of Service Award Program Grant Fund will create additional costs resulting from paying per diem and operational expenses. Current annual board expenses total approximately \$1,000 per quarterly meeting, or approximately \$5,000 annually.
- The SFM estimates that overseeing the new award program will result in additional administrative expenses and an increase in the number of IFSERC meetings to one meeting monthly.
- There are 19 EMS training centers in the State of Iowa. These training centers are primarily located at and staffed by either community colleges or hospitals. Currently, 0.10 full-time equivalent (FTE) position from the DPH assists in coordinating training with these centers.
- The DPH assumes that it will need to hire 1.0 additional Executive Officer 2 position in order to meet the training coordination demand resulting from the requirements of [SF 2283](#).
- The DPH assumes that two new entities will apply to become EMS training centers on an annual basis as a result of [SF 2283](#). Currently, the DPH approves an estimated four applications annually.

Fiscal Impact

Length of Service Award

The SFM estimates that the new requirements for the IFSERC will result in a cost increase of approximately \$9,000 annually. **Table 1** provides a breakdown of the total net cost increase.

Table 1—Cost Increase, IFSERC

Per Diem	
<i>11 Council members at \$50/day</i>	\$ 550
Mileage	
<i>1,528 miles at \$0.39/mile</i>	596
Total Cost/Meeting	\$ 1,146
Current Annual Cost	
<i>4 meetings at \$1,146/meeting</i>	\$ 4,584
Proposed Annual Cost	
<i>12 meetings at \$1,146/meeting</i>	\$ 13,752
Net Cost Increase	
<i>(Current Annual Cost - Proposed Annual Cost)</i>	
Total	\$ 9,168

It cannot be determined how many eligible volunteer fire fighters, emergency medical care providers, and reserve peace officers will take advantage of the Length of Service Award Program. [Senate File 2283](#), as amended, does not identify a funding source for the Program. Additional fiscal impact cannot be determined at this time.

EMS as an Essential Service

The section of [SF 2283](#) establishing EMS as an essential service is not expected to have a fiscal impact.

EMS Training Programs

Table 2 below provides a breakdown of the salary, benefits, and related costs for the 1.0 additional Executive Officer 2 position that the DPH has stated it will need to hire in order to meet the training coordination requirements of [SF 2283](#).

Table 2—Estimated Costs, DPH

Year One		Year Two	
Description of Cost	Base Amount	Description of Cost	Base Amount
Executive Officer 2 FTE Salary	\$ 80,400	Executive Officer 2 FTE Salary	\$ 80,400
DAS Human Resources Costs*	700	DAS Human Resources Costs*	700
Computer/Software	2,500	Computer/Software	300
Office Supplies, Telephone and Travel	5,200	Office Supplies, Telephone and Travel	5,200
Set-Up Costs (One-Time)	2,200	Set-Up Costs (One-Time)	N/A
Vehicle Lease	6,000	Vehicle Lease	6,000
Total	\$ 97,000	Total	\$ 92,600

DAS = Department of Administrative Services

The DPH also estimates that it will collect minimal fee revenue as a result of increased EMS training center application fees. **Table 3** shows an estimated amount of fee revenue collected by the DPH as a result of the establishment of new EMS training centers across the State.

Table 3—Fee Revenue Collection, DPH

Collected Fees	Year One	Year Two
Current Training Programs (Four Programs at \$2,500/Application)	\$ 10,000	\$ 10,000
New Training Programs (Two Programs at \$2,500/Application)	–	5,000
Total	\$ 10,000	\$ 15,000

Revenue collected by the DPH from application fees will be deposited in the EMS Fund established in Iowa Code section [135.25](#).

Establishment of the County EMS System Advisory Council

The section of [SF 2283](#) requiring counties that deem EMS an essential service to establish a County EMS System Advisory Council is not expected to have a fiscal impact.

Optional Taxes for EMS

According to the Department of Management (DOM), the section of [SF 2283](#) that allows a municipality to impose a local option income surtax or ad valorem property tax, or combination thereof, is not expected to have a significant fiscal impact for the DOM. The DOM will use existing software to track changes in county property tax collections.

However, as both the income surtax and ad valorem property tax are optional, it is unknown how many counties will impose one or a combination of these taxes.

Fiscal Impact Summary

Table 4 provides a total net cost estimate for [SF 2283](#), as amended, for both the first and second year of implementation.

Table 4—Net Cost Estimate, [SF 2283](#)

Cost	Year One	Year Two
DPH	\$ 97,000	\$ 92,600
IFSERC	9,168	9,168
Total	\$ 106,168	\$ 101,768

Sources

Legislative Services Agency
Department of Revenue
Department of Management
Department of Public Safety
Department of Public Health

/s/ Holly M. Lyons

June 12, 2020

Doc ID 1136907

The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

www.legis.iowa.gov



[HF 2641](#) – Department of Revenue, Omnibus Bill (LSB5409HV.1)
Staff Contact: Jeff Robinson (515.281.4614) jeff.robinson@legis.iowa.gov
Fiscal Note Version – As passed by the House

Description

[House File 2641](#), as passed by the House, contains 19 divisions. Please note that for this **Fiscal Note**, the term “Department” refers to the Department of Revenue and the term “sales tax” also refers to the use tax when applicable.

- **Division I** relates to Iowa tax administration and tax penalties. The Division:
 - Allows the Department, through agreements, to collect taxes and fees from sellers making sales at the State fair and at county fairs.
 - Creates monetary penalties for persons who fail to file certain income tax forms.
 - Expands and creates criminal penalties for situations where a person willfully makes false or frivolous applications for tax refunds, rebates, credits, or other tax benefits (perjury).
 - Expands the availability of power of attorney or other authority procedures that will allow others to act and receive information on behalf of a taxpayer.
 - Allows the Department to distribute a website reference (instead of a physical document) specifying the rights of the taxpayer and obligations of the Department during an audit, taxpayer appeal procedures, and the procedures the Department may use in enforcing the tax laws, including notices of assessment and jeopardy assessment and the filing and enforcement of liens (Taxpayer Bill of Rights).
 - Allows a taxpayer to elect to receive correspondence from the Department electronically.
 - Allows the Department to redact information prior to disclosure of a record in a court or contested case.
 - Provides that the period of examination is unlimited in any action by the Department to recover or rescind a tax expenditure.
 - Removes the role of the Department in the application for reinstatement for various forms of corporations.
 - Establishes a due date that is the last day of the fourth month following the end of the taxpayer’s tax year (April 30 for calendar year filers) for the moneys and credits tax (credit unions) and requires that the tax return be on a form prepared by the Department.
- **Division II** relates to sales and use tax. The Division:
 - Requires that, at the time of registration of a snowmobile or all-terrain vehicle, and in situations where there is not satisfactory evidence that the sales tax has already been paid, the county recorder shall collect sales tax. The tax shall be remitted to the Department on a monthly basis.
 - Adds services arising from software sold as tangible personal property to the description of services subject to the State sales tax.
 - Adds the term “specified digital product” to the description of components of a transaction that make that transaction not a bundled transaction.
 - Expands the existing sales tax exemption for preserve whitetail deer to apply the exemption to the commercial service of whitetail deer hunting. Based on existing language, the exemption applies to sales that occurred between July 1, 2005, and December 31, 2015. Specifies that refunds of taxes already paid on these transactions

are not allowed. The tax exemption will only apply to taxpayers who have yet to pay the tax on the exempted service.

- Exempts the purchase of diapers from the sales tax if the purchase is eligible under medical assistance as defined in Iowa Code section [249A.2](#). The change is effective July 1, 2020.
- Exempts the purchase of feminine hygiene products from the sales tax. The change is effective July 1, 2020.
- Clarifies existing sales tax exemptions available for tribal governments, designated exempt entities, and governmental entity construction contracts.
- Removes language that applies the use tax at a rate of 6.0% to the purchase or installed price of manufactured housing. A reference applying the use tax at a rate of 5.0% remains.
- Clarifies the duty to collect and remit sales and use taxes and also clarifies the joint liability of the purchaser and retailer for the payment of the tax until the tax is paid.
- **Division III** modifies required loss carryback provisions for taxpayers who report a net operating loss. Specifies that a taxpayer may elect to waive a carryback period in favor of a loss carryforward period of up to 20 years. The change applies to tax year 2020 and after.
- **Division IV** allows for an increase in the total annual maximum dollar amount of School Tuition Organization Tax Credits that may be issued in a calendar year, beginning after January 1, 2022. Under current law, the annual maximum is \$15.0 million. Under the Bill, the annual amount could reach a maximum of \$20.0 million.
- **Division V** updates federal Internal Revenue Code references related to the Research Activities Tax Credit. The changes are effective upon enactment and apply to tax year 2019 and after.
- **Division VI** relates to partnership and other pass-through entity tax returns and audits.
- **Division VII** amends 2020 Iowa Acts, [SF 2328](#) or [HF 2565](#) (Public Agency Payment Setoff Bill), if either is enacted by making changes to effective dates and requiring the adoption of administrative rules. The changes are effective upon enactment and apply beginning with the enactment date of either SF 2328 or HF 2565.
- **Division VIII** relates to business taxation, the business interest expense deduction, and Global Intangible Low-Taxed Income (GILTI). The Division:
 - Decouples Iowa tax law from recent federal Internal Revenue Code changes that limit the deduction of business interest expenses for income tax purposes, beginning tax year 2020. The change will reduce business taxable income.
 - Allows business taxpayers to deduct GILTI from Iowa business taxable income. The change will reduce business taxable income.
 - Rescinds recent Department rules related to the GILTI deduction.
- **Division IX** expands the existing State sales tax and State hotel and motel tax diversion for the support of reinvestment districts. The Division:
 - Expands the definition of “municipality” to include a joint board or other legal entity established between two or more contiguous municipalities. Under current law, the term only refers to a county or a city.
 - Allows the Economic Development Authority Board to approve additional reinvestment districts for a time period beginning July 1, 2020, through June 30, 2025. The aggregate amount of State sales tax and State hotel and motel tax diversions allowed for all districts approved during the new timeframe may total up to \$100.0 million. The maximum size allowed for a single new district is 75 acres.
 - Allows the Economic Development Authority Board to extend the 20-year maximum number of years a reinvestment district may receive State sales tax and State hotel and motel tax diversions for up to an additional 5 years under specified circumstances.
- **Division X** exempts certain sales of computer peripherals from the sales tax. The new exemption applies to the sale of computer peripherals in the same manner as a similar

exemption applies to the sale of computers. The term “computer peripheral” is defined as an ancillary device connected to the computer digitally, by cable, or by other medium, used to put information into or get information out of a computer.

- **Division XI** increases the current restriction limiting corporate taxpayers to no more than 25.0% of the annual maximum amount of School Tuition Organization Tax Credits allowed for a calendar year. The current restriction is 10.0%.
- **Division XII** excludes from Iowa income taxation the amount of any federal, State, or local grant provided to a communications service provider where the proceeds of the grant were used to install broadband infrastructure in targeted service areas. The change takes effect upon enactment and applies to tax year 2019 and after.
- **Division XIII** relates to local assessors. The Division:
 - Requires local assessor appointments to be confirmed by the Department before the appointment is effective.
 - Prohibits a local assessor from personally assessing property the assessor or a member of the assessor’s immediate family owns.
 - Requires approval of the relevant city attorney or county attorney when a [Conference Board](#) employs special counsel to assist with litigation involving assessments.
- **Division XIV** excludes the forgiven loan proceeds a business receives through the federal Paycheck Protection Program (PPP) from taxable income for Iowa income tax purposes.
- **Division XV** exempts purchases made by a nonprofit food bank from the sales and use tax.
- **Division XVI** specifies how an Iowa resident’s share of a business entity’s entity-level tax payments to another state or foreign country on income that is also subject to Iowa income tax is to be determined for Iowa income tax purposes. This change will reduce Iowa taxable income.
- **Division XVII** exempts any financial assistance grant provided to a business by the Iowa Economic Development Authority under the [Iowa Small Business Relief Grant Program](#) from Iowa income tax. The change is effective upon enactment and applies retroactively to any tax year ending on or after March 23, 2020.
- **Division XVIII** relates to port authorities. Iowa currently has one port authority ([SIREPA — Southeast Iowa Regional Economic & Port Authority](#)). The Division makes the following changes to Iowa Code chapter [28J](#):
 - Expands the definition of “political subdivision” to include all levels of municipalities as defined in Iowa Code section [16.151](#). That section defines “municipality” to include all governmental bodies, including a State agency or a political subdivision of the State, and all combinations of two or more governmental bodies acting jointly.
 - Reduces the number of political subdivisions that are required to create a port authority from two or more to one or more. Specifies that the creation of a port authority must be done by resolution of the political subdivision(s). Specifies that a port authority may be located anywhere in Iowa and is not required to be near a body of water.
 - Authorizes port authorities to enter into lease contracts and loan agreements. Allows a port authority to enter into trust agreements with a trust company or bank for the purpose of securitization of lease contracts and loan agreements.
 - Allows a governmental agency to cooperate in the operation of a port authority. Current law limits the cooperation to acquisition and construction of port authority facilities.
 - Expands the definition of “government agency” to include any city utility, any political subdivision, and special purpose districts and authorities.
 - Adds infrastructure, utility service, and flood control to the authorized purposes of a port authority.
 - Expands the definition of “city” to include a city enterprise as defined in Iowa Code section [384.24](#).
 - Adds architectural services, technical services, preliminary reports, property valuations, consequential damages or costs, provisions for contingencies, supervision, inspection,

and testing to the definition of “cost” as that term relates to port authorities. Among the provisions of Iowa Code chapter 28J, the term “cost” applies to the issuance of revenue bonds and other indebtedness, the issuance of pledge orders to contractors, the ability of a port authority to enter into contracts, and the contents of an annual report that must be submitted to the Iowa Economic Development Authority.

- Adds interest and costs of issuance on loan agreements, lease contracts, certificates of participation, and other participatory interests to the definition of “cost” as that term applies to port authorities.
- Expands the definitions of “facility” and “port authority facility” to include any project for which tax-exempt financing is authorized by the federal Internal Revenue Code and to include all real and personal property constructed by or for a port authority.
- **Division XIX** amends 2020 Iowa Acts, [SF 2413](#) (Food Operations Trespass Act), which created food operation trespass penalties. This change removes food establishments and farmers markets from the definition of food operations.

Provisions with No Fiscal Impact

The Department has determined that the following provisions have no fiscal impact on tax revenue:

- Department Administrative Changes (Division I)
- Research Activities Tax Credit Update (Division V)
- Partnership and Pass-Through Entity Audits (Division VI)
- Setoff Procedures Effective Date (Division VII)
- Local Assessor Changes (Division XIII)
- Port Authority Expansion (Division XVIII)
- Food Operation Trespass (Division XIX)

Fiscal Impact Assumptions

Diapers Purchased Through Medical Assistance (Medicaid). Based on Department estimates, diapers were purchased through Medicaid for the use of 16,120 persons in FY 2018, and the average cost per person was \$960 for the year. This equates to \$15.5 million in purchases during FY 2018. The Legislative Services Agency (LSA) estimates that increases in price and Medicaid eligibility will increase the total dollar amount purchased by 2.9% per year. The State sales tax rate is 5.0%, the school infrastructure sales tax rate is 1.0%, and the local option sales tax (LOST) rate averages 0.9%.

Preserve Whitetail Deer Hunting. The estimated amount of sales tax owed by taxpayers for preserve whitetail deer hunting over the applicable timeframe is estimated from Department records to be \$0.2 million.

Feminine Hygiene Products Sales Tax Exemption. The Department estimates that feminine hygiene product purchases subject to Iowa sales tax during FY 2021 will total \$31.2 million and that inflation will increase the dollar amount of purchases by 1.9% per year. The State sales tax rate is 5.0%, the school infrastructure sales tax rate is 1.0%, and the LOST tax rate averages 0.9%.

Net Operating Loss Carryforward. The estimate for this change was provided by the Department.

School Tuition Organization Tax Credit Increase. The estimate for this change was provided by the Department based on the previous patterns of tax credit award and redemption for this tax credit and further assuming that the tax credit limit will reach the maximum \$20.0 million in

annual credits in the shortest timeframe allowed under the change (calendar year 2025). The Department also assumes that the change is first applicable to calendar year 2022.

Business Interest Expense Deduction. The estimate for this change was developed by the Department based on the business interest expense deduction from tax year 2018 corporate income tax filings, projected interest rates provided by Moody's Analytics, and a projected 25.0%/75.0% spread of the impact between the current fiscal year and the succeeding fiscal year.

Global Intangible Low-Taxed Income Exemption. The Department bases the fiscal impact estimate for this change on the provision's national impact as estimated by the [Joint Committee on Taxation](#) at the time the provision was adopted by Congress. The Department warns that the actual impact of the lowa exemption could differ significantly from this estimate.

Reinvestment District Sales Tax. The Department assumes that the maximum \$100.0 million State sales and State hotel and motel sales tax diversion will occur in 20 equal installments (\$5.0 million per year).

Computer Peripherals Sales Tax Exemption. The Department concludes that the addition of items attached to a computer, physically or digitally, will not increase the value of the sales tax exemption to qualified purchasers of the peripherals (no fiscal impact). This would be true if the change simply codifies current practice. The Department response does not provide a reason as to why this change has no fiscal impact.

Corporate School Tuition Tax Credit. The Department reports that corporate donations account for less than the current 10.0% maximum of total credits allocated under current law and therefore the increase to 25.0% will have no fiscal impact. The LSA agrees that under the current maximum School Tuition Tax Credit limit of \$15.0 million per year, this change will have no fiscal impact. However, combined with the annual limit increase provided in Division IV, the corporate income tax percentage increase to 25.0% could result in a fiscal impact until if and when the tax credit cap reaches \$20.0 million. Any additional fiscal impact from the combination of divisions IV and XI will not occur until at least FY 2023 and is not included in the fiscal impact calculation for this Bill.

Broadband Infrastructure Grant Tax Exemption. There is no information available within Iowa income tax records concerning the amount of income individuals or for-profit entities receive through State, federal, and local broadband infrastructure grants. The fiscal impact estimate was developed using award amounts available from published sources. Since the exemption applies beginning tax year 2019, and since taxpayers have until July 31, 2020, to file tax year 2019 returns, the change has a projected impact for FY 2020.

Federal Paycheck Protection Program (PPP). The exemption for business income generated through forgiven PPP loans applies to a subset of Iowa business entities whose forgiven PPP loans are not already tax-exempt under current law. The Department estimates that the total amount of PPP loans forgiven in Iowa will be \$4,959.1 million and that the new exemption will impact \$1,105.0 million of that amount. The Department assumes that the associated exclusion of business expenses paid for with forgiven PPP loans will equal 90.0% of the \$1,105.0 million and this will result in a net statewide decrease in taxable business income of \$110.5 million. The Department estimates that across all types of businesses with projected PPP loans forgiven, the average tax rate will equal 5.2%. The combination of assumptions results in a tax decrease of \$5.8 million as a result of this provision.

Food Bank Sales Tax Exemption. The Department reports that there are six large food bank organizations operating in Iowa and approximately 60 smaller food banks. The [Fiscal Note](#) estimate for [HF 2103](#) (Food Bank Sales Tax Exemption Bill) was used to establish the fiscal estimate for this exemption. The State sales tax rate is 5.0%, the school infrastructure sales tax rate is 1.0%, and the LOST tax rate averages 0.9%.

Entity-Level Exemption for Income Tax Paid to Others. In tax year 2017, Iowa Out-of-State Tax Credit claims totaled \$102.8 million. Of this amount, \$12.6 million was claimed for income earned in 11 states that impose income tax at the entity level for pass-through entities. Of the taxpayers who claimed the Iowa credit who also identified states that taxed pass-through entities at the entity level, approximately 33.3% of claim amounts were identified by taxpayers who reported pass-through income on their Iowa Schedule E tax form. It is therefore assumed that claims for the Out-of-State Tax Credit will increase by 33.3% of \$12.6 million under the proposal (\$4.2 million annually).

Iowa Small Business Relief Grant Program Tax Exemption. An estimated \$24.1 million in grants were awarded to Iowa businesses. Assuming that without this exemption, the full amount will be included on business tax returns during the 2020 tax year and assuming an average marginal tax rate of 5.5% across all impacted businesses, the new exemption is projected to reduce FY 2021 net General Fund revenue by \$1.3 million. Please note that the exemption language in the Bill is open-ended. If the Iowa Economic Development Authority awards financial assistance in the future using the same grant program created in 2020, the value of those grants will also be exempt from Iowa income tax.

Fiscal Impact

Table 1 provides the projected net State General Fund fiscal impact of the various provisions of the Bill.

Table 1

General Fund Estimated Fiscal Impact by Provision							
In Millions							
Division	Provision	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
II	Diapers Through Medicaid Sales Tax	\$ 0.0	\$ -0.8	\$ -0.8	\$ -0.8	\$ -0.9	\$ -0.9
II	Preserve Whitetail Deer Sales Tax	0.0	-0.2	0.0	0.0	0.0	0.0
II	Feminine Hygiene Products Sales Tax Exemption	0.0	-1.6	-1.6	-1.6	-1.6	-1.7
III	Net Operating Loss	0.0	-1.0	-1.0	-1.1	-1.1	-1.1
IV	School Tuition Tax Credit	0.0	0.0	0.0	-1.0	-2.5	-4.1
VIII	Business Interest Expense	0.0	-6.0	-4.1	-8.8	-14.4	-16.7
VIII	Global Intangible Low-Taxed Income	0.0	-13.8	-5.1	-5.1	-5.2	-5.3
IX	Reinvestment Districts Sales Tax Diversion	0.0	-5.0	-5.0	-5.0	-5.0	-5.0
X	Computer Peripherals Sales Tax Exemption	0.0	0.0	0.0	0.0	0.0	0.0
XI	Corporate School Tuition Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0
XII	Broadband Infrastructure Grants Exemption	-0.9	-2.3	-1.5	-1.5	-1.6	-1.6
XIV	Paycheck Protection Program Loans	0.0	-5.8	0.0	0.0	0.0	0.0
XV	Food Banks Sales Tax Exemption	0.0	-0.1	-0.1	-0.1	-0.2	-0.2
XVI	Entity-Level Income Tax Paid	0.0	-4.2	-4.2	-4.3	-4.3	-4.4
XVII	Iowa Small Business Relief Grants Exemption	0.0	-1.3	0.0	0.0	0.0	0.0
Total		\$ -0.9	\$ -42.1	\$ -23.4	\$ -29.3	\$ -36.8	\$ -41.0

In addition to the reductions in State General Fund revenue, the sales tax exemptions are projected to reduce school infrastructure tax collections by \$0.5 million per year and local option sales tax collections by \$0.5 million per year, with both impacts beginning FY 2021. A minor reduction in the yield from the income tax surtax for schools is also projected.

Correctional Impact

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay; revocation rates; plea bargaining; and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

Fraudulent Practice

The amendment to Iowa Code section [421.27\(6\)](#) makes numerous changes to and expands the criminal offense of fraudulent practice. The penalty for fraudulent practice is defined in Iowa Code sections [714.9](#) through [714.13](#). The penalty for fraudulent practice ranges from a simple misdemeanor to a Class C felony depending on the amount of money or value of property involved. In addition to the criminal penalties, a person who commits a fraudulent practice is liable for a penalty of \$1,500 or an amount equal to 75.0% of the tax benefit fraudulently claimed.

Correctional Impact

The Bill expands the current offense of fraudulent practice, and the correctional impact cannot be determined due to a lack of data. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

The Bill expands the definition of an existing offense, and the minority impact cannot be determined due to a lack of data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this section cannot be estimated due to the unknown correctional impact. The State cost for a fraudulent practice conviction ranges from \$40 to \$350 for a simple misdemeanor and \$11,600 to \$19,400 for a Class C felony. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections (DOC). The cost would be incurred across multiple fiscal years for prison and parole supervision.

Perjury

The Bill enacts new Iowa Code section 421.27A by creating a criminal offense for perjury and defines the circumstances in which a person commits perjury. A person who commits the criminal offense of perjury under this new language commits a Class D felony. A Class D felony is punishable by confinement for no more than five years and fine of at least \$750 but not more than \$7,500.

Correctional Impact

The Bill creates a new offense, and the correctional impact cannot be estimated. **Table 2** provides estimates for sentencing to State prison, parole, probation, or community-based corrections (CBC) residential facilities; length of stay (LOS) under those supervisions; and supervision marginal costs per day for all convictions of aggravated misdemeanors and Class D felonies.

Table 2 — Sentencing Estimates and LOS

Conviction Offense Class	Percent to Prison	FY 19 Avg Length of Stay Prison (months)	FY 19 Marginal Cost/Day Prison	FY 19 Avg Length of Stay Parole (months)	FY 19 Marginal Cost/Day Parole	Percent to Probation	FY 19 Avg Length of Stay Probation (months)	FY 19 Avg Cost/Day Probation	Percent to CBC Residential Facility	FY 19 CBC Marginal Cost/Day	Percent to County Jail	Avg Length of Stay in County Jail	Marginal Cost/Day
Class D Felony Non-Persons	76.0%	12.2	\$20.38	13.0	\$6.12	64.0%	31.8	\$6.12	12.0%	\$12.58	29.0%	N/A	\$50.00

Please refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

The Bill creates a new offense, and the minority impact cannot be determined. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of this new offense cannot be estimated due to the unknown correctional impact. The State cost for one Class D felony conviction ranges from \$10,000 to \$14,700. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Unlawful Disclosure of Tax Return Information and Tax Investigation Information

The amendment to Iowa Code section [422.20\(1\)](#) adds an intent element, “willfully or recklessly,” to the criminal offense related to the unlawful disclosure of tax return information by State personnel or former State personnel. A person who commits a violation under Iowa Code section 422.20(1) commits a serious misdemeanor.

The amendment to Iowa Code section [422.72\(1\)\(a\)](#) adds the intent element of “willfully or recklessly” to the criminal offense related to the unlawful disclosure by State personnel or former State personnel of the business affairs, operations, or information obtained through a tax-related investigation. A person who unlawfully discloses such information commits a serious misdemeanor under Iowa Code section 422.72(4).

A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$315 but not more than \$1,875.

Correctional Impact

The Bill adds an intent element to the current offenses under Iowa Code sections 422.20(1) and 422.72(1)(a), and the correctional impact cannot be determined due to a lack of data. Refer to the LSA memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 16, 2020, for information related to the correctional system.

Minority Impact

The Bill modifies the definition of existing offenses, and the minority impact cannot be determined due to a lack of data. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 15, 2020, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of the modified offenses cannot be estimated due to the unknown correctional impact. The State cost for one serious misdemeanor conviction ranges from \$410 to \$4,900. The estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the DOC. The cost would be incurred across multiple fiscal years for prison and parole supervision.

Sources

Iowa Department of Revenue

Moody's Analytics

[House File 2103 Fiscal Note](#)

[Cost Estimates Used for Correctional Impact Statements](#)

[Minority Impact Statement](#)

Legislative Services Agency calculations

/s// Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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